THESIS

USER-GENERATED CONTENT:

AN EXAMINATION OF USERS

AND THE COMMODIFICATION OF INSTAGRAM POSTS

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ABSTRACT

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The language around social media contributes to perceptions of who is posting content and why. The concept of user generated content (UGC) places an emphasis on authorship and has been defined as online content that is publically available and created by end-users in a creative effort (Dennhardt, 2013). UGC is a powerful tool for businesses because it taps into one of the most valued marketing tools: verbal consumer-to-consumer communication, which is also known as "word of mouth" (WOM) marketing. However, the tactics used by companies to integrate UGC with their own content and goals has resulted in a blurred line between sponsored content paid by advertisers and UGC independently posted by regular users. Recent attempts to regulate this distinction have struggled to determine how, exactly, audiences can be effectively alerted to paid content on social media platforms, especially Instagram.

This study uses the persuasion knowledge model (PKM) as a theoretical framework to examine if and when audiences' responses to and coping mechanisms are triggered in Instagram. It argues that digital media literacy is especially challenged in UGC platforms, and draws on political economy to suggest that the relationships between producers and consumers has been blurred in favor of the producers. Online users who have a well-known or niche brand can make money from his or her brand and online community because companies use "regular people" to push products to reach a specific audience; one that a regular user has the ability to build and

maintain. This is why businesses have targeted UGC and why the user interaction with this type of content needs to be re-examined.

This study examines the relationships between viewer perceptions of commercial sponsorship and post content in the social media platform, Instagram. Specifically, it examines whether or not the trust and credibility generally associated with electronic word-of-mouth are affected by hashtags and other cues on Instagram posts. This project asks, Does the commodification of user-generated content change the way the content is perceived by users? It tests these relationships in an experiment that manipulates hashtags and @name text that accompany an image. The study hypothesizes that users will not be more likely to identify content as sponsored when a #promoted tag is present in the caption than when #ad or #sponsored is used; it also hypothesizes that @company_name tags were more likely to be recognized as sponsored than the hashtag text versions. Changes in advertising recognition, persuasive intent of the message, trust in the message, and credibility of the message were examined in between subjects' analyses using ANOVAs, correlations, and t-tests.

The results revealed several findings. Results showed users recognized the @company_handle as an advertisement more than #ad, #sponsored, and #promoted. The results also showed no significant difference between user's perception of the hashtags #ad, #sponsored, and #promoted. Also, even when these cues were present, some participants were not aware of their presence and did not recognize any advertising on the post within the survey. It was also found that once identified as an advertisement, the trustworthiness and credibility towards the post was not affected.

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1.   INTRODUCTION

In early 2015, the clothing retailer Lord & Taylor paid 50 different bloggers to wear and promote a new dress on Instagram. Instagram users with a large following were chosen for this campaign. Those chosen were generally related to the fashion industry as bloggers and given creative freedom to style the dress with the obligation to use the Lord & Taylor business's Instagram handle "@lordandtaylor" along with the hashtag "#DesignLab" in the Instagram post's caption. The company pre-approved each post (Federal Trade Commission, 2016) prior to it being shared on the mobile application.

The $88 dress sold out almost immediately because of this Instagram campaign. It was a smart advertising tactic. The company connected with bloggers who normally produce their own content and used the blogger's own Instagram followers as the target audience. It was also, however, misleading to audiences because this sponsorship was often unclear in the bloggers' posts. In fact, many of the 50 bloggers did not originally disclose how they were given the dress for free and compensated to promote it through their Instagram accounts.

> "Instagrammers were hand-picked and compensated by the brand, with each selected based on her aesthetic and reach," Lord & Taylor Chief Marketing Officer Michael Crotty said. "The goal was to make (a girl or women) stop in her feed and ask why all her favorite bloggers are wearing this dress and what is Design Lab? Using Instagram as that vehicle is a logical choice, especially when it comes to fashion (Griner, 2015, para. 4)."

These posts garnered more than 1,000 likes each, and some reached an impressive 13,000 likes (Griner, 2015) meaning that 13,000 people interacted with one blogs post by expressing his or her approval with the press of a button. Lord & Taylor CMO Michael Crotty was quoted saying the goal was to make the company's target audience stop in her Instagram feed and ask why all her favorite bloggers were wearing this dress. The answer to this question would be simple if those

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bloggers explained to their audiences that the Instagram post was actually an undisclosed paid advertisement.

This marketing tactic not only caught the attention of the researcher but also the Federal Trade Commission (FTC). In March 2016, Lord & Taylor settled in a law suit with the FTC. The FTC's grievance stated that the company did not impose requirements for the influencers to disclose to their followers that Lord & Taylor paid money for the blogger to post the dress and although the company handle was present, the FTC did not recognize that as enough of a disclosure. At the end of the weekend campaign, the bloggers' posts reached 11.4 million Instagram users and led to over 300,000 engagements with Lord & Taylor's Instagram account.

From left, Instagrammers Cara Van Brocklin (@caraloren), Rachel Lynch (@IHateBlonde) and Jessica Ricks (@hapatime). *Photos via Instagram*

Figure 1.   Bloggers who promoted the Lord & Taylor dress.

1.1 Internet Content and Users

The internet, which refers to a variety of technologies including cloud storage and services, enables users to shape content because it affords interpersonal, intergroup and individual

communications to large audiences; this has been called 'mass self-communication' (Hardy, 2014; Castells, 2009). The internet combines 'vertical' communication, being the creation and distribution of corporate produced one-to-many communication, with a more 'horizontal' communication among everyday people. It combines interactive, interpersonal and intergroup networks and users (Hardy, 2014, Castells, 2009). The somewhat more recent proliferation of user-generated content (UGC) such as blogs, comments, reviews, and users' social media posts, rather than media corporations, contribute to internet platforms and have enhanced these networks.

With the growth of web 2.0 many aspects of production have shifted; this includes the distribution of power, influence, and reach. In traditional media such as television, radio, and paper-based newspapers, audiences had little direct power to shape media content. The internet has created a paradigm shift in the way people communicate. Online, trust is a new type of currency and people expect to have interactions with authentic users and transparent conversations in a human voice (Gonzalez-Herrero & Smith, 2008) from businesses. As a result of this new type of currency, the seemingly "authentic" content generated by users has a special value to marketers. Within this shift, businesses have learned how valuable it is to access already established online communities and online influencers to convey their marketing in a more productive, efficient, and targeted manner.

The internet facilitates this two-way, real-time communication between firms and consumers making collaborative strategies (Godek & Yates, 2005; Kahn, 1998; Prahalad & Ramaswamy, 2000; Sheth, Sisodiea, & Sharma, 2000) with influencing users economically practical (Godek & Yates, 2005; Hoffman & Novak, 2005). Companies have developed campaigns around individual social media sites for marketing purposes (Close, 2012; e.g.,

Kablpan & Haenlein, 2010) such as taking advantage of already established brand communities (Close, 2012; Muniz & O'Guinn, 2001), conducting ethnographic marketing research (Close, 2012; Kozinets, 2002), and uncovering co-creation opportunities (Close, 2012; Prahalad & Ramaswamy, 2004) as well as implementing user-generated advertising.

One new media company, Instagram, was launched in 2010 as a photo-sharing site, and after a few years videos were incorporated. Within two years (2012), Instagram was acquired by Facebook for $1 billion in cash and stock (Rusli, 2012). By 2013, Instagram grew by 23%, while Facebook, as the parent company, only grew by 3% (Knibbs, 2014). The fact that the leading social media platform in America purchased Instagram is just one of the factors that makes this platform intriguing.

1.2 Media Literacy and UGC

Since its early conceptualization as Web 2.0, user-generated content has become an umbrella term people use when talking about content created by regular people rather than corporations. This idea of content created by regular people becomes ambiguous as people generate content on behalf of businesses and brands. If content is said to be 'user generated,' it does not mean users necessarily have full creative control over what is produced and how it gets displayed (van Dijck, 2009, pg.51) online. This brings to the forefront just one layer of ambiguity from a term commonly used by both producers and consumers. Another area of ambiguity with the term user-generated content includes not only who produced the content, but whether the person has been paid for the creation of the content.

Just as people are aware of commercials on television and radio, people should have the media literacy to recognize persuasive intent (i.e. when a product is being shared on social media because a person has been paid to do so.) Media literacy can address situations such as these by

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providing users with the coping skills needed to address the difference between diverse types of UGC online. Literacies of representation, including information and media literacy, challenge people to critically evaluate media messages (Tyner, 2009). Literacy is needed when it comes to the internet because this tool incorporates many mechanisms and modes of communication.

The current success of hybrid advertising forms, such as the utilization of regular people for advertising on Instagram, is partly due to the way the commercial message is communicated (Balasubramanian, 1994). This approach embeds advertising within the content of entertainment or other non-advertising formats such as films, television shows, games, etc. As a result, the advertising may go unnoticed on a conscious level but can still affect consumers' brand attitudes (e.g., van Reijmersdal et al., 2007). Without active perception that a message is an advertisement, persuasion knowledge is not activated and consumers are less likely to be critical of an ad's claims (Verhellen, Oates, De Pelsmacker, Dens, 2013) or in this case, persuasive intent.

Accordingly, digital media literacy is recommended to combat these tactics and provide people with the ability to recognize when they are being sold to and when they are not online, more specifically on social media platforms. On social media platforms, it is easy for a user to share content for the sake of creativity in one post and in the next share a post because they have been paid by a company to produce sponsored content. Many media operate in what economists call a 'dual product market', selling goods ('content') to consumers but also selling their own media audiences to advertisers (Hardy, 2014; Doyle, 2002b: 12). Blogs and social media platforms have this 'dual product market'. The primary source of revenue for most media corporations is the sale of advertising space and time. Blogs and social media platforms are media corporations; it is their business is to sell audiences to advertisers (Klaehn, 2010).

The Lord & Taylor example is just one example of the gravity of online advertisements and sponsorships when not properly disclosed. It should not just be the businesses responsibility for disclosure. In some cases, depending on the community, it is expected that the user be responsible for the disclosure. Some communities have a higher standard of ethical guidelines. Bloggers, for instance, follow a code of conduct created among the community. It is a recent phenomenon where users also have an influential or persuasive power. As such, users should have the literacy to recognize when content is sponsored in all spaces online, but this may not always be the case. As a professional blogger, I found some users have high digital literacy while others do not. This is where the FTC becomes an important mediator. The Commission serves companies and people with a complaint when there is an alleged accusation of a law being violated and that the possible violation needs to be assessed in the interest of the Public (Federal Trade Commission, 2016). Once the Commission reaches a decision, the consent order becomes "law" for future behavior. When a violation occurs after the decision is made, it can cost a penalty of up to $16,000 (Federal Trade Commission, 2016).

1.3 Persuasion and UGC

Advertising messages are commonly defined as "paid communication from an identified sponsor using mass media to persuade an audience" (Thorson & Rodgers, 2012, p. 4). This type of content assimilates commercial messaging into content that is seemingly editorial, making the advertisement subtle (Tutaj & van Reijmersdal, 2012). When the identification of the sponsor is unclear or obscured, however, standard persuasion effects may be absent or altered. The line between paid and unpaid content is particularly blurred on social media such as Instagram. Users generally view such platforms as the domain of user-generated content – content that is unpaid – but advertisers are increasing leveraging user accounts to communicate their messages by

sponsoring specific posts. The persuasion knowledge model (PKM, PK model) is a theoretical framework used in advertising to identify responses to and coping mechanisms for content perceived as persuasive.

PKM was developed with a goal of building a cohesive theory of the "interplay between agents' and targets' persuasion knowledge, that is, what marketers believe and what consumer believe (Nelson & Ham, 2012; Friestad & Wright, 1994, p. 22)." This theory is relevant to social networking sites because of their two-way communication quality. This model could be used across any social media platform as there is usually the ability to communicate back and forth. Rather than a target consumer passively receiving messages, the target (in this case an Instagram user) is an active receiver, interpreter, and responder to advertising messages.

In recent years, the assumption that UGC is unpaid content created by non-paid individuals has been undermined. In part, this is due to user's ability to monetize content through the advertising which can be posted on or with the content on their own page. Although the content is still often created by regular users, the motivating factors may be because the content was paid for by a business. Labor relations on the internet are shifting from user-controlled platforms, run largely by communities of users who have established their own protocols, to a business-infiltrated mecca where SNS become a mediating space for what van Dijck (2009) calls a brokerage system, where platforms become a mediating space between a product and potential audiences (van Dijck, 2009) and a user becomes the marketer. Very little research has examined how user-generated content navigates expectations of users and needs of advertisers. However, more research is focusing on content that is not traditionally commercial content (i.e. sponsorships and brand placement, (Faber et al. 2004; Van Reijmersdal, Neijens, & Smit, 2009) and native advertising. These types of content have hidden persuasive messages that are not

always recognized as advertising by the viewer (van Reijmersdal, 2009). UGC is a relatively young field of research so there is need for further research into how such tactics affect users. This research contributes to this gap in the literature through an experiment. By comparing versions of Instagram posts and assessing levels of recognition and trust, this study illuminates differences in people's responses to sponsored and unsponsored posts.

This research also provides insight into the growing issues around UGC. This insight is needed because a number of online companies are turning to user-generated content as another conduit for online marketing and advertising (Butosi, 2012). According to the IAB Internet Advertising Revenue Report (IAB, 2015), in the third quarter of 2015 the U.S. internet advertising revenues hit $15 billion making it the highest quarter on record. This number does not include the growing number of users' being paid to endorse products on SNS like Instagram and is an example for why political economy is needed to address the type of transactions occurring on social media platforms. As media corporations expand, so does their influence on public policy because information systems carry enormous political power (Lewis, 2010). Media's obligation is to make a profit and they have found a way to utilize users as a source of production and revenue. The current project examines the impact of sponsored and unsponsored UGC within this for-profit context and more generally the commodification of UGC.

1.4 Goal and Overarching Research Question

This experiment is grounded in theories encompassing media literacy, persuasion, and political economy. It examines how internet users attend to images and text on the photo-sharing platform Instagram and if their perception of trust and message credibility is effected by persuasive intent. This project investigates this social media platform because of its popularity

among Americans and its growing use among advertisers. In Chapter 2, Instagram is explained and discussed more fully.

The goal of the study is to examine the impact of sponsored content on users' perceptions of Instagram. Specifically, it analyzes if and how the trust and credibility associated with electronic word-of-mouth are affected by cues on Instagram posts to indicate they are sponsored content. The project aims to contribute to theoretical models of persuasion knowledge in digital contexts, especially when the line between sponsored- and user-generated-content is ambiguous. With this in mind, the current project addresses the following over-arching research question:

Does the commodification of user-generated content change the way the content is perceived by users?

Chapter 2 describes Instagram more fully and discusses its importance in the current landscape of social networking sites and user generated content. It also addresses and distinguishes user-generated advertising from UGC and addresses current federal regulations of online advertising. Chapter 3 explains the theoretical framework of the study by discussing how media literacy and the persuasion knowledge model can be used to examine user-generated content from the perspectives offered by theories of political economy. Then, Chapter 4 provides a detailed discussion of the methods that will be used for the study. It also explains how the analysis will be conducted. Chapter 5 discusses the results from the experiment while Chapter 6 discusses these findings more fully and Chapter 7 concludes with the limitations of the research.

2. INSTAGRAM'S INFLUENCE AS A SOCIAL MEDIUM

As a participatory media, Web 2.0 has dramatically expanded the influence and distribution of the public's contribution to media all the while expanding the reach businesses can have within the consumer's personal space. Value and power are derived from the active participation of many people within this space. The term Web 2.0, the second generation of the World Wide Web, is used as times when referring to social media. Reddick & Aikins (2012) explains Web 2.0 as a variety of Web-based platforms and applications which exploit the internet's connectivity to provide a place for networking. These include blogs, media and file sharing systems (e.g. SlideShare, YouTube) along with and social networking sites (e.g. Instagram) (Reddick & Aikins, 2012).

This chapter describes how social media is a growing phenomenon, then focuses on the platform used in this study, Instagram. Next the researcher discusses digital marketing and online advertising along with how businesses advertise on Instagram. Then, notions of content generated by regular users is addressed, as well as how UGC have become ambiguous because businesses have increased sponsorship of regular users on platforms like Instagram which changes the motivation of certain users and their posts. The researcher then explains the power of electronic word of mouth and trust online which leads to the importance of federal regulations online. It concludes with a brief summary of the chapter.

2.1 Social Media: A powerful and growing phenomenon

In the past 10 years, the growth and diversification of the internet has been impressive: 84% of Americans use the internet, and 94% of those between the ages of 18 - 25 (Pew Research, 2015). Social media platforms are a large proportion of this use: 74% of all internet users (65%

of all adults) use at least one social media site, and 90% of those aged 18 to 29. Further, 71% of internet users use Facebook, 28% use Instagram (53% of those aged 18 – 29) and half of all Instagram users, about 49%, use the site daily. Instagram has seen momentous growth in almost every demographic group (Pew Research Center, 2015).

Overall, social media use has seen a 26% rise in the past 5 years (Pew Research Center, 2015). Young adults are in the forefront as users who are always online. In a survey conducted by Pew Research (2015), teens were asked about their frequency in use of the internet. Going online "almost constantly" has become a normal behavior for 36% of 18- to 29-year-olds while 50% of these users disclosed that go online multiple times a day. Users who are 65 and older go online "almost constantly" significantly less at 6% while 24% of users in that age bracket are online multiple times a day (Pew Research Center, 2015). Each year the use of social media platforms increases, as does the number of internet users. Correspondingly, businesses' interest in capitalizing on these spaces have also grown. The sheer number of users reveal how significant the current study is for understanding the role of online media in society.

Social networking sites rise and fall in popularity. Sometimes platforms are extremely popular for a time and then see a decrease of interest, such as what happened to the social media platform Myspace, which is no longer as widely used even though the social media platform still has about 50 million people who visit the platform each month (Shields, 2015). The number is still nowhere near the 100 million accounts Myspace held in 2006. In contrast, Twitter, a micro-blogging tool that launched in 2007, has experienced steady use with no mass exodus of users. At times, apps become adopted quickly and find their way to winning the hearts of users. Some apps are even presented the prestigious 'iPhone App of the Year' award. The Instagram app earned this industry accolade in 2011 when it reached 10 million users after about a year from its

launch in 2010 (compared, for example, to Twitter, which reached about 150,000 users its first

year). This popularity and rapid diffusion is in part why the current study examines Instagram in

order to explore the relationships between business and regular people's use of digital media.

2.1.1 Instagram

Instagram is free a photo and video mobile application created by Kevin Systrom and

Mike Kreiger in San Francisco (not quite Silicon Valley). The goal for the creators was "to make

Instagram not be just a photo-sharing app, but to be the way users share their life when they are

on the go" (Lagorio-chafkin, 2011). Initially this application was available strictly by for Apple's

mobile operating system known as the iOS system. It was only available for download and use

on cellular devices created by tech company, Apple (TechCrunch, 2016). Since the initial launch

of the app on iOS systems, its availability expanded to users on Android mobile operating

systems (developed by Google) in 2012.

In April 2012, Instagram was acquired by Facebook for approximately $1 billion (Rusli,

2012), and grew its user base by 23% within one year. In 2015, the company announced via

Twitter that users could access the website www.Instagram.com through desktop computer.

Desktop users have limited access to the app restricting the ability to post photos and videos via,

but allowing for users to not only look at photos, but search, discover, and like them.

This is a different type of access to the platform. The mobile version of Instagram provides users the ability to manipulate their own photos and videos through a number of filters which can manipulate color, hues, and tone, while providing other visual effects to the photo as seen in Figure 2.
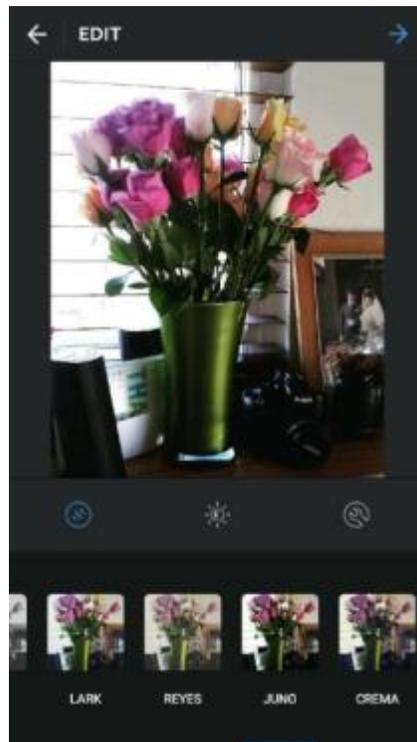
Figure 2.   Image enhancement filters on Instagram's mobile application.

Instagram provides users the ability to video up to 60 seconds (this increased from 15 seconds in 2016). In order to become a user of this application, it must be downloaded on a mobile phone. A person can register for an account by creating a username and password. Upon creation of a user profile, photos and videos may be uploaded to the application through the specific user account.

The application enables users to create captions and link to other users of the application with the @ symbol, creating a link from the post to that user's account. This notifies the user that

they've been mentioned (i.e. tagged) on Instagram (Hu et al, 2014). Users can also utilize the # symbol (known as a hashtag on Instagram) within the caption or comment section to describe the pictures and videos, to cultivate images under a certain name, or to connect with other users who utilize the same hashtag. The hashtag is a form of communication adopted from micro-blogging site Twitter. Originally the hashtag was developed to index keywords (Highfield & Leaver, 2015) on Twitter and has since been embraced by SNS users on many different platforms as ways to develop and form communities (Highfield & Leaver, 2015; Bruns & Burgess, 2011) as to describe a photo or image.

Instagrammers, which is how people refer to users of Instagram, can use text for captions and chat in a synchronous or asynchronous manner and gives users the ability to chat via direct messages and through the comments section below the image or video. Figure 3 shows a typical Instagram post which displays geo-tagging, a caption utilizing the hashtag system and a dialogue with Instagram user.
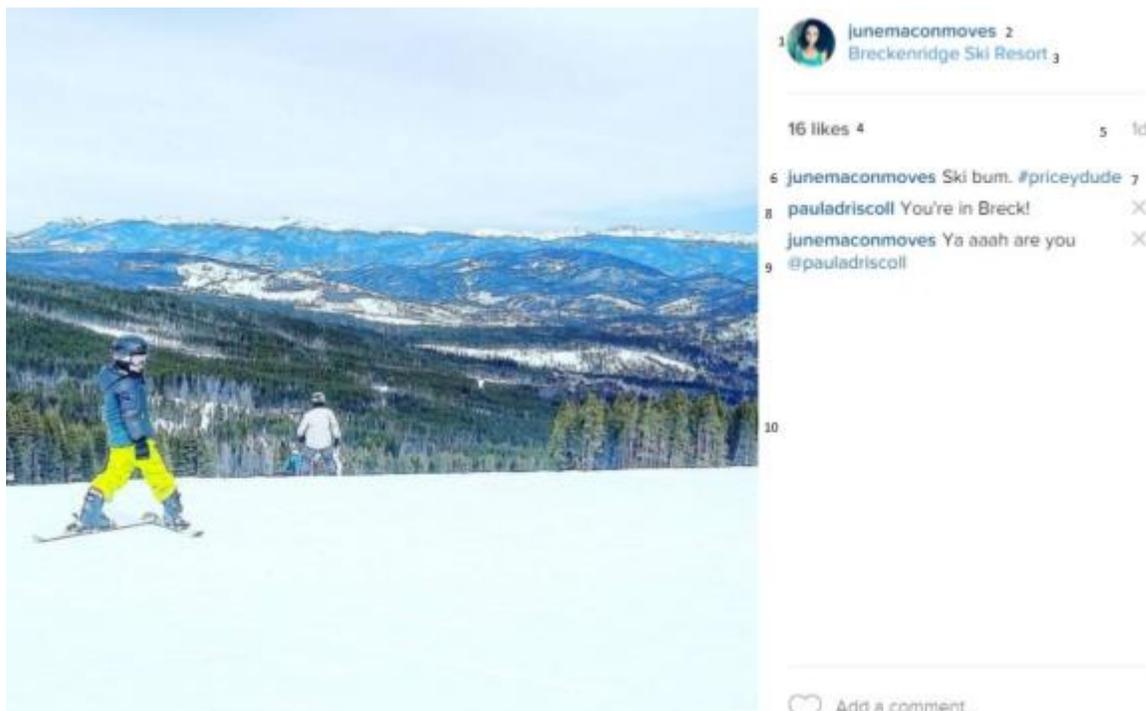
Figure 3.   Typical Instagram Post

Various components of Instagram posts provide information to users, including:

1. **Profile photo**: Photo is chosen by the user and can be changed as many times as the user wants. The photo cannot be changed on desktop, only via mobile or iOS. It is displayed as a small circle in the top corner of the post.
2. **Username**: the name, unique to the user, that identifies the post's author.
3. **Location**: allows users to showcase where the photo was taken or for users to explore where others have taken photos on a map.
4. **Likes:** Number of users who like the photo
5. When the photo was posted, in this example 1d = 1 day ago
6. **Caption**: Text the author of the post adds to be displayed next to or below the image
7. **Hashtag Text**: Text with a pound-sign preface, e.g., #happy, that is used to tag posts and can be used to search for tagged content.
8. **Comment**: Text written by another user on the post in response to the original post. This can be text, which can tag other users or include hashtags. Other users can also incorporate the hashtag.
9. **Response:** Users can be tagged in posts using the "@" symbol and their username. This sends them a notification they've been tagged.
10. The image shared on Instagram's platform by the user

When a user tags another user, the user's handle is not included in the caption. This information can only be seen when the mouse hovers over the image, as shown in the white-on-black text "n.i.c.k.e.p" in Figure 4.

Figure 4.   Instagram post with hover text indicating a user is tagged.

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As noted above, the hashtag aggregates similar content into one feed for users to view more easily as seen in Figure 5.

Figure 5.   Image results of a search for #researcher on Instagram.

The app also allows for photo and video sharing on social media applications Facebook and Swarm (a geo-check in app); micro-blog, Twitter; and blogging platform Tumblr. It affords a uni-directional cross-platform integration meaning if a user takes a photo on Instagram, he or she can upload it directly onto Twitter or Facebook if the Instagram profile, but only if the user has agreed to connect the Instagram application with their personal Twitter or Facebook profiles. Users can not automatically upload tweets or photos from Facebook onto Instagram.

What makes the internet interesting is that it presents both text and images with enough resolution for the user to efficiently process, a claim other electronic media systems cannot make (Newhagen & Bucy, 2004). Photographs are commonly used to recall memories, maintain social relationships, and express one's identity (Close, 2012; Van House et al., 2004). According to Close (2012) mobile photograph uploading is fundamentally different from traditional digital photograph uploading in the scope of the immediacy and mobility. Users have the capability to

snap a photograph and upload it to the web in real-time, regardless of location, as long as a satellite signal is available (Close, 2012).

Since IGs inception more than 400 million users actively use the app each month (Instagram, 2016) and about 80 million photos uploaded by users daily, and more than 40 billion photos uploaded since its launch (Instagram, 2016). This impressive use of the app shows the reach users have online and a recent Pew report revealed that content like photos and videos are the main social currencies online (Rainie, Brenner & Purcell, 2012).

2.1.2 Instagram Research

The users of UGC look to take part in what becomes cultural production (Rheingold, 2008). Of all online users of UGC sites, 28% report they use Instagram, and 59% of Instagram users are on it daily, including 35% who visit several times a day (Pew Internet & American Life Project, 2015). This type of participatory media does more than just build interest-based communities and give people a voice. The communication tools used by these communities allow internet users to build meaning through shared thoughts, ideas, and concepts (Stansberry, 2011). Because users can build meaning through participation, the content they generate needs to be studied more closely.

Despite its popularity, to date, few researchers have examined Instagram (Hu, Manikoda & Kambhampati, 2014). Hu et. al (2014) conducted an analysis of Instagram users and their photos, and found eight categories emerge based on the composition of the Instagram post: self-portraits or "selfies", others, activities, pictures with embedded text, food, gadgets, fashion, and pets. Interestingly, the researchers indicated that the size of a user's followers does not depend on the type of image s/he posts. They are independent of one another. It should be noted that Hu et. al (2014) operationalized a regular active user on Instagram as an account that is 1) not an

organizations, brands, or spammers, and 2) has 30 followers and posts at least 60 photos on the profile.

McCune & Johnson (2011) analyzed three months of Instagram posts to assess users' motivations to take and share photos on the iPhone platform. During the ethnography of the application, the researcher spent four hours a day using the app. McCune conducted interviews with participants using the application and found that most users were motivated by six categories: sharing, documentation, seeing, community, creativity and therapy.

Hochman and Schwarts (2012) traced cultural visual patterns in Instagram posts through analytics that measure geotagged images' timestamps, intensity and dominant colors. The researchers recognized that a pattern of color, visual weight and day intensity created a visualization of the flow of geo-tagged images on a large scale. The three congruent characteristics displayed an ongoing flow of visual data that carry similar location and time characteristics (Hochman & Schwarts, 2012).

Overall, research reveals a dynamic atmosphere surrounding Instagram. The growing body of research within this particular space concludes user's motivations differ yet still follow some basic ideas and patterns. This thesis adds to the body of literature showing the importance of recognizing this application not just as a tool to express creativity but also an outlet for advertising.

2.2 Digital Marketing and Online Advertising

Social media have become a major part of digital marketing due to their capability to reach a large number of people at a time. A fundamental shift occurred in business because of people's ability to communicate their personal feelings freely about brands, both in public and directly to the company, via the internet and SNS. The way social media perform offer new ways for

consumers to produce content while impacting and influencing one another. The result is a participatory culture which allows ordinary consumers to express themselves and distribute creations (van Dijck, 2009). Social media has changed how people engage and interact with brands (Rowles, 2014).

With the proliferation of use, "social media" has become a buzzword in business and marketing ideology. This ideology aims to attract participants, entrepreneurs and capitalists on social media platforms such as Instagram (Fuchs, 2008). Fuchs (2008) further explains that on social media platforms, users can create content, upload, and update personal information all the while embedding their own beliefs in public discourse. The best way to think about social media is not by which social media tool people are using or which is the most popular, but in how users are able to communicate directly with one another (Scott, 2013).

Types of Advertising. The internet became an advertising medium in 1994 with banner advertising; since then, it has evolved to experiential campaigns and social networking sites as the new trends in online advertising (Boveda-Lambie & Hair, 2012; Barnes & Hair, 2009; Winer, 2009). Marketers apply strategies online to reach specific audience segments. These include strategic design of products, promotions, messages and placed media (Harris et. al, 2015; Grier & Kumanyika, 2010). This type of strategic advertising is known as target marketing. Consumer behavior researchers describe target marketing as a designed and executed tactic that is more appealing to people within particular segments (Harris, LoDolce, Dembek, Schwartz, 2015; Rheingold, 1995), for instance, new mothers or college students. Advertisers consider the web to be the most important marketing communication channel where advertising or promotional messages are delivered to target markets (Khasawneh, 2009).

Social media companies like Facebook provide businesses with their own set of tools to help monitor the platform. There are certain criteria Facebook provides businesses such as the number of likes a business receives, the demographic of the company's Facebook following, and a metric called "reach". Reach has become a significant factor to marketers because it provides the number of people who have seen the content. Reach is not synonymous with engagement though. Also, not all social media platform provides this type of insight. Instagram does not have these types of measurements available for businesses on its platform as Facebook does. This is where engagement becomes important. Engagement on Instagram can consist of someone liking the posts, commenting on the post, having a new follower (one who opts-in to follow the Instagram account), or sharing the post. According to Rheingold (2008) the value of content on social media is derived not only from the size of the audience, but also from the power for users to connect with each other, to form a public and a market.

Companies use many approaches to market to potential and existing online consumers. One way of reaching these people are through web advertisements. Web advertisements are implemented through numerous tactics: banner ads, social media advertisements, native ads, sponsored search advertisements, etc. As mentioned, online advertising formats differ from editorial and commercial content because there are subtle forms of advertising such as sponsorships along more distinct commercial ads which represent a more extrusive format such as banners and pop-up ads (Becker-Olsen 2003; Hyland 2000). Companies pay the different platforms money to advertise on their online space and to reach a specific segment of users. The price for each type of advertisement varies from platform to platform and differ based on the need and reach of the company.

A banner advertisement is normally seen on websites and is explicitly different from the content on the website. There is usually some type of call to action and the banner ad normally sends the user to the company's website or a microsite created by the company who is advertising. Companies may send a user to a microsite if there is a specific campaign they are running that differs from their overall branding, look, or feel.

Social media advertisements vary from platform to platform and not all social media platforms provide this type of service. Facebook, Youtube, and Instagram are among a handful of social media platforms that have this type of advertising available. This type of advertising is done on the specific platform, is explicitly stated, and is targeted. Companies have the ability to utilize the data collected from the social media sites to choose specific types of people to advertise towards. For instance, Facebook provides businesses the ability to choose: age, gender, location, nationality, income, etc.

Sponsored search advertising generally occurs on search engines. When a user types in "art classes in Fort Collins" the first items to be returned in the search are paid for by a business targeting specific key words. This type of advertising is explicit; however, users may not pay attention to whether they are clicking on a site because it showed up organically or because it was Native advertising is a type of "converged media" (Brook, 2016; Lieb, 2013) because it is paid content that looks much like the online content surrounding it. This category is where social media content like Instagram posts tend to fall into. According to the Interactive Advertising Bureau (2013), publishers deliver paid ads which blend into page content, are incorporated into the design, and tend to be consistent with the culturally established behavior of the platform. This can cause the user to simply feel the web advertisement belongs. To achieve this, advertisers deploy tactical ad products (IAB, 2013). Due to successful marketing techniques such

as word of mouth, people online find themselves in a unique position of being both the seller and the buyer. The content, which appears to be UGC, performs the same function as other types of media content – like commercials.

According to Flanagin and Metzger (2000) it is imperative to study these different online advertising because of the difficulty in assessing whether content is commercialized or authentic. The evaluation of advertisement has become even more difficult due to companies' utilization of regular users online. Not only do companies pay social media platforms to utilize their online space and target users for advertising, but companies also pay regular users who are active on social platforms (e.g. Instagram, Youtube) to implement specific content strategies for products such as the Lord & Taylor dress. This leads to the need for a closer examination of paid content on Instagram.

2.2.1 Advertising on Instagram

On its website, Instagram claims to be one of the world's largest mobile ad platforms (Advertising on Instagram, 2016). Instagram encourages businesses to use one of its three advertising options: photo ads, video ads, and carousel ads. Photo ads allows for businesses to share an image with a caption, while the video ad allows for businesses to share a video. The carousel ad offers more for the business, allowing the business to share a few images to an audience. This type of ad creates an engagement with the ad as the has to wipe their phone to view additional images. This eventually leads the user to a call to action button. If the user presses the button, he or she will be sent to the company's website. These advertisements explicitly state that the post is sponsored in the top right hand corner. Figure 6 shows Instagram's explanation of how advertiser accounts can post promotional images and text.
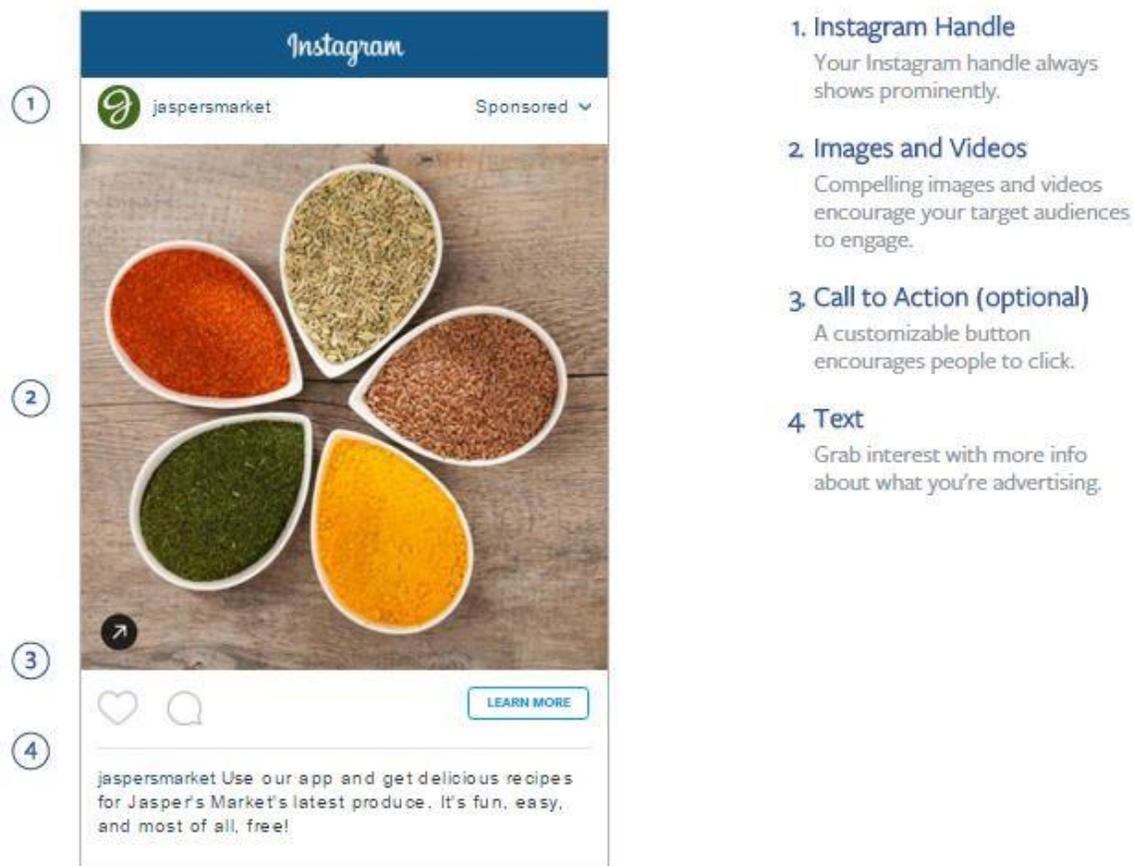
Figure 6.   How Instagram explains an advertisement on their website.

Here, Instagram explains the aesthetics of a paid-sponsored post. On the platform, Instagram explains the company tries to make ads stay true to the spirit of the Instagram community and to provide users the ability to hide the post. Instagram also allows users to opt out of specific advertisements through the app and mobile phone settings, but explicitly states that users will still see ads based on their activity on Instagram and Facebook, and third party sites and apps (Instagram, 2016). These ads are specifically used by businesses for marketing purposes such as increasing web traffic, downloads, purchases, and brand awareness. As the new algorithm roles out for all users, more people with a large following and businesses may find a need to purchase sponsored spaces so their content can be seen by other users.

Businesses use Instagram in a variety of ways. They might post images or videos of their products, employees, or other related content. For example, Figure 7 is a post advertising an Instagram contest in which regular users are asked to tag Chick-fil-A in photos they take for their own posts. Users' subsequent posts can still be considered UGC, but because it is done as the request of a business, it is not quite clear the post is non-commercial content. Indeed, this type of post could be considered a promotional post, especially because the company offered prizes for those who posted according to their rules.

Posts from businesses such as shown in Figure 7 are clearly promotional, not user-generated, content. However, these type of promotions encourage users to generated content on behalf of the business in order to gain some type of prize if selected and this type of practice is done often on social media platforms. The resulting posts by regular users are sponsored in that they were created as the request of an advertiser in order to win a prize. Such posts may be misleading to other users if they are unaware of the promotion.

In this case, Chick-fil-A indicates participants must use specific hashtags (#FreshMade and #ChickfilA), but do not mention using their handle @chickfila or any hashtags revealing the motivation (#ad, #promotion, or #sponsored). At times such posts also include "sponsored" within the title or caption text as an indicator it is posted by or sponsored by a business, but in this particular case it is not.

Figure 7.   Chick-fil-A UGC campaign on Instagram.

Another type of sponsored content is when specific users are asked to promote a company's brand or product, such as Lord & Taylor did as described above. In such cases, users with a large number of followers are approached by companies and often offered money or free products in exchange for promoting something. For example, Figure 8 shows a user posting an image of himself in a tee-shirt advertising the character Deadpool. He includes the text "#sponsored" to indicate it was a sponsored, likely paid, post. This type of sponsored content is the focus of this thesis. Such posts generally do not have the slick, professional look of advertising content. Instead, they use more candid type styles, such as the sponsored post in Figure 9.

Figure 8.   A user posting an image of himself in a movie-related shirt.

Figure 9.   A sponsored ad for 24 gym.

Such posts are very similar to user posts that may not be sponsored but still promote a

brand or product because of their content or text, such as shown in Figure 10. Here, although the

item ("The Meg Choker") and where it can be purchased ("@pleasure_hunt") are both provided

in the image caption, there is no explicit indication this is sponsored or advertising content
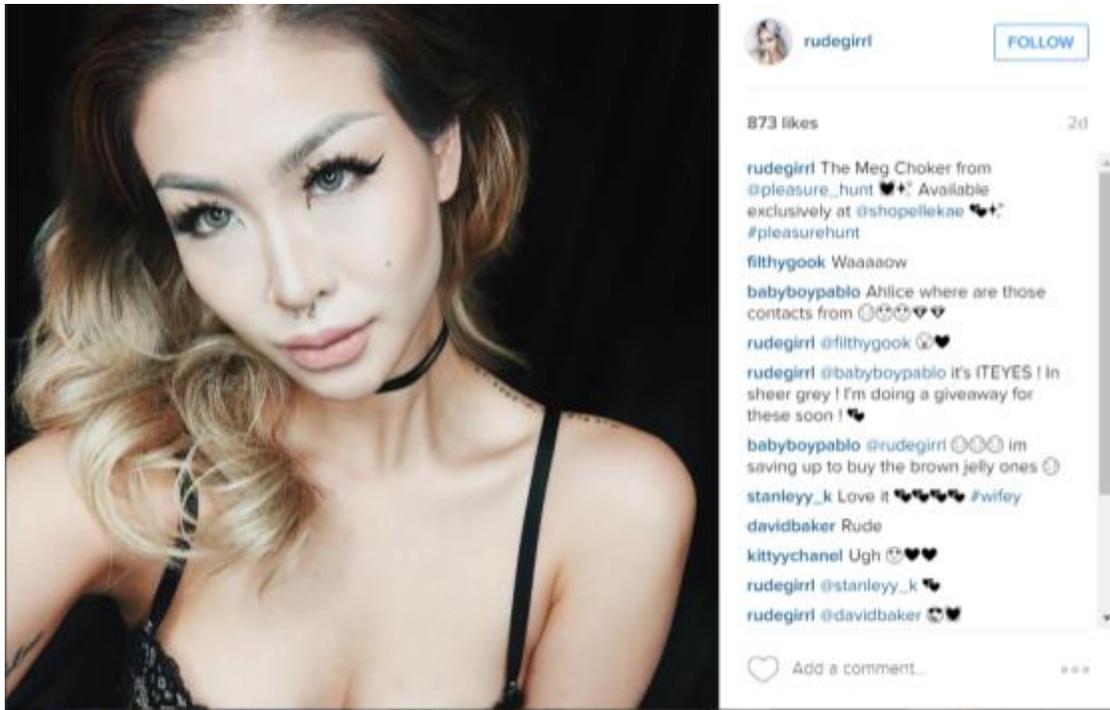
Figure 10. User post about a sponsored necklace without explicit sponsorship cues

Some users with high digital literacy may recognize Figure 10 as a sponsored post due to the user's explicit use of the brand's user name and the item she is wearing. This is also done by users who just want a brand to know they are a fan of a product. When users put the user name of another user by their username with the @, a notification is sent to the user and they are able to see who mentioned them. This is done often, and for many different reasons including when people are attempting to garner the attention of another user, whether to inform them they have a photo on Instagram (as in Figure 11) or to connect.

Figure 11. Regular user utilizing the @ to tag a friend

In Figure 12, no product is mentioned in the text. However, the company is tagged through its Instagram user name. This image is not easily recognized as an advertisement; however, it was disclosed to the researcher that this photo was taken by the user in exchange for free products for the dog in the Instagram post. In order to gain more followers and to have more people find this post, the Instagram user also utilizes several hashtags following a caption with a period and some hyphens (-) to make the text hidden from his caption. This type of practice is done often by prolific Instagram users who have a large following in order to garner more likes, followers, and attention. These types of practices on Instagram also leads to ambiguity since the act of using @ is not a rule for commercial pieces, but a norm of users.

Figure 12. Instagram user implementing a tactic to generate followers.

Overall, the differences between Instagram content created by users for their own purposes and content requested, paid, or directly posted by businesses can be difficult to differentiate. The extent to which users respond differently to advertising, sponsored content, and user content is unclear, and in need of further study, which is the goal of the current project.

In May 2016, Instagram announced a version 8.0 update to the platform. While many people took notice of the change in the visual design of the logo and platform, there was an important addition of an algorithm which no longer provides users with pictures and videos in their feed based on the time of upload, but reorders pictures and videos based on their interests (Johnson, 2016). According to Instagram (2016) people currently miss on average 70 % of their feeds. Some marketers have expressed their response to this change by stating plans to "layer in a more rigorous creative lens in the production and media-strategy planning" so advertisements

can be more interesting and unique visual form factors (Johnson, 2016). This means that as

Instagram users scroll through their feed, they may find sponsored posts to be more visual

appealing and less "ad-like" making it difficult to distinguish the difference between creative

content and advertising content if users are not using central processing (process of carefully

examining content).

2.3 Notions of Platforms and Users

The language around social media contributes to perceptions of who is posting content and

why. The concept of UGC places an emphasis on authorship and has been defined as online

content that is publically available and created by end-users in a creative effort (Dennhardt,

2013). Although social media purport to be made up of "user-generated" content and designed

for individuals to connect with one another in social ways, Gillespie (2010) argues that social

media platforms have catered to commercial uses from their inception. He suggests that even

calling such sites 'platforms' reveals how UGC sites such as blogs and video-sharing sites (e.g.

YouTube, Instagram) position themselves as part of the advertising-driven media landscape by

tapping into notions such as "advertising platform" or "political platform" which position them

as functional spaces intended for making statements. Contrasting this with a "service," which

would emphasize the needs of users, "platform" reinforces the notion that social media can be

used by a wider range of actors for more traditional media activities – namely, advertising. As

such, then, social media affords businesses with the opportunity to not only make sales pitches,

but also blurs the line of the inherent reason for their services. The applications are not merely

for users to create networks and meet new people and show-off themselves, but it also provides a

space for commercially-produced content to be disguised as UGC while giving the impression

that the application is a neutral space (Gillespie, 2010).

Gillespie (2010) suggests, too, that social media as "platforms" implies that those who use them can be any type of actor, whether it be a person or a business because sites such as YouTube, Facebook, and Instagram position themselves as primarily for "users" while having a considerable amount of services for businesses, as well. As a result, businesses access "customers" who are made up of "users," but businesses are also "users" of the sites. This contributes to ambiguity in who counts as a "regular user" on these sites.

For the current study, the word "user" requires careful examination. The "user" in "user-generated content" generally refers to an active internet contributor who spends time creating online beyond a professional routine (van Dijck, 2009). This is distinct from users of the internet or of specific platforms or technologies more generally, which can be anyone who adopts that technology. The "user" in UGC, therefore, is generally understood to be a volunteer, non-paid contributor who is not associated with a business posting content that reflects person views or opinions. When advertisers participate in social media spaces, however, they are, in a sense, posing as "users." This blurs the line between user-generated content for personal motivates and corporate-generated content for profit motives. In this thesis, the term "user" will refer to non-corporate users who post content from personal accounts. However, it is important to note that users can be motivated to post such content by being paid by advertisers to post specific products or opinions. Thus here, although "users" are considered regular private individuals, their content may or may not be corporate sponsorship. The current project seeks to unpack how this ambiguity in motivation to examine the potential impact of sponsored content.

2.3.1 Motivations and Ambiguity in User-Generated Content

In 2007, the Organization for Economic Co-operation and Development (OECD) acknowledged that outside of commercial factors, user-created content was already a central

economic phenomenon with direct impact on commerce (Vickery & Wunsch-Vincent, 2007).

Within the OECD report, it was revealed that it was too early to place a value on UGC's impact

on growth and employment for professional content producers (Vickery & Wunsch-Vincent,

2007), but it was addressed that this would become monetized. In the report it was also noted

that people generate content due to a number of reasons including: connecting with peers,

achieving a certain level of fame, and expressing oneself. Although conceptually useful, this

characteristic "voluntary" is becoming more difficult to retain and recognize. While in the

beginning UGC was a grassroots movement, the trend of monetizing UCC from the user-side

(OECD, 2007) has become more popular. As a result, this term is no longer limited to its original

sentiment. The motivation behind the content's creation has evolved beyond the strictly personal

and voluntary.

Monetization of social networks and UGC is a major issue (Balasubramaniam, 2009) for

some and monetization of content is a major factor for the obscurity with the term. Media and

business institutions use UGC-oriented platforms to distribute their own content which can make

the distinction between an advertisement and content made for creativity-sake difficult to

differentiate. The concept of UGC becomes less clear when ordinary people create content but

are then compensated in some way, such as being paid to review a product favorably, provided

free goods in exchange for media attention, or integrate their content with paid advertising as

mentioned with the earlier Lord & Taylor case and the sold-out dress.

There is also ambiguity with the distinction between trained expert and uninformed

amateur. Some content is created by professionals, but done so outside their employment, such

as a film maker making a video in his or her spare time. In any case, the creation of content

outside of a professional routine and organization is an applicable concept to separate it from content produced by commercial entities (Balasubramaniam, 2009).

Van Dijck (2009) explains that that the problem with UGC does not lie in the medium, but with the user who is generating the content because the creator of content does not have to be revealed to the public. There are examples of the exploitation of UGC by businesses especially in the realm of consumer reviews. These online consumer reviews (OCR) are consumer-created information by web site users who have already bought the target product (Lee, Park, & Han, 2011). Sometimes, businesses utilize OCRS within advertisements. These are known as embedded in online advertisements (OEA). OEAs are another type of advertising tactics. Endorsers of products are persuaded through the informal influence of the process of internalization (Lee et. al, 2011; Fireworker & Friedman, 1977; Kelman, 1961; McGuire, 1969) meaning the user adopts an attitude because it is useful for the solution of a problem or is demanded by his or her value system. These OCRs are considered to be trustworthy due to consumers' perception of the user behind the review.

In 2010, the CEO of the company WeTab, Helmut Hoffer von Ankershoffen, took to the internet on Amazon as a consumer and wrote positive product reviews about his own company's product under the name "Peter Glaser". His fake profile was revealed and many people responded very negatively. (see Figure 6). This scandal ended with his resignation (Wywoll, 2014; DPA, 2010).

Figure 13. Example of UGC being misused and an author being deceptive.

More generally, there are numerous businesses that hire people to generate review content on sites such as Yelp, Amazon, and others to boost a product or organization's ratings. Because reviews are an important source of information in consumer purchasing, this false "user-generated" information is problematic for businesses that do not engage in this practice (Streitfeld, 2012). This "opinion spam" is considered unfair and manipulative (Lim, Nguyen, Jindal, Liu, & Lauw, 2010). This type of review spam was created to provide biased information about products and to potentially impact the perception of the product's reputation (Lim et.al, 2010). This shows how content perceived as "UGC" by users may not always be created by a regular, non-paid, non-involved "users" providing their own opinion.

There have been other studies that address the ambiguity in the term UGC. In a study by Cheong and Morrison (2008) participants generally assumed the posts on the discussion boards were trustworthy and they did not question the source of the comment. In the study only one participant responded that he thought about who posted the questions and answer on the board. According to Cheong and Morrison (2008) most participants trust other end-users' opinions because it is assumed they are consumers sharing opinion and that they will give more than just

positive reviews. Also, consumers find others expressed personal experience through what is assumed to be UGC to be more credible than paid content.

This supports the work of Goldsmith and Horowitz (2006), who found that in order to reduce risk in a purchase, the opinions of others is sought after. This makes other consumers' opinions more important than advertising. As more businesses utilize people to create UGC, it becomes imperative for the receiver to recognize if the content he or she views is created independently by a person, or if the creator was paid to talk about a product. In some cases, the employment of users to generate content is explicit, discussed next.

User generated advertising (UGA) is a concept used more recently by marketers utilizing user-generated content with explicit advertising intentions. It is a process which occurs when businesses give users the ability to create a brand voice on behalf of the company. Throughout the process of UGA, consumers contribute feedback and discussion (Arnet, 2011).

For a UGA campaign to work, it needs buy in from consumers. An example of how these campaigns work is through the use of television during big events. Haneen Khalil, Brand Manager for Doritos Canada (2011) explains, a great deal of money and efforts are put towards managing different aspects of UGA campaigns including communicating with consumers through social media. Positions that help monitor and curate and respond to users on social media are called community monitors or community managers. These people are employed to follow interactions and conversations online (Arnet, 2011). According to a study by Mediaedge, 20 % of internet users participate in some type brand-initiated, UGC (Arnet, 2011; Behr, 2009).

UGA differs from paid UGC because of the explicit nature in which businesses request users for the development of content. For example, in 2012 Target asked high school seniors to video themselves opening up and reading their letters from colleges. The best ones were chosen

and used in a Target commercial. Even though the content was generated by regular users, it was then provided to the company to use in explicit advertising. UGC and UGA are extremely effective ways of marketing because of their relationship to word-of-mouth. According to Arnet (2011) UGC is similar to world-of-mouth because information is being shared from the consumer side of the advertising equation, and generally is not motivated by sales. The differences between UGC and UGA help us understand ways in which advertising takes place in UGC spaces and how the lines between what is created by regular people and what is created by businesses for marketing purposes are increasingly blurred.

2.3.2   The Power of Electronic Word of Mouth for Businesses

UGC is a powerful tool for businesses because it taps into one of the most valued marketing tools: verbal consumer-to-consumer communication, which is also known as "word of mouth" (WOM) marketing. Word of mouth communication about products from consumers to consumers are usually free from commercial interests and are accepted as less biased and more truthful (Wyrwoll, 2014). WOM is an important factor in consumer behavior (e.g. Whyte, 1954), and was initially defined as verbal communication conducted person to person about products or companies among people outside of commercial entities (Mutum & Want, 2010; Litvin, Goldsmith, & Pan, 2008). WOM is established to be a valuable source of information for users in their decision-making process (Wyrholl, 2014; Lelis & Howes, 2011; Schindler & Bickart, 2005). Katz and Lazarsfeld (1955) found it to be more influential than advertising because it is accepted as a credible way for people to learn about products, businesses, and other type of information. It is also a successful way for businesses to spread their message through the use of opinion leaders and influencers. To accelerate word of mouth, communicators take advantage of already existing communities that match the demographic they are trying to reach. This avenue

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of communication connects businesses' message to people who follow a certain pattern when using media, purchasing products, or taking civic action (Cakim, 2009).

As consumer-to-consumer communication became increasingly digitized, WOM progressed into a concept called electronic word-of-mouth, or eWOM. Accordingly, eWOM is when online consumers or potential consumers seek product or company information and also when they share their own knowledge along with positive and negative experiences (Chen, 2011; Engel, Blackwell, & Miniard, 2001). For example, eWOM occurs on social media platforms, blog posts, and comment sections. As a result, eWOM is an efficient approach for businesses to deliver information about new products to customers as well as gain the feedback from them (Chen, 2011). Research in electronic word-of mouth (eWOM) communication shows that at times, exposure to eWOM messages affect interest in a product category than exposure to information produced by marketers (Zhang, Jansen, & Chowdhury, 2011; Bickart & Schindler, 2001). User's opinions matter to those in similar communities and electronic word-of-mouth is influential. Popular bloggers and other online users with a large following are able to influence those around them due to the trust they hold with his or her audience.

Instagram is one way electronic word-of-mouth recommendations are communicated. Some users on Instagram engage on the platform to show and share their story. Due to this type of user behavior, expectations for users to act in goodwill rather than for a profit (Close, 2012). The commodification of one's Instagram posts changes the motivation and persuasion attempts behind the creation thus forming a need for a new type of digital media literacy – one where users learn to recognize when other users are sharing something beyond their own opinions and instead promoting something due to sponsorship.

Underlying the concept of eWOM is the notion that consumers trust other consumers more than they trust advertisers. Rousseau et al. (1998) developed a definition of trust: "a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behavior of another" (Close, 2012; Rousseau et al., 1998, p.395). It is a concept that accepts that people become vulnerable with the expectation one can depend on another (Rousseau et al., 1998).

In the study conducted by Lee et. al (2010) regarding OCRs, it was found that the most important factor in online business transactions is trust. In this particular study, the researchers found that when trust is low during an online shopping experience, there is no significant difference in consumers' purchase intentions regardless of a consumer review about the product within the advertisement. On the other hand, when trust is high, the information on a web site or within the advertisement is acknowledged by the consumer as meaningful and has the potential to influence decision making and purchase intention (Lee et. al, 2010). This shows that OEA's, the reviews which were embedded in advertisements, are weaker than trustworthiness of information sources from regular users and it is just one study of many showing how important trust and eWOM is for businesses and consumers.

Prior online trust studies suggest that online trust has a positive effect on consumer behavior intentions online (Shankar et al, 2002; Yoon, 2002; Bart, Shankar, Sultan, & Urban, 2005). These behavioral intentions may include willingness to visit a web site, browse (or shop around), register at a web site, and return to a web site (Close, 2012; Bart et al., 2005). These types of actions from users are measurable online and are considered to be a return on investment for businesses.

People especially trust content that is created by other people who are similar to them. For example, GolinHarris, a public relations company, oversaw a study asking consumers, ages 18 and older, questions about their use and trust in various product information sources such as direct experience, word of mouth, and media. This study presented the significant role word-of-mouth has on consumers as an information source they rely on and trust (Cakim, 2009).

Increasingly, consumers turn to online platforms to express their opinions (Gonzalez-Herrero & Smith, 2008) about their experiences with products. These opinions – and the opinions of marketers in UGC spaces – thus become vital elements in marketing campaigns. For example, Instagram users with many followers are attractive to advertisers and are approached to push a product. The reason marketing through users is enticing to brands is because the effect WOM marketing has on consumers and its significant role it has in conjunction with other sources consumers rely on and trust (Cakim, 2009).

There are certain situations where consumers trust eWOM sources more than information from people they know in person (Wyrwoll, 2014; Poyry, Parvinen, Salo, Blakay & Tiainen, 2011). One study conducted by Cho and Cheon (2004) examined online users' attention/avoidance behavior in response to web banner advertising. The authors examined the impact of prior negative experiences on consumer tendency to avoid or pay attention to web advertisements; such experiences were found to result in consumers avoiding online advertising. They found that that people avoided advertising messages on the internet because of perceived ad clutter. Prior negative experience was identified as another determinant of ad avoidance (Cho & Cheon, 2004), and most significant to this research (per the PK model) is their suggestion that people avoid internet ads because they feel that ads impede their goals.

This research emphasizes the importance of examining how genuine word-of-mouth may be confused with sponsored content, resulting in a type of illusory word-of-mouth that may influence consumers in problematic ways when it appears in online spaces such as Instagram. Internet advertisers are using less intrusive advertisements and highly targeted ad messages through the Instagram application which only emphasizes the need for increased digital media literacy.

2.3.3 Federal Regulations for Online Content

Media literacy techniques aim to empower consumers, while governmental regulation aims to limit the problematic behavior of businesses. Confusions between advertising and other types of content has long been the subject of governmental media regulation. Along with regulating false claims the Federal Trade Commission, the independent agency meant to promote consumer protection, seeks to block deceptive practices in advertising, such as hidden advertising. Its rules are not powerful in online contexts, however, and the FTC does not distinguish advertising online from other forms of marketing. Rather, they state rules which apply to other forms of advertising also apply to online marketing (FTC, 2016). This has resulted in lawsuits about paid UGC, including the charges over Lord & Taylor's payment to bloggers to wear and post a dress from their collection. Lord & Taylor settled in that case in responses to charges that paying 50 users to promote the dress was deceptive because the payment was not disclosed on the various blogs and Instagram posts used. The case resulted in the FTC prohibiting Lord & Taylor from using a tactic like the influencer campaign without disclosing the connection between itself and an online user endorsing the product (ftc.gov, 2016). The case resulted in the establishment of a monitoring and review plan between the FTC and the company.

In general, the FTC addresses endorsements and testimonies on their site explicating an endorsement as "any advertising message (including verbal statements, demonstrations, or depictions of the name, signature, likeness or other identifying personal characteristics of an individual or the name or seal of an organization) that consumers are likely to believe reflects the opinions, beliefs, findings, or experiences of a party other than the sponsoring advertiser, even if the views expressed by that party are identical to those of the sponsoring advertiser. The party whose opinions, beliefs, findings, or experience the message appears to reflect will be called the endorser and may be an individual, group, or institution (FTC, 2016), para. 255.0 (b)".

The FTC also states that connections between the endorser and the company that are unclear or unexpected to a customer must be disclosed, whether they have to do with a financial arrangement for a favorable endorsement, a position with the company, or stock ownership (*F*TC, 2016, para. 255.1(d). Also, the discretion of this disclosure is left to the blogger or the creator of the content rather than the business. In this case a regular user online could be considered an endorser only if they have made it explicitly clear on their Instagram post. Unfortunately, there is no regulation on what explicitly clear means in terms of words, content, or the type of disclosure that is expected.

FTC has also stated that under the FTC Act, that product placements of products being shown in third-party entertainment or news content does not require disclosure that the idem was paid for by the advertiser, because it is distinguished from sponsored content (FTC, 2015), thus this becomes confusing for both produsers and consumers. On the other hand, the Federal Communications Commission (FCC, not FTC) law requires television shows to include disclosures of product placement within the program. This makes it unclear as to whether or not

users who share a product on Instagram should be considered a product placement which does not require a disclosure or if users should be considered an endorser where disclosure is required.

The FTC (2015, Clarity of meaning section, para. 2) also criticized labels like "promoted" or "promoted stories," stating that those terms "are at best ambiguous and potentially could mislead consumers that advertising content is endorsed by a publisher site." The agency added that even terms like "promoted by," followed by the name of the advertiser, could be misinterpreted "to mean that a sponsoring advertiser funded or 'underwrote' but did not create or influence the content." The changing landscape of online advertising, especially in relation to UGC, requires additional research so that regulators, businesses, and consumers can more clearly identify paid content.

2.4 Summary

Overall, social media platforms are providing spaces for users to connect with each other and for businesses to connect with users. Through the power of online advertising especially in the form of UGA and sponsored UGC, advertisers are tapping into the increased trust generated when consumers talk to each other. As a result, the lines between user-generated and advertiser-generated content are increasingly blurred. The current project addresses this blurred line and its implications by examining the impact on user perceptions of sponsored and non-sponsored content.

Instagram was chosen for this study because it is extremely popular, especially among young people. Its format is ideal for many types of advertisers, and as such posts that seem to be generated by regular users are sometimes actually sponsored content. Policies have been put into place in order to clarify when content on social media platforms is advertising. However, current policies do not address the nuances in the relationships between advertisers and regular users.

Thus, additional research on whether or not users know what content is paid and on how that

knowledge can affect them is needed, which this thesis addresses.

3. LITERATURE REVIEW

In order to examine whether or not users recognize sponsored content in posts on the social media platform Instagram and if and how sponsored content affects user responses to its messages, the current thesis draws on theories of media literacy to examine advertiser persuasion activities. It uses the persuasion knowledge model (PKM) to trace how knowledge about sponsorship can change individuals' coping mechanisms in the form of trust and credibility when faced with persuasive messages. It suggests that the differential power relationships between regular users and businesses as explained in a political economy framework can be understood as shifts in communicative power online.

3.1 Media Literacy for Online Content

Media literacy pedagogy focuses on teaching people on how to effectively interpret and analyze information they receive through various types of media. The goal is to address the ever-changing media environments and provide people with coping mechanisms so media messages can be addressed more critically (Tyner, 2009). Users should be prompted to question, debate, and investigate new areas of learning like the dynamic environment of the internet from existing schemas (Tyner, 2009; Philips & Soltis, 2004). People need strong knowledge structures in media, society, and self (Potter, 2013). With these types of knowledge, people can understand information more fully and become aware enough with media intention to cope with information and messages. People with high media literacy can make better decisions with the information they are seeking and find, and are able to construct meaning from it (Potter, 2013).

People's media literacy should be placed on a continuum (Potter, 2013). This type of media literacy continuum allows for people to move along a scale based on their understanding

of media. People who operate at lower levels of media literacy may have a feeble ability to interpret media. This means that some may not be effective or able to interpret the meaning of media messages making people with lower levels of media literacy more vulnerable to obscure communication nuances such as persuasion. Characteristics of higher media literacy include the ability to accept information and filter it through developed knowledge structures like personal experience (Potter, 2013). The key to information entering the mind in the state of conscious awareness of the messages being delivered is to recognize the messages' purpose during exposure (Potter, 2013).

At times, people encounter advertising messages when they do not want to. To cope with this type of encounter, people enter a state of "automaticity". For example, rather than actively considering the information in advertising messages in a magazine, a person may choose to turn the page quickly, minimizing exposure or flip to another television channel so they can skip the advertisement. Although exposure is thus limited, the advertisement may affect the person peripherally or unconsciously. During unconscious exposure, advertisers can plant their messages into people's subconscious, where they gradually shape the person's definition for attractiveness, health, beauty to name a few messages (Potter, 2013).

With online media messages and social media posts, analysis and evaluation are important skills to strengthen, especially when UGC becomes used more often by marketers to send out their own messages without their sponsorship explicitly stated. It is necessary to help the audience take control of the way they receive information online even when the content creator is not straightforward with their intentions for the content's creation; i.e. whether it is for advertising purposes or because it is an opinion they want to share.

Evaluation allows a person to make a judgment on the value of a media message. As a person encounters media messages, he or she can simply accept the message on the surface, or analyze and interpret the message by breaking down its components and examining the composition of the elements that make up the message (Potter, 2013). On Instagram, this can be the evaluation of the image (obvious product placement), textual cues, indicators like company name or geo-tagging. Tyner (2009) discusses how additional news media literacy outcomes in the digital age should include recognition and critical examination of hidden meanings in news media and news media source identification. This critical examination includes being aware of the sources cited within the news texts. Audiences should not take information for face value, especially online (Tyner, 2009). This is the type of literacy that can help digital users in online spaces like Instagram as well. According to Potter (2013), when people encounter opinions expressed by experts in media messages, they can simply memorize those opinions and make them their own or they can take the information elements within the media message and compare them to their standards. This research suggests that the extent to which people recognize messages as advertising influences their responses to it.

The Internet provides people with the accessibility to publish content that resembles multiple media and there is a scarcity of explicit and enforced editorial policies. The abundance of information online is another contributing factor to the problematic issue and difficulty of assessing content for what it is – factual or fictional. Consumers have a difficult time identifying or even have the ability to be aware of source credibility in terms of online content. In short, "developing Internet (advertising) literacy can be problematic" (Flanagin & Metzger 2000, p. 517), but the current project aims to develop empirically-based solutions to addressing digital media literacy in the context of user-generated content.

3.2 Persuasion Knowledge Model

The current thesis draws on the persuasion knowledge model (PKM) to examine the factors in people's responses to persuasive online media content, including advertising and UGC. UGC manufactured by cultural industries or influencers play a central role in how people understand and construct images and discourse (Hardy, 2014; Murdock & Golding, 2005). The PK model can assist in understanding this sense-making.

The researchers who developed the model, Friedstad and Wright, presume the consumer's intention is to effectively cope with the persuasion. Broadly, this is whatever psychological activities or physical acts need to occur in order to achieve one's own current learning, attitudinal, or other goals (independent of what the agent seems to be trying to accomplish). This is a goal of self- control and competency, not of single-minded resistance to influence attempts (Friedstad & Wright, 1994).

Friestad & Wright (1994) discuss three knowledge frameworks that work together to shape the outcome of a persuasion attempt for individuals. These are (1) persuasion knowledge, or a person's ability to know when they are being sold to; (2) agent knowledge, or one's ability to recognize the traits and goals of a persuasion agent (e.g., an advertiser); and (3) topic knowledge, or one's understanding of the product, a service, social cause that is encountered (Campbell & Kirman, 2000). Persuasion knowledge (PK) also indicates the ideas about marketers' strategies; effectiveness of persuasion tactics; psychological mediators of tactic effectiveness; and ability to cope with persuasion attempts (Campbell & Kirmani, 2000, p. 69).

According to Friestad and Wright (1994), targets cope with persuasion attempts. The term "cope" is used in a neutral sense. It is not assumed that people habitually use their PK to thwart persuasion attempts, rather, the fundamental objective is to simply maintain control over

the outcome of the attempt and achieve whatever mix of goals is salient to the receiver of the

message. Essentially, the PK is more about what a person decides to do with the information

depending on his or her needs.

The PK model assumes that, as targets, users develop beliefs about the mental, emotional,

or physical actions they can execute to manage an agent's persuasion attempts' effects. This is

known as a coping tactic. There are many ways in which a target may cope with a persuasion

attempt. Coping tactics can include how a user receives an Instagram post. For example, people

hold knowledge about the essence of the formative association between an advertiser's actions,

the cognitive effects which occur based on those actions, and the behaviors exhibited to cope

with the persuasion attempt. Users can develop a coping tactic, which defers the use of

persuasion knowledge until a persuasion attempt is completed, to allow the undistracted use of

their PK early on so they can appreciate the content before they interpret it (Freidstad & Wright,

1994). An example of this is a post promoting pop-star Beyoncé's 2016 release of her visual-

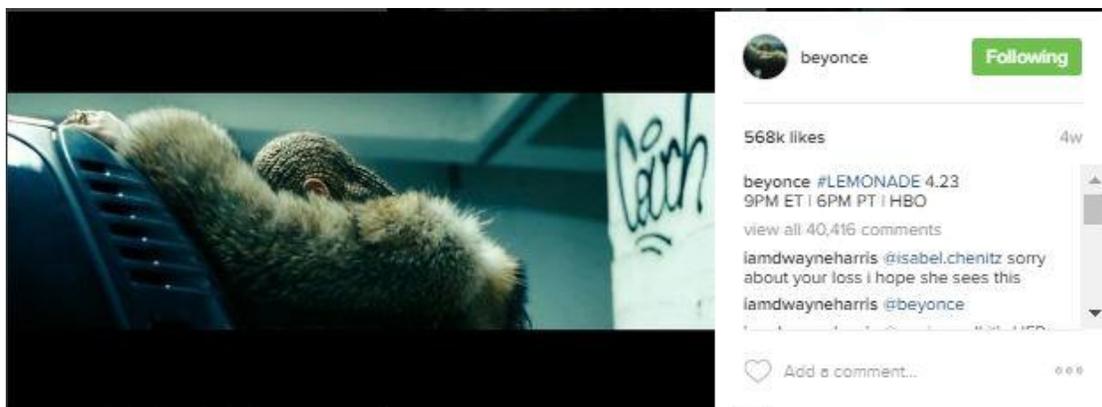album Lemonade (see Figure 14).

Figure 14. Video shared on Beyoncé's Instagram announcing her visual album

Many Instagram users who follow Beyoncé on Instagram saw her video posts and photos

leading up to the release of the visual-album on HBO. These Instagram posts were clearly

marketing attempts for her new album. The language in the caption did not disclose the

advertising with hashtags, but the nature of her Instagram profile and her celebrity along with the content that was present in the caption (date, place, and time of the visual album's release) can all be indicators of a marketing tactic. Targets (users who follow Beyoncé) can choose to activate their PK and understand the Instagram post as an advertisement while enjoying the posts or accept the posts as their favorite pop-singer sharing just for sharing-sake.

People's persuasion knowledge is expected to "'hover' in readiness" to help in the formation of valid attitudes about an influence agent or a product (Friestad & Wright 1994, p. 10), in this case, Beyoncé is both. Thus, a basic idea of the PK model is that consumers can manage a persuasion occurrence because they can use their persuasion knowledge to identify when content or a message is attempting to make an influential impact (Campbell & Kirmani, 2000). People who are attentive towards commercial messages and recognize the source and the persuasive nature of the message are prone to be more critical of the content. If this appraisal results in a negative evaluation of the message source, the viewer may have a more skeptical attitude (Friestad & Wright, 1994) toward the message. However, when regular users are sponsoring content the situation is much less clear.

PK model shows how the distinction between UGC and paid UGC is important. The model is activated when users are provided with cues, which, at the core is the issue with the commodification of UGC. If users are unaware of the persuasive intent of a message, they are unable to activate PK (Nelson & Ham, 2012). The success in this type of hybrid advertising lies partly in the latent ways the commercial messages are presented by practitioners (Balasubramanian, 1994). Unlike traditional and heavily regulated advertisements, the online advertisement is typically embedded within the content (e.g., mobile game, Instagram post, etc.). As such, the commercial placement may be overlooked by consumers while still being impacted

by messaging (e.g., van Reijmersdal et al., 2007). If the commercial message or original commercial source is not actively perceived, persuasion knowledge remains inactive and consumers are less likely to counter-argue the commercial message.

The composition of online advertising varies depending on the proportions needed within the editorial or commercial content. They are integrated into the various ad formats, such as sponsorship posts and are regarded as subtle forms of online advertising which differ from banner ads and pup-up ads which are more distinct with commercial intent (Becker-Olsen 2003; Hyland 2000). Content on the Internet tends to take on the norms of the platform it is displayed on, some of them more identifiable as advertising and others more disguised like the Instagram posts examined in this study.

The theoretical concept of persuasion knowledge incorporates several competencies. These competencies relate to people's ability to understand and recognize the persuasive nature of advertising (Livingstone & Helsper 2006). There have been many empirical studies and literature that used variations of the PK model, varying from: literacy surrounding advertising (Livingstone & Helsper 2006), persuasion knowledge (Friestad & Wright, 1994), persuasive intentions with children (Lawlor & Prothero, 2008), and advertising avoidance (Cho & Cheon 2004) to name a few.

For example, a person may activate PK when shopping with a salesperson because they know a salesperson is highly associated with the motive to sell something whereas an Instagrammer may not be strongly associated with the motive to sell something (Nelson & Ham). Therefore, a user may not activate their persuasion knowledge when scrolling through Instagram. Research shows sponsorship disclosure helps with advertisement recognition for those who are exposed to this type of content. Disclosure is as a trigger for users to generate critical feelings

toward content (Boerman et al., 2012). This type of disclosure can activate persuasion knowledge because the user is aware of the ulterior motive.

In a study using PK model, a researcher conducted 20 semi-structured interviews with copywriters. The research revealed the existence and nature of implicit communication theories. The researcher found that the group of Agents, those controlling the output of messages, shared an understanding that the target, those who are the intended receivers of the message, emerge as people who are "increasingly bombarded with advertising" but who may or may not want to see advertising (Nelson & Ham, 2012). This type of study shows how users could try coping with the advertising messages by using a more peripheral route causing users to be subconsciously introduced to the information.

In another study using PKM (Sass, 2015), researchers investigated how consumers respond to the size and placement of native advertising disclosure statements in online news articles. According to the FTC, native advertising consists of content that looks similar to news articles including gossip articles and feature articles, and product reviews (FTC, 2015). Overall, less than 8% of participants identified native advertising as a paid marketing message (Sass, 2015). It also found that the language used to identify native advertising could affect users' ability to recognize it as such: the terms "advertising" and "sponsored" were seven times more likely to be recognized as paid content than the terms "brand voice" or "presented by."

Similarly, in an examination of children's response to traditional versus hybrid advertising like native advertising, Verhellen et al. (2013) found that 37% of participants did not identify the source and/or the commercial intent of the content. This research suggests that although language matters, many users do not recognize when native content is paid advertising.

These types of studies reveal the importance of media literacy to counter-balance the use of target marketing through UGC in the commercial world.

Instagram posts may be difficult to process when a person is unaware of the persuasive intentions and nature of the post (i.e. payment for sharing a dress on Instagram). PK model explains how explicit cues of sponsorship can provide users with the necessary cues to activate persuasion knowledge. Updated regulations for online spaces are needed, especially as social media audiences continue to be commodified. In the next section, political economy addresses why the update in regulation is necessary.

3.3 Political Economy of Social Media

Understanding how individuals respond to different types of persuasion messages is important because of the differences in communicative power held by individuals and by corporations within an economic system. Because advertising is the primary mechanism used to generate profit from free platforms such as Instagram, a close examination of how advertising functions there with a critical political economy lens is needed.

Critical political economy can be defined as "the study of the social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources" (Butosi, 2012; Mosco 2009, p. 24) Political economy (PE) provides a framework within which we can examine how businesses exert social power in these nominally user-controlled spaces.

This concept is appropriate for this study due to researchers who claim production and consumption are outdated concepts. While spaces on the internet have always been capitalist media, users have not always had the opportunity to profit from the content they produce there. According to Fuchs (2015), capitalist media are companies owed privately by people, like an

individual or shareholders. They are a part of the public sphere, while also being a part of a

capitalistic economy. What makes them capitalist is their ability to make a profit and this is done

through the commodification of users and content (Fuchs, 2015). In this digital age with the

World Wide Web, access to the internet means the ability to produce and distribute information

at a massive capacity. People can bypass corporations and businesses to become the creator and

distributor of whatever the imagination allows them to create. This has created a new way of

interacting with communication known as 'produsage', which is when production and use come

together as one action (Hesmondhalgh, 2010).

PE describes the association between communication systems and economic systems

while political economy of the media reveals how media and communications systems work

within economic and political systems within a society that runs on social power.

Media are primarily industrial and commercial organizations that produce and distribute

commodities. Social media companies are a part of these organizations. People who view a

website, a banner ad, a Facebook post are translated into numbers that matter when advertising

dollars are spent or when a product has been given away for free. A click on a link, or an

impression on a webpage are all tracked through analytical data with tools like Google Analytics.

Web 2.0 media properties and the users operate under what one may consider a series of cultural

and economic terms and conditions that go beyond democratization and exploitation

(Hesmondhalgh, 2010).

According to McChesney (2013) the internet had tremendous promise for the digital

revolution, but that has since been compromised by technologies ability to make things into a

commodity. The notion that the internet would be a distinctly non-commercial space was

uncontroversial and widely embraced (McChesney, 2008), yet political economy's central claim

addresses aspects of the way in which communications are organized and provided as services which makes this notion one that should be assessed more closely and with a comprehensive literacy.

Mainstream websites that depend on user-generated content (e.g. MySpace, Facebook, YouTube) are also commercial media companies (Fuchs, 2015). For such sites, revenue is directly associated with the activity of users. The more users produce and consume content, the more sites can charge for advertising. Fuchs (2015) argues this creates a category of media consumer that "does not signify a democratization of the media toward participatory systems, but the total commodification of human creativity" (p.149). The activities of users when building social media profiles, uploading photos, creating content, and communicating can be regarded as work to create an audience commodity that is sold by the company to other businesses (Hardy, 2014).

The U.S.'s capitalist system continues to exhibit the ability for citizens to experience self-transformation and continues to be based on goods, the exploitation of labor and the private accumulation of capital (Zallo, 2010). The primary source of revenue for most media corporations is the sale of advertising space and time. Their business is to sell audiences to advertisers. More consumers are using the internet to gather information related to their purchase (Adjefi, Noble, & Noble, 2009; Rose, Hair, & Clark, 2011), and at the same time users who generate organic information about brands are also posting brand or product reviews (Bovenda-Lambie & Hair, 2012; Hird, 2010). These users are automatically viewed as commodity online yet they can also make a profit.

Understanding user-generated content means coming to grips with the relationship between culture and the economy (Fuchs, 2015). Users are most likely to accept conditions that

recognize them as active cultural agents, people who foster environments online, while host sites set terms of access which allows the site to manage that cultural activity to accommodate their economic interests (Fuchs, 2015). The system balances on the unique convergence of these economic and cultural forces (Gerlock, 2011). As agents of cultural creativity, economic productivity, and brand management, users are productive (Gerlock, 2011). High speed digital technologies, interactive services, and participatory user cultures foster environments online where content creation is allowed, awarded, and even expected (Gerlock, 2011). Digitalization has created a new mode of amateur and semi-professional production through platforms which are considered voluntary like Instagram. People who have observed the shift in non-professional production recognize a new type of production (Hesmondhalgh, 2010).

UGC changes the power relations among users and advertisers back from the more democratic vision of early internet structures (a voice for everyone) to a traditional relationship where an audience can equal money for those who provide electronic word-of-mouth advertising on behalf of businesses. This type of exchange occurs because there tends to be a mutual benefit in Web 2.0 spaces for both users and businesses. There is an exchange of time (labor) for eyes (viewers), and money (advertising) for space and eyes (businesses using one's brand and followers). Online users who have a well-known or niche brand can make money from his or her brand and online community because companies use "regular people" to push products in order to reach a very specific audience; one that a regular user has the ability to build and maintain. This is why businesses have targeted UGC and why the user interaction with this type of content needs to be re-examined.

3.4 Research Questions and Hypothesis

Instagram has become a significant social media platform that continues to evolve. It has grown faster than any other social media platform and will continue to develop and expand as the landscape of the ever-changing internet does. As companies continue to branch out onto social media, increase ad dollars in these spaces, and utilize more integrated approaches for advertising, creative spaces like Instagram need to be examined to understand how social media impact users and how users cope with these advertising attempts. The PK model provides an understanding of how users react to such persuasive attempts.

User-generated content has become an important element in marketing communications, further blurring the domain of marketing communications (Stewart & Pavlou, 2015) and increasing the need for an examination of this content. Research shows how powerful trust and word-of-mouth are in the decision-making process of consumers. The relationship between eWOM and trust makes the disclosure of paid UGC imperative for users and the online community. The new digital economy is based off people's desire and ability to participate in the creation of culture, users create the norms and behaviors online. It has become capital's interest to encourage people to participate (Butosi, 2012; Lazzarato 1996, 134–137). UGC is incorporated into a system of commodity exchange in which economic value is appropriated by companies selling the content and engagements of consumers to marketers (Hardy, 2014). Users have made the decision to participate in the economical exchange of their content for their endorsement of products on Instagram. Thus, this project examines the following over-arching research question:

Main Research Question: Does the commodification of user-generated content change the way the content is perceived by users?

Although this thesis has argued that the difference between sponsored and unsponsored content is ambiguous, the empirical research is somewhat divided. The Pew Internet and American Life Project (Jansen & Resnick, 2006; Fallows, 2005) reported that users trust search engines, but they do not understand how they work in terms of ranking them within the search's return of links. 38% of people who use search engines reported attentiveness between the sponsored links and links that were returned organically with no monetary ties to their place on the search engine (Jansen & Resnick, 2006).

However, others have found that less than 10% recognize when content is sponsored (Sass, 2015). Also, using results from a user study, Marable (2003) reported that searchers trust search engines to present only unbiased results on the first page, not realizing that 41% of selections were sponsored search listings (Jansen & Resnick, 2006). Because of this ambiguity in the prior research, this project proposes research questions instead of hypotheses, to be explored with four parts:

RQ1a: Do users recognize content as sponsored when it includes #ad?

RQ1b: Do users recognize content as sponsored when it includes #sponsored?

RQ1c: Do users recognize content as sponsored when it includes #promoted?

RQ1d: Do users recognize content as sponsored when it includes @companyname?

The FTC claims that to responsibly identify content as paid advertising, only certain terms are effective. In specific, they argue that "#promoted" is not sufficiently clear. Research suggests that wording for such indicators does matter, but current research suggests that the mention of payment is the differentiator, not "promoted."

Thus:

H1: Users **will be no more likely** to identify Instagram posts as having persuasive intent that include a hashtag indicator of #promoted than those that use #ad or #sponsored.

However, prior research suggests that brand names are more likely to be noticed as recognized as sponsorship cues than other types of cues (Jansen & Resnick, 2006). Therefore:

H2: Users **will** be more likely to identify Instagram posts as having persuasive intent that use the @ sponsorship indicator than posts that use a hashtag sponsorship indicator (#ad, #sponsorship, #promoted).

Further, theories of media literacy and the PKM suggest that if people actively identify content as an advertisement, they will be more critical of its message and will engage coping mechanisms such as distrusting the message. PKM also posits that people assign profit motives to advertisements. Thus, this thesis hypothesizes that those who actively identify an Instagram post (such as in a survey) will respond differently than those who do not, leading to hypotheses 3 and 4:

H3: When users actively identify an Instagram post as sponsored content, they will rate the Instagram post as less **trustworthy** than posts not identified as sponsored.

H4: When users actively identify an Instagram post as sponsored content, they will rate the post as less **credible** than posts not identified as sponsored.

By testing these research questions and hypothesis, this project will contribute to our understanding of the relationships among users, advertisers, and social media content.

4. METHODS

The study examines one research question with four different variables and tests three hypotheses using ANOVAs, Independent T-Tests and other statistical tests. Prior to launching the study, a pilot study was conducted online to finalize measures and procedures. 35 people participated in the study by clicking on the link shared social media platform Facebook. Pilot study participants answered all the questions in the survey with an additional question asking participants for feedback. The pilot study provided the researcher with insight on how well the survey flowed and if any questions were confusing. Based on feedback and on scale validity, the final procedure framework was found to be valid.

Theoretical Framework of the Method

Prior research on recognition of advertising content in online contexts has successfully used experimental survey research (Bart, Shankar, Sultan, & Urban, 2005; Cheong & Morrison, 2008; Cho and Cheon, 2004; Lee et. al, 2010; Shankar et al, 2002; Yoon, 2002), and the PKM has also used survey and experimental methods (Becker-Olsen 2003; Boerman et al., 2012; Hyland, 2000; Nelson & Ham, 2012; Sass, 2015; Verhellen et al., 2013). Some PKM research has used interviews, but for the current project interviews do not clearly demonstrate patterns in responses as needed to test the hypotheses and research questions. Surveys are created to provide statistical data about a certain population. By inferring the characteristics of the target population from answers provided by a sample of survey respondents (Fowler, 2013), a resemblance to the target population is seen. In order to understand how people respond to paid user generated content, the survey provides statistical estimates of the characteristics of a target population, a set of people (Fowler, 2013). The collection of numerical data to explain a particular phenomenon is

essentially what quantitative research is about (Woodrow, 2014) making this type of framework the best choice for this type of research.

According to Woodrow (2014), experimental research is the best method for examining causal relationships because the method allows people to ask three main questions which need to be answered in the affirmative prior to whether research can say that one variable causes another. These questions are:(1) is there a relationship between the variables; (2) does the cause precede the effect in time, and (3) are there any confounding variables that could explain this relationship?

Experimental design provides researchers with high levels of control along with the capacity to manipulate variables individually (Bateson & Hui, 1992). They are used to compare two or more groups, one of which (the experimental group) receives the experimental treatment, in this case three types of hashtags and the @ symbol indicating the post is sponsored. This study uses five conditions to assess whether people recognize text-based sponsorship cues on an Instagram post and how that recognition affects their perceptions of the post's credibility and trust in the message.

When designing this experiment, it was important to use two different type of images to see if disclosures of advertising are treated equal across different types of images on Instagram. The use of two images also mitigate confounding variables. Previous research on Instagram shows that the visuals chosen in campaigns have a strong influence on attitudes and public opinion (Filimonov, Russman, Svensson, 2016; Muller, Kappas, & Olk, 2012), thus the images selected for the experiment were carefully chosen to eliminate possible confounding variables that may be evoke influence resulting in the absence of a person's face and body, and elaborate background. However, to ensure the images were not too different, I chose images with similar

aesthetics; a hand holding an item. This resulted in resulted in an image of a hand holding a bar of soap and an image of a dog with a hand holding a dog treat. The stimulus materials are further explained in the next section.

4.1 Stimulus Materials

To assess whether or not the presence of text indicating a post as sponsored is recognized by participants and evokes different responses than non-sponsored text, this study used mock Instagram posts with different types of text in the caption area. Each survey was randomly assigned an image of soap (see Figure 15) or an image of a dog treat (see Figure 16).

These images are edited to look as though they were posted by a fictional user, "Lena.Wilson." All the conditions with the soap image uses the following text: *Shea butter soap with TeaTree and essential oils. Love this stuff! #soap #shea #vegansoap #essentialoils #natural #teatreeoil.* All conditions with the dog image uses the following text: *Hero gets the best treats in town. Chicago-style hot dog. #goldendoodle #yummy #dogtreat #beefy #healthy #allnatural.* To create the conditions for the study, the text was altered using Photoshop to add hashtags at the end of the post's text. One group saw a post without text indicating the post is sponsored content. The other four groups (see Table 2) included a hashtag and text indicating it is sponsored (@SkinBistro or @PetNatural, #promoted, #sponsored, or #ad).

Figure 15. Mock Instagram soap post with text, no sponsorship indicators

Table 1. Experimental Conditions Text, Soap Image

Condition	Text in captions
A: No sponsorship text	Shea butter soap with TeaTree and essential oils. Love this stuff! #soap #shea #vegansoap #essentialoils #natural #teatreeoil
B: #promoted sponsorship text	Shea butter soap with TeaTree and essential oils. Love this stuff! #soap #shea #vegansoap #essentialoils #natural #teatreeoil #promoted
C: #sponsored sponsorship text	Shea butter soap with TeaTree and essential oils. Love this stuff! #soap #shea #vegansoap #essentialoils #natural #teatreeoil #sponsored
D: #ad sponsorship text	Shea butter soap with TeaTree and essential oils. Love this stuff! #soap #shea #vegansoap #essentialoils #natural #teatreeoil #ad
E: @SoapShop sponsorship text	Shea butter soap with TeaTree and essential oils. Love this stuff! #soap #shea #vegansoap #essentialoils #natural #teatreeoil @SkinBistro

Figure 16. Mock Instagram dog post with text, no sponsorship indicators

Table 2. Experimental Conditions Text, Dog Image

Condition	Text in captions
A: No sponsorship text	Hero gets the best treats in town. Chicago-style hot dog. #goldendoodle #yummy #dogtreat #beefy #healthy #allnatural
B: #promoted sponsorship text	Hero gets the best treats in town. Chicago-style hot dog. #goldendoodle #yummy #dogtreat #beefy #healthy #allnatural #promoted
C: #sponsored sponsorship text	Hero gets the best treats in town. Chicago-style hot dog. #goldendoodle #yummy #dogtreat #beefy #healthy #allnatural #sponsored
D: #ad sponsorship text	Hero gets the best treats in town. Chicago-style hot dog. #goldendoodle #yummy #dogtreat #beefy #healthy #allnatural #ad
E: @SoapShop sponsorship text	Hero gets the best treats in town. Chicago-style hot dog. #goldendoodle #yummy #dogtreat #beefy #healthy #allnatural @PetNatural

4.2 Instruments and Variables

In order to assess differences in the participant responses to unsponsored Instagram posts and different types of sponsored Instagram posts, participants took an online survey asking a series of computer and internet use questions, then they saw an Instagram post that either does or does not include sponsorship text. The participants then answered a series of questions about advertising recognition, persuasive intent, trust, and credibility. Message involvement, demographics, and attitudes were also measured as potential moderators.

4.2.1 Measures

A series of scales and items were used to measure participants' attitudes, perceptions, and personal characteristics. Table 1 lists the main variables to be measured along with whether the variable is a dependent variable (DV) or independent variable (IV). Then each scale is explained in detail.

Table 3. Variables and Measurement

Variables & Operationalization	Hypothesis/ RQ	Description	Measurement Instrument	Cronbach's Alpha
Instagram Post (IV)	All	Format of Instagram post (study conditions)	Stimulus Condition	
Advertising recognition (DV)	All	Whether or not post is identified as sponsored	Open-ended question	--
Attitude toward the website (Instagram) (IV)	All	Attitude towards Instagram as a platform	Scale	.79
Instagram Intensity (IV)	All	Emotional connection to Instagram	Scale	.91
Message involvement (IV)	All	Effort put into considering the message	Scale	.77
Persuasive intent of message (DV)	H1 and H2	Understanding advertisement's intent	Scale	.87

Message credibility (DV)	H3	Credibility of message in Instagram post	Scale	.78
Author and Brand Trust (DV)	H4	Trust in the Instagram post	Scale	.84

4.2.1.1 *Attitude Toward the Website (**Instagram**).*

This scale (IV in the current study) assesses attitudes towards Instagram as a platform and is composed of three, seven-point Likert-type statements used to measure a person's overall evaluation of a website – in this case, Instagram. The scale is drawn from an original study by Stevenson, Bruner, and Kumar (2000). The respondents answered the two statements using a 7-point scale: "I like Instagram" and "I think Instagram is a good app." Items were assessed for reliability Cronbach's α = .79 which allowed for the reliable items to generate a single measure for this variable.

4.2.1.2 *Instagram Intensity*

The scale was adapted from the Facebook Intensity scale developed by Ellison, Steinfield, & Lampe (2007). Six of the eight questions were asked to explore user's emotional connectedness to the site. These questions were based on a five-point Likert scale ranging from strongly disagree to strongly agree. The scale items consisted of the following questions: Instagram is part of my everyday activity. I am proud to tell people I'm on Instagram. Instagram has become a part of my daily routine. I feel out of touch when I haven't logged onto Instagram for a while. I feel I am a part of the Instagram community. I would be sorry if Instagram shut down. These items reached a Cronbach's alpha of .910, suggesting high internal consistency creating a single measure for this variable.

4.2.1.3 *Message Involvement (Processing Effort)*

This scale (IV in the current study) assesses the effort participants put into considering the message in the Instagram post. It consists of four, seven-point Likert-type statements to measure a person's expressed level of motivation to process a specific message. In this case, the level of motivation to process an Instagram post is surveyed. This scale was used by Ha (1994, 1996, 1997) and was an adaptation of four of the 25 items used by Laczniak and Muehling (1993). The latter measured four different ad-related concepts. This construct has a reported alpha of .97 and was calculated for the scale used by Ha (1997). Bolls and Muehling (2007) reported an alpha of .94 for their scale. The questions asked in this construct are as follow: I paid attention to the content of the Instagram post; I carefully read the content of the Instagram post; When I saw the Instagram post, I concentrated on its contents; I expended effort looking at the content of this Instagram post. Responses are on 7-point Likert scales from *Strongly disagree* to *Strongly agree*. Items were assessed and reached a Cronbach's alpha of .770 thus these items generated a single measure for this variable.

4.2.1.4 *Advertising recognition*

To assess RQ1a – RQ1d, H3 and H4 (as well as to select cases for H1 and H2), this study determined whether or not viewers recognize the Instagram post as an advertisement. Users' attention and engagement with content can influence their ability to recognize when it is advertising (Wojdynski & Evans, 2015; Boerman, van Reijmersdal, and Neijens 2014, 2015). The effectiveness of disclosures at conveying the content's advertising nature to the viewer is contingent upon viewers' likelihood of paying attention to the disclosure (Wojdynski & Evans, 2015). The current study asked participants "Was there any advertising on the Instagram post?" and those who checked "yes" were asked to provide detail regarding what on the Instagram post

made them think it was an advertisement. Participants' open-ended responses were coded as 3 (maybe sponsorship) or 2 (mentioned sponsorship text) or 1 (did not mention sponsorship text) based on the procedure used by Wojdynski and Evans (2015) and Tutaj and van Reijmersdal (2012).

4.2.1.5   *Persuasive intent*

Hypotheses H1 and H2 use persuasive intent (along with advertising recognition) as an outcome variable. This scale measures a person's ability to understand advertisement intent with six questions (Rozendaal et al. 2010). Two items referring to selling intent: (1) 'The aim of this Instagram post is to sell a product/service and (2) 'The aim of this Instagram post is to stimulate the sales of products/services'; two items referring to persuasive intent: (3) 'The aim of this Instagram post is to influence your opinion' and (4) 'The aim of this Instagram post is to make people like certain products/services'; and two filler items referring to the informational intent of the advertising format: (5) 'The aim of this Instagram post is to give information about products/services' and (6) 'The aim of this Instagram post is to let people know more about the products/services.' All six items are measured on a scale ranging from 1 (strongly disagree) to 7 (strongly agree). After reliability analysis, mean scores for persuasive and selling intent items were collapsed to create a single measure of 'understanding persuasive and selling intent'. These items reached a Cronbach's alpha of .874 in the current study, demonstrating the scale is reliable.

4.2.1.6   *Author and Brand Trust*

H3 tested using trust as the outcome variable (DV). To assess participants' trust in the author of and the brand in the post, the survey asked the following questions on a 7-point Likert scale, "How much do you trust the information on the Instagram post?"; "Do you trust the

person who created this post?"; "Do you trust the brand the user is talking about?" These items reached a Cronbach's alpha of .843, showing the scale is reliable in this study.

4.2.1.7 *Message Credibility*

H4 was tested using message credibility as the outcome variable. This five item, 7-point Likert-scale is used to measure the credibility of message in the Instagram post. It is adapted by Wojdynski and Evans (2015) which was originally used to assess news story credibility in a study of native advertising. In that work, 12 versions of a story was randomly assigned to participants. The stories used one single text label as paid content using words used in native advertising like " advertisement", "sponsored content," "brandvoice" (an example of a site-specific neologism), and "presented by (sponsor)") (Wojdynski and Evans, 2015; 2014). For the current study, participants were assigned one of five single labels generally used for advertising. These labels were placed on two varying images. People were then provided statements about the Instagram post for how honest, trustworthy, convincing, biased, and credible it is. Responses were on a 7-point scale ranging from *Strongly disagree* to *Strongly agree*. The original study collapsed the five items to form a single measure for UGC credibility created on Instagram (M D 4.97, SD D 1.00; a D .79). This study reached a Cronbach's alpha of .78, indicating acceptable reliability.

4.3 Data Collection

4.3.1 Population and Sampling

The participants for this study were recruited from students at Colorado State University in Fort Collins, CO. Student email addresses were gathered from the Colorado State University RamWeb internal email site and 500 addresses were randomly selected from students registered as freshman, sophomore, juniors, and seniors. The researcher used stratified random sampling to

select 500 emails in each class (freshman, sophomore, junior, senior). In any set of data one collects, there is error. Random error is the unpredictable error that occurs in all research. To lower the chance of this type of error, I selected a larger and more representative sample (Sue & Ritter, 2012). Of the 2000 people who received the survey, 358 responded. After the distribution of the survey, users who did not answer questions fully were removed. In total, the sample size surveyed was 274. This population size has enough power to detect medium effect sizes, as suggested by Cohen (1990). With 5 conditions, this study had at least 30 participants per cell.

For the past decade, young adults have continued to be the most likely to go online (Pew Research, 2016). Teens and young adults are most likely to spend their time online. This continues to be true even though the age of users continues to grow older, the younger generation becomes the populations to use it the most (Lenhart, Purceell, Smith, & Zickuhr, 2010). This population is a target audience that many marketing and advertising firms attempt to influence as the largest consumers online are those aged 18-34 (Smith, 2015). Although Instagram currently has more women than men (38% of women and 26% of men internet users use the platform), this study includes both men and women in its recruitment (Pew Research Center, 2016). About 59% of Instagram users are between the ages of 18-29, with an additional 33% of users being between 30 and 49 (Pew Research Center, 2016). It is important to note, however, that the population of students at Colorado State University are predominately white which may not be a representative sampling of the population of Instagram users. This is a limitation because Blacks and Latinos are more likely than whites to use Instagram (Pew Research Center, 2015).

4.3.2 Recruitment Procedures

In order to recruit participants, the researcher followed Dillman's Guidelines for conducting survey research. Recruitment began with an email notifying students about the

survey. A web survey implementation sequence generally starts with a survey invitation (Dillman, Smyth, & Christian, 2014). The recruitment email (see APPENDIX B) was sent out to university assigned email addresses from a list-serve. The announcement disclosed minimal information about the survey and invite participation. The email included a link to the study survey where individuals were able to participate in the study. Email reminders were also implemented, but the number of reminders depended on the follow-ups. In total, up to two additional emails were sent to student's who did not complete the survey. Dillman et. al (2014) suggests if follow-ups have yielded a handful of responses, additional follow-ups may not be warranted as they may irritate the sample members.

The following implementation design is recommended by Dillman et. al (2014) and slight changes have been made due to budget and time constraint:

- Day 1: An invitation was sent out to the email list to let students know about the survey taking place

- Day 14: A reminder email was sent out that had an electronic link to the survey

- Day 20: A final thank you email reminder post was sent out which had an electronic link to the survey,

- Day 22: The survey was turned off.

In order to help maintain an adequate response rate and to compensate the participants for their time, each person who consented to the survey was entered into a raffle to win one of two $40 Amazon gift certificates. The survey was not longer than 15 minutes to participate. Participants maintained their confidentiality through the Qualtrics system and names were removed from the email addresses. At the end of the survey participants were asked to go to another link where they can then input their name and email address if they wish to be entered

into the raffle. Participants were not required to enter the raffle. At the close of the survey, two winners among those who entered were randomly selected to win a gift certificate. The winners were alerted with an email.

4.3.3 Data Collection

The email sent to students provided a brief description of the study. It included a link to the Qualtrics survey. Once participants clicked the survey link in the recruitment materials, they saw and agreed to a consent form (or opted out). Then, they completed the screening questions. Those who are not eligible were directed to the end of the survey and did not complete survey. This resulted in a total of 358 responses. The screening questions were "Do you own a smartphone" and "Do you use Instagram?". If participants answered no to either of these questions they were removed. In total, 65 people were removed. Two from the questions which asked if the participant owned a smart phone and 63 asking if participants used Instagram. Of the 293 participants remaining, 19 more were removed due to incomplete data. This resulted in n= 274.

Eligible participants were directed to the rest of the survey. To assign conditions, the survey included programmed logic to randomly assign each participant to one of the five conditions automatically (see Section 4.3). Participants answered some questions about internet and social networking site use, saw a post which was the stimulus material in the survey, and then answered additional questions about the post they viewed. It should be noted that participants did not see the randomly assigned Instagram post while answering the questions about that post.

Participants were asked how often they used Instagram, and how often from certain devices such as a cellphone, computer, and tablet. They were then asked how often they use

other social networking sites: Facebook, Twitter, and Snapchat. Participants were asked in the past week the approximate time they spent on Instagram. After these initial questions were asked, questions that were part of the scale "Instagram Intensity" asked about feelings towards their use of Instagram, the length of use of the application and the total number of followers they have.

4.4 Validity and Reliability of the Study

4.4.1 Reliability

In order to test reliability of the scales, Cronbach's alpha of no less than .70 was utilized. A reliability coefficient of .70 or more is acceptable within social science research. Cronbach's alpha measures the internal consistency of a set of items and reports how closely the relate to one another providing a measure of the scales reliability.

Many of the scales chosen for this experiment have been previously used in other studies, some with slight changes, they are as follow: Attitude toward the website, alphas of .97, .93, and .95 were reported for the scale as used by Bruner and Kumar (2000), Stevenson, Bruner, and Kumar (2000), and Johnson, Bruner, and Kumar (2006); Message involvement, Bolls and Muehling (2007) reported an alpha of .94 for this scale; message credibility, with an alpha of .79; author and brand trust, an alpha of .81 was reported for the scale by Chaudhuri and Holbrook (2001); and lastly, Instagram intensity scale was create by using a Facebook Intensity scale which reached an alpha of .83 (Ellison, Steinfield, Lampe, 2007). Upon running reliability among the scales, each one used within this experiment reached at least .70 reliability making them acceptable for use.

Table 4. Scale Questions and Reliability for Main Variables

Instagram intensity Scale reliability: α = .91 Questions: Instagram is a part of my everyday activity. I am proud to tell people I'm on Instagram. Instagram has become a part of my daily routine. I feel out of touch when I haven't logged onto Instagram for a while. I feel I am a part of the Instagram community. I would be sorry if Instagram shut down.
Attitude toward the website Scale reliability: α = .79 Questions: I think Instagram is a good application. I like Instagram.
Message involvement Scale reliability: α = .77 Questions: I paid attention to the Content (Image, Text, Hashtags) of the Instagram post. I carefully read the Content (Text, Hashtags) of the Instagram post. When I saw the Instagram post, I concentrated on its contents (Image, Text, Hashtags). I expended effort looking at the Content (Image, Text, Hashtags) of this Instagram post. When I saw the Instagram post, I concentrated on the Image. When I saw the Instagram post, I concentrated on the Text. When I saw the Instagram post, I concentrated on the Hashtags.
Brand Trust Scale reliability: α = .84 Questions: I trust the information on the Instagram post. I trust the user. I trust the brand the user is talking about.
Instagram credibility Scale reliability: α = .78 Questions: I think the Instagram post was honest. I think the Instagram post was trustworthy. I think the Instagram post was convincing. I think the Instagram post was biased. (How to reverse code these) I think the Instagram post was not credible. (How to reverse code these) I think the Instagram post was biased. (reverse coded) I think the Instagram post was not credible. (reverse coded)

Persuasive Intent
Scale reliability: $\alpha = .87$
Questions:
The aim of this Instagram post is to sell a product.
The aim of this Instagram post is to stimulate the sales of products/services.
The aim of this Instagram post is to influence my opinion.
The aim of this Instagram post is to make people like certain products.
The aim of this Instagram post is to give information about product.
The aim of this Instagram post is to let people know more about the product.

4.4.2 Internal Validity

Validity refers to the link between individual questions and the concepts they seek to measure, as well as to how groups of questions combine to measure multidimensional concepts (Sue & Ritter, 2012). In order to ensure the study has internal validity, valid scales are used from previous studies as mentioned in the reliability section with scales reaching Cronbach's alpha of at least .70.

Research participants may provide inaccurate information on a survey for several reasons, participants may deliberately report misinformation to avoid embarrassment or to fit in with what they believe to be social norms. In order to reduce issues with validity the researcher repeated the promise of anonymity and confidentiality prior to asking questions about the Instagram posts (Sue & Ritter, 2012). As noted, there were also screening and filter questions which removed any participants who have do not use Instagram. This ensured that participants have the background knowledge they need to assess the images presented.

4.4.3 External Validity

Participants in this study were recruited using a population of college students. As a result, they were not randomly selected for participation; therefore, the results obtained from these surveys have limited generalizability and thus limited external validity. However, the population sampled provided some external validity because college students are similar to

Instagram users in demographic profile, except for race. Screening and filter questions removed participants who are not regular Instagram users to ensure that those who participate are part of the universe of all Instagram users. This helps improve external validity.

4.4.4 Ecological Validity

According to Bateman and Hui (1992) ecological validity, as defined by McKechnie (1977), refers to "the applicability of the results of laboratory analogues to non-laboratory, real life settings" (p. 169). In order to ensure the study has ecological validity, the researcher manipulated an actual Instagram post to display to participants. However, because participants viewed this post within a survey, not as part of a full Instagram feed, ecological validity is limited. Also, each condition differed by only one element to ascertain the cause of the experimental results and not confound other condition differences that would otherwise be present if, for example, this study compared 4 completely distinct posts (Bracht & Glass, 1968).

4.5 Analysis

4.5.1 Analytical Approach

Once the data was collected, it was cleaned, and open-ended responses were coded for whether or not the post is an advertisement (0,1). Survey responses that seemed inconsistent (e.g., clicking all the same response number) or incomplete were removed. The Qualtrics file was then transferred to the Statistical Package for the Social Sciences (SPSS) for a more robust analysis.

In order to examine the research questions and test the hypotheses, this study first examined whether there was a statistically significant difference between the conditions that used the dog images and those that used the soap images. These were theorized to display no differences. To test if this was the case, independent sample t-tests were run for each main

variable used in the study comparing dog and soap conditions. This resulted in a significant

difference between the two images which caused the tests to then be run against the image of the

treat and the image of the soap rather than combining the responses together. Independent

sample T-tests and analyses of variance (ANOVAs) to test the main hypotheses. This study uses

a cut-off for statistical significance of $p < .05$, as per scientific standard practices (Cohen, 1990).

5. RESULTS

This experiment examines the relationships between perceptions of sponsorship and exposure to different types of promotional markers in Instagram posts. Because differences were found on the main outcome variables between dog and soap topics, analyses of RQ1- RQ4 and H1 – H4 are examined for each topic separately.

To identify if the type of sponsorship tags or information influenced advertising recognition, persuasive intent of the message, trust in the message, and credibility of the message, the following research questions and hypotheses were tested:

- RQ1a: Do users recognize content as sponsored when it includes #ad?
- RQ1b: Do users recognize content as sponsored when it includes #sponsored?
- RQ1c: Do users recognize content as sponsored when it includes #promoted?
- RQ1d: Do users recognize content as sponsored when it includes @companyname?
- H1: Users will be no more likely to identify Instagram posts as having persuasive intent that include a hashtag indicator of #promoted than those that use #ad or #sponsored.
- H2: Users will be more likely to identify Instagram posts as having persuasive intent that use the @ sponsorship indicator than posts that use a hashtag sponsorship indicator (#ad, #sponsored, #promoted).
- H3: When users actively identify an Instagram post as sponsored content, they will rate the Instagram post as less trustworthy than posts not identified as sponsored.
- H4: When users actively identify an Instagram post as sponsored content, they will rate the post as less credible than posts not identified as sponsored.

5.1 Participants

The subjects of this experiment were recruited from Colorado State University, thus, it is expected that most respondents indicate levels of higher education. As expected, 89.8% reported to have higher education, meaning some college experience or degree, and 92.7 % said they were

currently a college student. Also, the age range was predominately 18-24 year olds, with a majority of white women participating in the survey. More information can be seen in Table 5.

Table 5. Participant Age, Gender, and Race

Demographics	Percent
Age	
18-24	90.5%
25-34	4.4%
35-44	3.3%
45-54	1.1%
Gender	
Male	24.8%
Female	72.3%
Other	2.2%
Race	
White	88.7%
Black	1.8%
American Indian or Alaska Native	1.8%
Asian	9.1%
Native Hawaiian or Pacific Islander	1.8%
Other	1.1%

Frequency of Instagram use was measured by asking participants, "How often do you use Instagram?" Responses were on a 6-point Likert scale from *never* to *frequently*, and 33.9% said they used the application frequently, 30.7% reported using it often, 22% sometimes, 42% occasionally, 29% rarely, and 4% reported that they never use the application. A majority (44.5%) of respondents reported using the application from a cell phone multiple times a day, and a majority reported never using the application from a desktop or laptop (66.8%), and 86.1% reporting they never use Instagram from a tablet. Of those surveyed, 4.4% said they have been paid for their UGC via their personal Instagram feed.

The following table (Table 6) shows the mean, standard deviation, minimum and maximum of each scale (main variable) across all conditions: Author Brand Trust, Persuasive Intent of the Message, Attitude Toward Instagram, Message Involvement, and Message Credibility.

Table 6. Main Variable Descriptive Statistics

Variable	Grand_Mean	SD	Min	Max
Author and Brand Trust	4.28	1.05	1	6.67
Persuasive Intent	4.45	1.18	1	7
Attitude Toward Instagram	5.86	.981	1	7
Message Involvement	4.81	1.04	1	7
Message Credibility	4.21	.856	2.2	5.8

Note: 1= strongly disagree and 7= strongly agree, 4= neither agree nor disagree

The main variable scales used within this experiment show that a majority of the time, participants were generally answering neither agree nor disagree outside of the variable Attitude towards Instagram. This mean was nearly a 6 which is between somewhat agree to agree.

5.2 Testing Topic Differences

The design of this study used two different topics within each condition to account for potential differences in perceptions of the message by topic. It was theorized that no significant differences would be found. To test this assumption, independent t-tests were conducted to compare each main variable in the version of each condition that used a dog in the message versus those that used soap. The assumption was mostly not supported. Analyses did reveal some significant differences between image topic, as shown in Table 7. Upon analysis of H1-H4, the researcher went back to the original research questions and split the questions by the image and the sponsorship cue to see if participants accurately acknowledged advertising recognition

Table 7. T-Tests for Topic Differences

Variable	Dog Image		Soap Image		*t*	*df*	*p*	Cohen's *d*
	M	**SD**	**M**	**SD**				
Advertising recognition	1.87	.670	1.87	.666	.062	272	.951	0
Instagram intensity	4.46	1.5	4.4	1.6	.591	271	.555	.04
Persuasive intent	4.15	1.22	4.74	1.08	-4.22	272	.000	0.5
Author & Brand Trust	4.41	.998	4.2	1.09	2.01	272	.046	0.2
Message credibility	4.24	.587	4.1	.59	2.36	272	.019	0.2

Note: 1= strongly disagree and 7= strongly agree, 4= neither agree nor disagree

5.3 RQ1: Advertising Recognition

In order to examine RQ1a through RQ1d, a simple comparison of responses to the question,

"Did you see advertising in this post?" was examined, see Table 9. Of the 274 respondents, 55

participants viewed a post with no advertising cues. 79.9 % of users saw a post that had one of

the 3 hashtags or company handle. Correct responses are in bold.

Table 8.   Advertising Recognition by Condition

Condition	Yes	Maybe	No
#Ad	**58.1%**	16.1%	25.8%
@Company	**70.2%**	17.5%	12.3%
None	34.5%	16.4%	**49.1%**
#Promoted	**57.4%**	12.8%	29.8%
#Sponsored	**49.1%**	18.9%	32.1%

Table 8 shows that the majority of participants saw advertising in posts with a hashtag or @company included in the text, and the majority of participants did not report they saw advertising in the condition with no hashtag or company name.

Due do the differences found with the dog and soap topics. RQ1-RQ4 were also split to see if there were any effects with advertising recognition by condition. 132 participants saw a post with the image of the treat, along with a dog present in the image, while 142 participants saw a post with the image of the soap. The results are shown in Table 10. Although some differences are present, due to the small sample sizes for many cells, statistical tests do not show a statistically significant difference. However, a majority of participants who saw a post with the @company_name recognized the post as an advertisement.

Table 9. Advertising Recognition by Condition and Image Type

	Dog Image	Soap Image
	#ad	
Yes	**44% (8)**	**68% (25)**
No	32% (11)	22% (8)
Maybe	6% (6)	11% (4)
	@company_name	
Yes	**71% (24)**	**70% (16)**
No	12% (4)	13% (3)
Maybe	18% (6)	17% (4)
	None	
Yes	46% (13)	22% (6)
No	**39% (11)**	**59% (16)**
Maybe	14% (4)	19% (5)
	#promoted	
Yes	**48% (10)**	**65% (17)**
No	43% (9)	19% (5)
Maybe	10% (2)	15% (4)
	#sponsored	
Yes	**54% (13)**	**45% (13)**
No	29% (6)	35% (10)
Maybe	17% (4)	21% (6)

Notes: Correct answers are in bold; Subgroup ns are in parentheses.

5.4 Hypothesis Testing

5.4.1 H1: #Promoted Recognition as Persuasive Intent

Hypothesis 1 stated that users will be no more likely to identify Instagram posts as having persuasive intent when they include a hashtag indicator of #promoted compared to those that use #ad or #sponsored. Analyses shows that this hypothesis was supported (see Figure 17).

A one way ANOVA compared the effect of condition (#sponsored, #promoted, #ad) with the soap image on perceptions of post persuasive intent. The same analysis was run on those conditions with the dog image. There were no significant differences among the three conditions

with the soap image on persuasive intent ($F(2,89) = 2.06$, $p = .134$), nor among the three conditions with the dog image ($F(2,67) = 1.42$, $p = .249$).
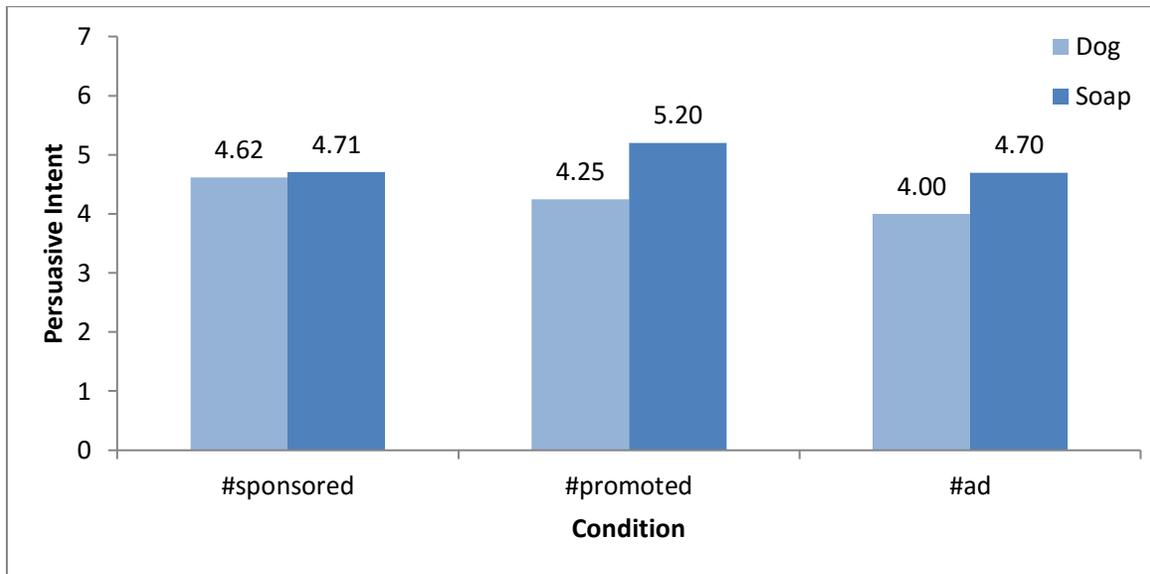

Figure 17. Mean Persuasive Intent by Condition

5.4.2 H2: @company as Persuasive Intent

Hypothesis 2 states that users will be more likely to recognize @company_name sponsorship cues than hashtag sponsorship cues (see Figure 18). Analyses showed that hypothesis 2 was partially supported. Participants were more likely to recognize the company handle of the soap as a cue for sponsorship than with the company handle of the pet company's handle.

An independent t-test was conducted to compare the persuasive intent in the @PetNatural condition (n = 70) and the hashtag conditions (n = 112) for those who received the dog image. There was not a significant difference in the scores for persuasive intent for @PetNatural (M = 4.286, SD = 1.30) and hashtag conditions (M = 4.23, SD = 1.13); $t(180) = -.286$, $p = .775$.

An independent t-test was conducted to compare the persuasive intent in the company name (@SkinBistro) condition (n = 92) and the hashtag conditions for those who received the

soap image (n = 112). There was a significant difference in scores for persuasive intent for the company name condition versus the hashtag conditions with the company name condition rated as having higher persuasive intent than the hashtag conditions (M = 4.23 SD = 1.067), t (202) = -3.93, p = .000).
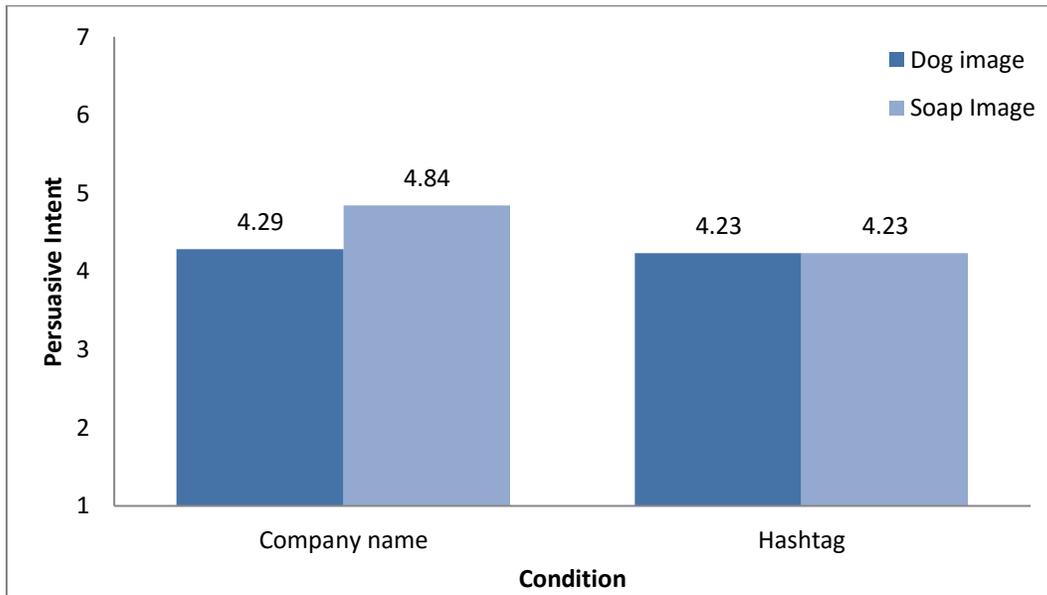

Figure 18. Mean Persuasive Intent by Condition

5.4.3 H3: Sponsored Content and Trust

Hypothesis 3 says that sponsored posts will evoke lower user trust than non-sponsored posts. To test this hypothesis, the data were split into two groups: one that combined the four sponsorship cue conditions (#ad, #promoted, #sponsored, @company_name) and one that was the condition without sponsorship text (see Figure19). Independent t-tests were conducted to compare means in trust in the message across the two groups. This hypothesis was not supported.

Independent t-tests demonstrated that were no significant differences between the means for sponsorship condition with a dog image (M = 4.42, SD = .972) and no sponsorship condition

(M = 4.393, SD = 1.108), conditions; $t(130) = -.112$, $p = .911$ (See Figure 24.). This hypothesis was not supported.

Independent t-tests showed also that were no significant differences between the means for the sponsorship condition with the soap image (M = 4.18, SD = 1.23) and the no sponsorship condition (M = 4, SD = 1.23); $t(140) = -.504$, $p = .615$(See Figure 19). This hypothesis was not supported.
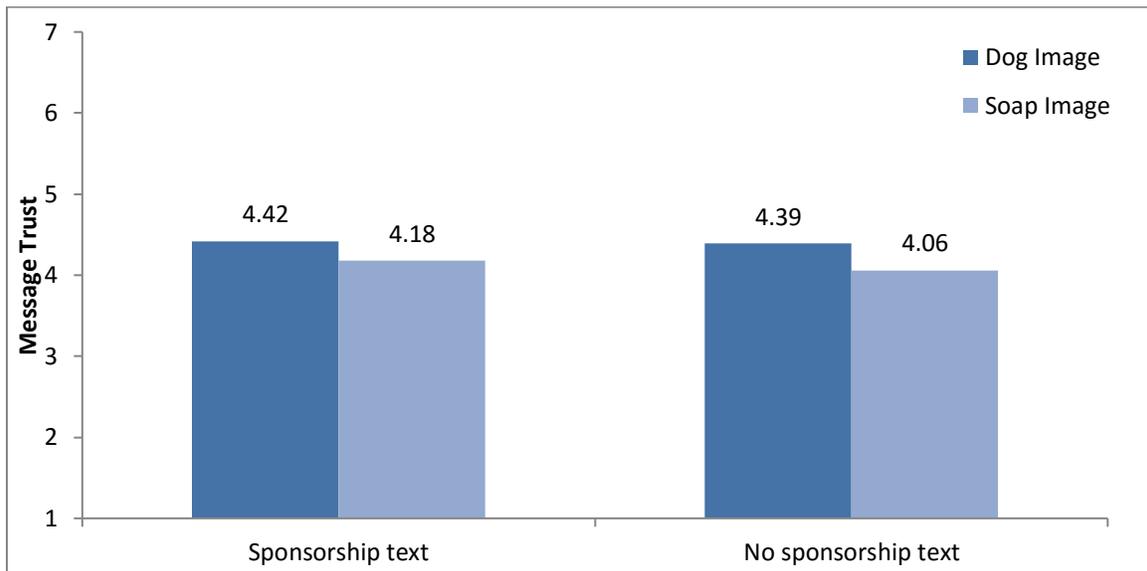

Figure 19. Mean Sponsored Content and Trust by Condition

5.4.4   H4: Sponsorship and Credibility

Hypothesis 4 says that participants will rate sponsored posts as less credible than non-sponsored posts. This hypothesis is tested by first splitting the conditions by the image seen and by combining the four sponsorship cue conditions (#ad, #promoted, #sponsored, @company_name) into a single group and comparing them to the condition without sponsorship text (see Figure 20). This hypothesis was not supported.

An independent t-test was conducted to compare credibility of the message in the posts with the dog image. There were no significant differences between the means for the sponsorship

condition (M = 4.22, SD = .58) and no sponsorship condition (M = 4.3, SD = .61); $t(130) = .72$, p = .47.

An independent t-test was conducted to compare credibility of the message in the posts with soap image by presence of sponsorship text. There were no significant differences between the means for the sponsorship condition (M = 4.04, SD = .59) and the no sponsorship condition (M = 4.17, SD = .6); $t(140) = 1.02$, $p = .31$.
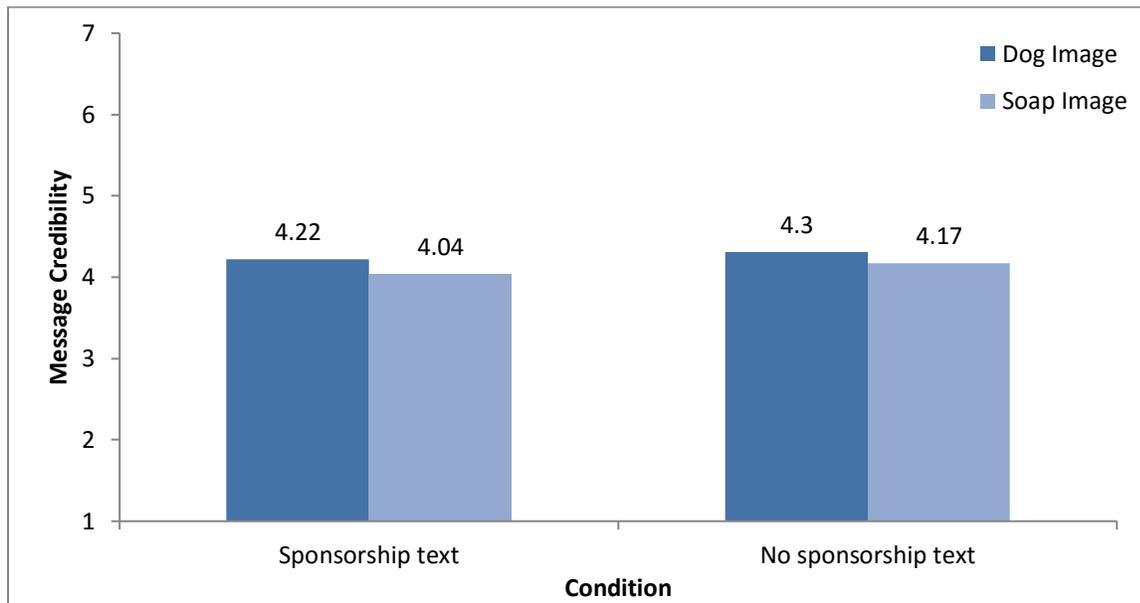

Figure 20. Mean Message Credibility by Condition

6. DISCUSSION

This study examined the relationships between sponsorship cues on Instagram posts and perceptions of the message, that is: recognition of the presence of advertising, persuasive intent, trust, and credibility. It examined a series of research questions about whether users recognized content as sponsored when this text was present, and then tested hypotheses about the differences among sponsorship cues and these message perceptions. The following section provides more in-depth explanation of the results.

6.1 Research Questions Discussion

Analyses revealed that the largest proportion of users recognized the Instagram post as sponsored when hashtags or company names were included, although a large proportion did not recognize they were sponsored (between 42% and 50%). The type of post most likely to be recognized as sponsorship were the ones with the @company text (70% recognized it as advertising). This means that although there were people who saw an Instagram post with either a #sponsored, #ad, #promoted – they did not recognize the post as an advertisement within the survey. This could relate to the participant being unaware of UGC like Instagram's ability to be sponsored content even when it is a regular user creating the post.

The research also shows that the company handle within a caption of an Instagram post is more likely to be recognized as an advertisement than the hashtags which are generally regarded as indicators of endorsement. Recognition of sponsorship was most successful on Instagram posts with the presence of the @company text. This was true for those who received the image of the dog treat and the image of the soap. 70% of the users who received the image with the Instagram handle name recognized advertising on the post.

Overall, more users who received the image of the soap image recognized the #ad as an advertisement (68%) than those who viewed the dog image (44%). 48% of those who received the #promoted dog image recognized the advertising cues while 65% of users who received the image of the soap recognized the cues. 54% of those who received the #sponsored dog image recognized the advertising cue while 45% of those who received the soap image recognized the advertising cue. On the other hand, 39% of those who received the dog image with no sponsorship recognized it as a post with no advertisement, and 59% who received the soap image identified the post properly. These results suggest there is a large segment of users who do not recognize labeled posts as an advertisement even when the cues are visible. Without active perception that a message is an advertisement (Verhellen et. al., 2013; Nelson & Ham, 2012) a person's persuasion knowledge may not be activated. This makes it more difficult for consumers to be critical of an Instagram post if they are unaware of the consumerism occurring behind the scenes.

Moreover, this study provides insight as to why participants did recognize the post as advertising, when they did so. Open-ended responses to why participants believed there was advertising showed that certain cues increased a user's persuasion knowledge. One user even said that "the entire post was a native advertisement for shea butter spa." Another user stated that, "while I didn't see a brand name that I recognized, it said "sponsored" in the Hashtags." Some users can clearly recognize cues, thus triggering their awareness of a sponsored post as Boerman et. al (2012) suggests. For instance, a participant wrote "yes, there was a hashtag about a promoting something but I couldn't tell what they were promoting," revealing that although there was a #promoted present it was ambiguous as to was being promoted as the FTC has stated within their guidelines (FTC, 2016). Others mentioned they noticed the #promoted, #sponsored,

#ad and the company name as triggers. According to the PKM, this would trigger critical understanding of the content. Another participant noticed the #sponsored text, but "did not know what it was for". As people become more aware of the commodification of UGC, these types of cues can possibility be more effective when activating users' PK. For persuasion knowledge to be activated a person needs to know they are first being sold to and they must recognize the traits and goals of the Instagram user, and they must understand the product they are encountering (Campbell & Kirkman, 2000). These responses received from participants in this particular study show that people who are actively using Instagram may not know that certain users are selling products to them through their Instagram posts. This suggests that the PKM does not apply in important contexts and represents a weakness of the model: there may be many advertising circumstances in which PK is not activated. Further research on how specific contexts are more or less likely to activate PK is needed.

6.2 Hypothesis Testing Discussion

Hypothesis 1, which was supported, stated users will not rate the persuasive intent of posts with #promoted text as different than those with #ad or #sponsored text. However, given the large number of people who failed to recognize posts with these hashtags as sponsored in any way, it is unclear if this finding is due to considering all sponsorship hashtags as equivalent, or if it is due to not perceiving the posts as advertising. In either case, users did not perceive significant differences among the hashtags. As mentioned earlier in the paper, the FCC found the word promoted to be too obscure for advertising recognition, however this experiment reveals the similarity of these tags in terms of perceptions of persuasive intent – whether or not it was recognized as such. This suggests that the specific term used is not important in activating the PKM, as suggested by the FTC (2015), but that a number of terms activate perception that a

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message is an advertisement. Alternatively, those same terms are missed at similar rates. For

example, almost 42% of people failed to recognize #ad posts as having sponsored content,

compared to about 42% of those who saw a post with #promoted and 50% of those who saw a

post with #sponsored. For those who did recognize the post as containing sponsorship, users

were able to accept the information and filter it through already developed knowledge structures,

as suggested by media literacy theories (Potter, 2013), thus the nuances in text did not make a

difference to the activation of more critical responses to content perceived as advertising.

Analyses of H2, which posited that the @company text would be rated as having

persuasive intent than hashtag cues, showed that company names can be more powerful than

hashtags in communicating sponsorship. This was true for the soap image, but was not true when

the content of the post was a dog, partially supporting the hypothesis. This demonstrates that

each image is not treated the same in terms of the perception of persuasive intent. Previous

research suggesting that brand names are more likely to be recognized as sponsorship cues

(Janesen & Resnick, 2006) is partially supported. It is possible that the dog image was

associated with regular user posts, and thus more likely to be seen as personal, not corporate,

images than soap.

This partially supported hypothesis generates even more questions needed to be

answered. The fact that people felt more compelled to activate persuasion knowledge when it

came to viewing a bar of soap with the company's handle present within the caption more than

they did when a dog treat was shared with a dog present suggests another layer of inquiry. The

presence of a dog within the post may have been a contributing factor to this difference. Future

research should assess feelings associated with dogs or if they personally owned a dog or grew

up with one. This could have caused participants to be less critical of the post containing the

business handle showing us that digital media literacy needs to place emphasis on how user generated content should be expected to have an ulterior motive as theories in political economy suggests (Hardy, 2014) and be approached with a conscious awareness and skepticism as Potter (2013) has suggested in previous work. It should be noted that this recognition does not change the way users trust the content or make information less credible, instead allows users to address the content appropriately and may help users activate PK more often due to the misinterpretation of advertising cues (hashtags) within this study. The findings from this study also tells us that consumers interactions with Instagram posts do not result in the same responses each time they are encountered. The theories in media literacy and PK model need to address people's association and feelings with contextual cues, not just when advertising is explicit in textual cues, but also within the images.

Hypothesis 3 and 4 examined whether users respond more critically to sponsored posts. Analyses suggested that, contrary to theories of advertising and credibility and trust, where the credibility of the source is key (Thompson & Malaviya, 2013; Verhellen, Dens, & De Peslmacker, 2013) users did not trust unsponsored posts more than sponsored ones, nor did they feel sponsored messages were less credible. This could be because so many did not recognize the posts as sponsored. It is also possible that users were less critical because of the experimental setting, resulting in less scrutiny. On Instagram, users must follow another user in order to have their content show up on one's feed; in this study, participants may not have the same mental state as they would when interacting with a real post from an account they have deliberately chosen to follow. Past research in celebrity endorsements has found that the endorsements are credible (Djafarova & Rushworth, 2016) on Instagram posts however this experiment shared posts from a user account which the participant had no relations with which could affect the

user's skepticism or decision to remain neutral. The experiment did suggest that users might have been more skeptical of an Instagram post of a bar of soap than of an Instagram post with a dog in the image. The current study suggests it is likely than many users are not aware that content shared on Instagram by users can actually be a paid endorsement revealing a need for increased media literacy and tailored policy for advertisement on the Instagram platform. This supports the research using PK model and results in the need for improved methods of learning within digital media literacy.

The research also illuminates and emphasizes the need for media literacy about social media, and highlights distinct challenges in these platforms. When responses to advertising are not triggered by content – even advertising content labeled as such – the underlying assumptions of the PKM and of some aspects of media literacy theories are undermined. This calls for continued research using the PK model within digital spaces that tend to have ambiguous messages like what we see occurring on Instagram. These recommendations will be addressed in the following sections.

6.3 Recommendations for Policy & Industry

The implementation of regulation for advertising and partnerships users have with businesses can increase users' ability to cope with persuasive tactics. Friestad and Wright's (1994) research using the PK model states how persuasion coping knowledge is a procedural knowledge which can be applied to learning information in a step-by-step manner. Establishing more consistent and clear rules to indicate a post is sponsored could allow people to more easily differentiate between advertising and UGC. This could help users be more aware of persuasion attempts. For example, if Instagram created a policy for product placement such as placing the company name as well as a #ad, "#promoted, or #sponsored within the caption of any content

that is a paid advertisement, according to the PK model and digital media literacy, the user's literacy may increase. However, given how often users failed to recognize labeled content as advertising, these hashtags may not function as intended resulting in a continuous need for improvement of regulation and policy within paid advertising on social media.

Lord & Taylor was sued in 2015 for requiring influencers to only mention the company handle along with the #DesignLab. Based on court ruling, it was decided that clear and conspicuous disclosure is necessary so that customers can easily understand that the content is an endorsement. However, no official policy has been implemented for Instagram users who gain monetary goods for their posts. In 2017, the FTC mailed letters to 90 different influencers on Instagram reminding them to disclose the endorsement as an advertisement without explicitly stating how they should do it. The letter does state that influencers should make the statement within the first three lines of the caption and that multiple tags and hashtags and links are skipped over by users. This experiment establishes that a company's Instagram handle name in the caption is a more effective way to signal sponsorship than the use of the sponsored text: "ad", "promoted, and "sponsored". The study also established that hashtags on their own are not enough to trigger PK for some users, leading to a need for increased media literacy and policy pertaining to advertising and sponsorships used within UGC.

The industry should be aware that although these texts may increase coping strategies with users, it does not change user trusts in the poster. Participants stated that they neither agreed or disagreed when it came to their trust level being effected by sponsorship cues. The sponsorship cued did not affect their perception of the message credibility. This suggests that users are not affected by these types of disclosures when it comes to their trust and credibility of a post. This should provide enough information for those in the industry to be more

straightforward of partnerships with those who are influential enough to commodify their Instagram posts. This would be beneficial for the company who is trying to advertise so users can be aware there is a sales attempt thus allowing them to view the Instagram post as such. This will allow for users to make decisions on how to address the persuasion attempt. A study conducted by Campbell and Kirmani (2000) shows that motives that are accessible before an encounter with a persuasive attempt increased the user's use of PK in evaluating the salesperson. When PK is activated, it allows people to consider the extent to which a salesperson's (in this case the Instagram user) remarks (Instagram post) reflect the ulterior motive of persuading the user to buy the product (Cambell & Kirmani, 2000).

The FTC has guidelines for influencers and although these cues may not always go noticed, general media literacy that social media platforms allow for users to make UGC profitable can help PK hover in readiness more often. Those who use platforms like Instagram should be made aware that users who are deemed to be "influencers" also have the power to become commodified through the accumulation of followers and the ability to reach users on a more personal level, one where the word of mouth becomes more powerful than a company's advertising. Children's ability to understand advertisement may be based on their knowledge that they are deliberately being persuaded to purchase an item (Lawler & Prothero, 2007; Young, 1990). This reinforces the need for media literacy about social media and user generated content among youth.

6.4 Recommendations for Digital Media Literacy

The findings of the current study highlights the need to re-think notions of media literacy in user-generated online spaces. Although users have been found to be skeptical of internet advertising (Moore & Rodgers, 2007), the present study suggests that for many, such skepticism

may not be triggered. As a result, new models for media literacy may be needed for UGC contexts.

Media literacy approaches that place emphasis on students developing the media themselves to better understand production and culture of the media (Dezuanni, 2015) may improve people's ability to recognize paid content, although more research is needed to determine if this is the case. The PK model states that in order for people to become fluent in a medium, they must have practice opportunities for coping with persuasion attempts. The results showing a difference in the way participants responded to an image of soap and an image of a dog treat shows further that material objects influence the context of an Instagram post. As a result, media literacy practices may need to incorporate not only context but also specific types of content. Training in how content is sponsored, what that looks like, and how difficult it is to recognize is needed.

Hands-on approaches to developing campaigns much like the Lord & Taylor marketing blitz in higher level-primary or secondary courses, as well as in higher-education courses can help to increase student's understanding of the production which occurs on these platforms, along with the reach and the ability to generate revenue. The PK model suggests that individuals who experience different types of persuasive messages have a better ability to cope with advertising attempts (Moore & Rodgers, 2007), which is feasible as found by Kahne, Lee, and Feezell (2012). In their study, conducted on digital media literacy education and online civic and political and participation of high school students, found that 41% of high school students learned how to assess the trustworthiness of information on the web, while 18% never were taught these skills (Kahne et. al, 2012). This further shows the need for an emphasis of content creation and practice within schools even beyond the understanding of user-generated content.

The classroom is a place where users of social media can begin at an early age to recognize persuasion attempts and build awareness of the commodification on UGC through step by step processes. First people can learn about how social media platforms are commodifying users content, and then how users can commodify their own content. This type of learning provides users with the ability to recognize how UGC can be a capitalistic endeavor.

6.5 Recommendations for Future Research

The results from this study add to the literature about PKM and digital media literacy by supporting the main claims of these theories. First, in order to activate Persuasion Knowledge, users must be aware of a persuasion attempt. The results showed that people who encountered an Instagram post with advertising cues still did not recognize the cues as such demonstrating the challenges occurring with the commodification of UGC. There is a need to help users identify paid content so they can address the content as such, and the results from this experiment can be used to guide the development of new policies and help to address existing policies the FTC and FCC have in place for influencers and endorsers on social networking sites. Future research should test how users respond to the same scales with a well-known influencer rather than a random user. Research can also examine how a combination of these tags (i.e. company name along with a hashtag) influence recognition of paid content.

 Companies and Instagram influencers should be aware that, according to this study, their disclosure of advertising does not change the way users trust an Instagram post and it does not change the credibility of the post, therefore they should be more forthcoming with this information.

From a media literacy perspective, research should examine how children and teens, and adults outside of a university setting react to these types of disclaimers on social media platforms

because this researched only examined college students and if trust or credibility is effected once they acknowledge the presence of a persuasive attempt. Experiments using different types of images with the same captions would also be beneficial to examine how the materiality of the image effects the way users interact with the post.

The continued research on UGC is important to study in order to understand the type of curriculum that needs to be developed within the classroom to help people address the ever-changing landscape of the internet. This type of research also provides implications in necessary policy changes to protect users from hidden advertising messages and help businesses communicate their goals with campaigns more effectively for users to address a persuasive attempt.

6.6 Summary and Conclusions

This study found that although the majority of users recognized sponsored content when cues were in the text of Instagram posts, many did not. Contrary to its hypotheses, however, sponsored content did not have an impact on message trust or credibility. Moreover, this study revealed some differences in these relationships when the topic of the post was a dog versus when it was soap.

Overall, the overarching question for this research was if the commodification of UGC changed the way content was perceived by users, and the findings showed that a majority of users did not perceive content differently in terms of message credibility or trust when it was sponsored. The words that were intended to be cues for sponsorship were not always recognized as such, and did not correspond with reduced trust or credibility as expected. This has important implications for the PKM, because without adjusting perceptions of sponsored content, it is possible that users are not triggering a more critical read of the post as advertising. As users

continue to increase their literacy in SNS context, it is possible that people will improve their

recognition of sponsored content. This experiment did not show they were doing so, however.

An important finding of this study is that company name is much more likely to be

recognized as indicative of sponsored content, and that participants rated the persuasive intent of

posts about soap more highly than those with a dog suggests the need for further research. This

effect could be a result of users' affinity towards dogs rather than the manipulations within the

experiment, although previous research found that fewer than 5% of Instagram posts are images

of pets (Hu et al., 2014). It is also possible that the intent of the message – to display a product –

was less clear in the image of the dog, which had multiple elements along with the sponsored

product. In contrast, the soap was an image of a bar of soap alone. That is, users may not have

paid as much attention to what the posts with the dog image were selling (dog treats) as they paid

to the presence of the dog. Soap as the topic of an image may simply be more easily understood

as a product being advertised. Further research on image composition in Instagram posts would

help explore this possibility.

7. CONCLUSION

Advertising on social networking sites is commonplace not only in formal banner ads, but also among regular users in user-generated content. As people turn to other consumers for advice on products online, the disclosure of paid partnerships is necessary and ethical. The data companies can retrieve from mobile users becomes even more appealing for marketers to utilize these platforms for marketing purposes and the increase in influencer campaigns is a marketing trend. The more companies are able to obtain personalized data from users, the more people need to empower themselves through digital literacy in order to recognize personal and corporate agendas and become empowered to examine more critically the messages they see (Hobbs, 2010). This study examined whether the cues generally used to identify such messages are recognized and approached more critically by users.

To do so, this study examined user's perception of sponsorship on Instagram posts through a controlled experiment. Participants were either exposed to a post with no sponsorship text or with sponsorship cues: @company_name, #ad, #promoted, #sponsored. Concurrently, users were exposed to either an image of soap with the randomly assigned cue or an image of a dog.

The study revealed that the company name was most successful at triggering persuasion knowledge for users. It also showed that users react differently when there is a presence of a dog versus the presence of a bar of soap and suggests a need for further investigation of the way users interact with different types of images in sponsored posts. Through these findings, this research contributes to the research in digital advertising, persuasion knowledge, and media literacy and negates the FTC's assumption that a company name alone does not trigger recognition of paid advertisements.

7.1 Limitations

This research has some important limitations. The relationship between the participant and the Instagram user in the conditions is one produced by this experiment. This is an important departure from natural settings, as generally Instagram users follow particular accounts for specific reasons. This is especially important when considering trust and credibility. This project focused on the trust in the post as such, but the author of the post can significantly influence that trust. In natural settings, people may respond differently to posts from a person they have chosen to follow. Research using actual users, including ones who post sponsored content, and their followers could reveal different relationships among posts, sponsorship text, and perceptions of the message.

Another limitation is that the sample population consisted of college students. This group may have higher digital media literacy, although recognition results did not suggest this in the current study. To assess generalizability among other types of users, research with a broader and larger sample is needed.

Another limitation is the gender, race, and ethnicity of the participants. A majority of those who responded were white women living in Colorado. A more robust study with a sample of men and women along with a more stratified sampling of ethnic background and race and geographic location is necessary, especially because of the high popularity of Instagram among populations of color.

This project revealed some differences by topic in perceptions of post sponsorship, which was a limitation of this study because it reduced the analytical power of the tests used. Future research should examine the impact of image on these perceptions more thoroughly. Future studies can further investigate how the images and the content of the images effect the user's

perceptions. The relationship between the words and the company name could provide further understanding into what the business handle evokes in terms of PKM. Continued research with word association with Instagram posts may reveal more additional scenarios to test user's ability to cope with messages on Instagram.

Also, the relationships between users should be more fully researched. Message credibility can be addressed between users who know one another personally, only through Instagram, and then if they do not know the user at all. There should also be an assessment on how message credibility is between a user and an influencer.

Although there were limitations with this experiment, there are some important implications of its findings. As advertising continues to find ways to reach specific and segmented audiences, the need for orientation of the different ways businesses are targeting users is necessary for persuasion knowledge. Instagram has continued to make updates on the application and has expanded advertising capabilities. At the same time, federal regulations are attempting to keep up with these practices. It is important that as these policies are put into place, they not only are effective, but they are accurately assuming what empowers users and what does not. These hashtag cues were not correctly assessed by users in all encounters, however, the company name was mostly accurate. The FTC should create a new policy that employs both the name of the company by Instagram handle and one of the three hashtags. Continued research is needed in SNS and more specifically Instagram as it continues to rise in popularity among users of all types to address and improve persuasion knowledge.

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APPENDICES

Appendix A: Survey

You are invited to participate in a brief survey addressing Instagram posts shared online. You will be asked questions about Instagram, and your opinions of it, your opinion on the content shared, and your demographics. Your responses will help us learn how people respond to Instagram posts.

It will take about 10-15 minutes to complete.

You will be entered into a raffle for the chance to win one of two $40 Amazon gift cards. The two randomly selected winners will be notified once the survey is closed
Your data will be anonymous. Your name will be immediately separated from your survey data so we can ensure you are entered into the raffle. Your participation in this study is completely voluntary. There is no penalty for not participating. You have the right to withdraw from the study at any time without consequence, and you can skip any question that you would prefer not to answer.

Whom to contact if you have questions about the study: **June Macon, Growing Up Fort Collins Blogger, june@growingupfortcollins.com**

Whom to contact about your rights as a research participant in the study:
Colorado State University Research Integrity & Compliance Review Office (RICRO), RICRO_IRB@mail.colostate.edu; 970-491-1553
❍ I have read the text above and agree to participate in the survey.
❍ I have read the text above and do NOT volunteer to participate in the survey. (Clicking this option will automatically end the survey.)

Do you own a phone that allows you to connect to the internet? If No Is Selected, Then Skip To End of Survey

❍ Yes
❍ No

Do you use Instagram? If No Is Selected, Then Skip To End of Survey

❍ Yes
❍ No

How often do you use Instagram?
- ○ Never
- ○ Sometimes
- ○ Occasionally
- ○ Sometimes
- ○ Often
- ○ Frequently

Instagram allows access from a number of devices. Please tell us how often you use each of these devices to access Instagram:

How often do you use Instagram from a cell phone?
- ○ Multiple times a day
- ○ Daily
- ○ 4-6 times a week
- ○ 2-3 times a week
- ○ Once a week
- ○ Less than once a week
- ○ Never

How often do you use Instagram from a desktop or laptop computer?
- ○ Multiple times a day
- ○ Daily
- ○ 4-6 times a week
- ○ 2-3 times a week
- ○ Once a week
- ○ Less than once a week
- ○ Never

How often do you use Instagram from a tablet?
- ○ Multiple times a day
- ○ Daily
- ○ 4-6 times a week
- ○ 2-3 times a week
- ○ Once a week
- ○ Less than once a week
- ○ Never

Do you use any of the following social media platforms? If so, how often?

	Never	Rarely	Sometimes	Frequently	Very frequently
Facebook	○	○	○	○	○
Twitter	○	○	○	○	○
Snapchat	○	○	○	○	○

In the past week, on average, approximately how much <u>time per day</u> did you spend on Instagram? (time refers to posting, liking, commenting, direct messaging, and/or viewing Instagram on your computer, phone, or other Internet-enabled device)
○ Less than 10 minutes per day
○ 10-30 minutes per day
○ 31-60 minutes per day
○ 1-2 hours per day
○ 3-4 hours per day
○ More than 4 hours per day

Please indicate your level of disagreement/agreement with the following statements.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)
Instagram is a part of my everyday activity.
I am proud to tell people I'm on Instagram.
Instagram has become a part of my daily routine.
I feel out of touch when I haven't logged onto Instagram for a while.
I feel I am a part of the Instagram community.
I would be sorry if Instagram shut down.

How long have you had an Instagram account?
○ less than 1 year
○ between 1 and 2 years
○ between 2 and 3 years
○ between 3 and 4 years
○ more than 4 years

About how many total Instagram followers do you have?
○ 50 or less
○ 51-100 followers
○ 101-300 followers
○ 301- 500 followers
○ More than 500 followers

Please answer the following question about Instagram:

I think Instagram is a good application.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)
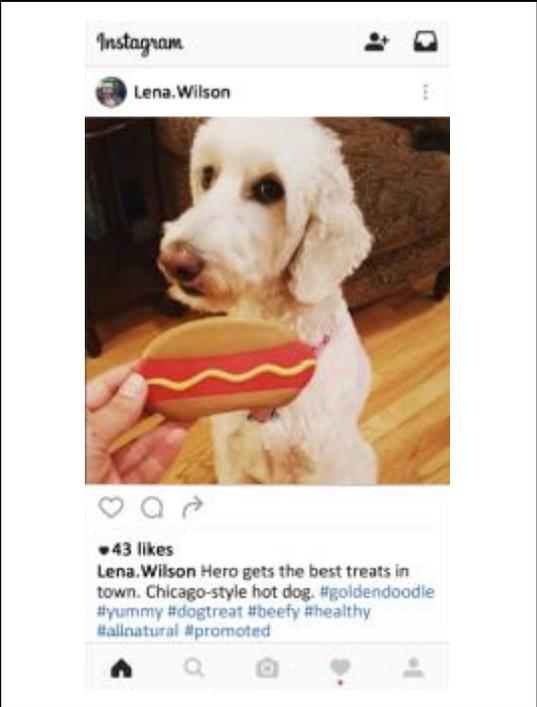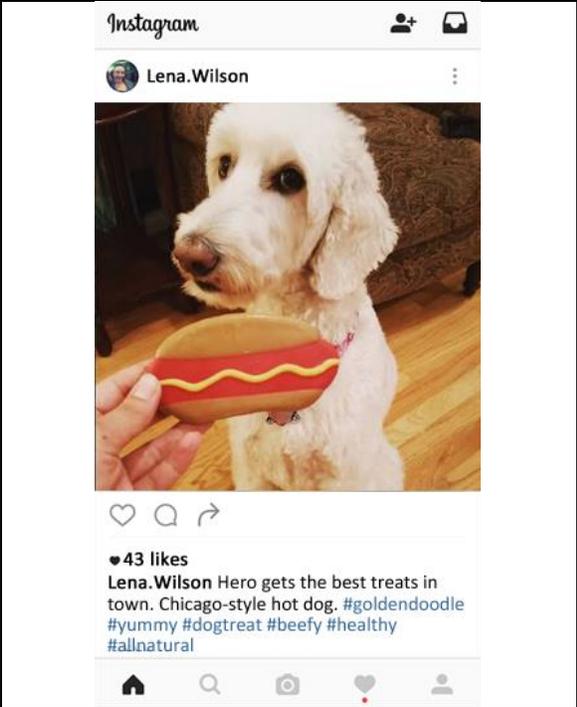

I like Instagram.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

For the following series of questions please take a minute and look closely at the Instagram post's content: the Image, the Text, and the Hashtags. Answer the following questions upon your examination of the Instagram post:

(conditions randomly assigned)

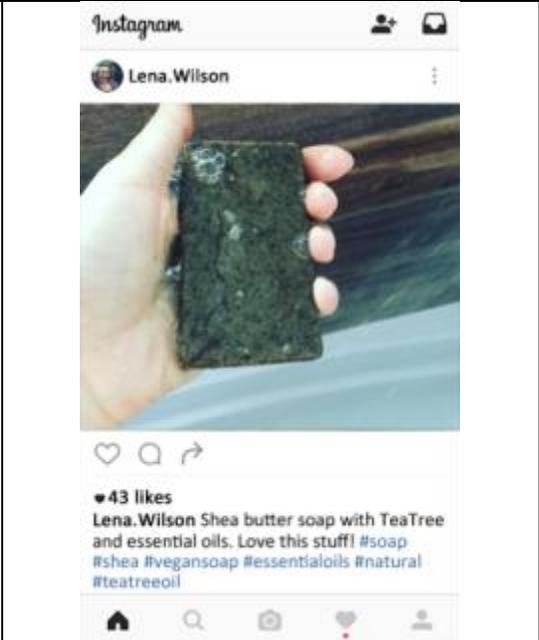
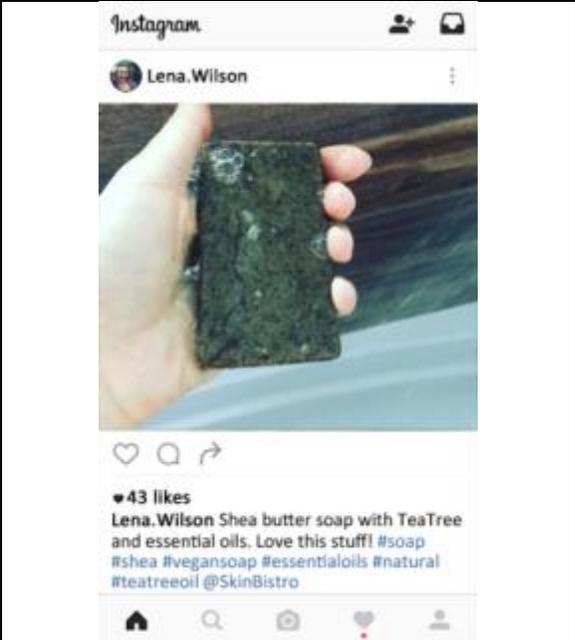| #ad condition, dog image | @company condition, dog image |

No promotion text condition, dog image
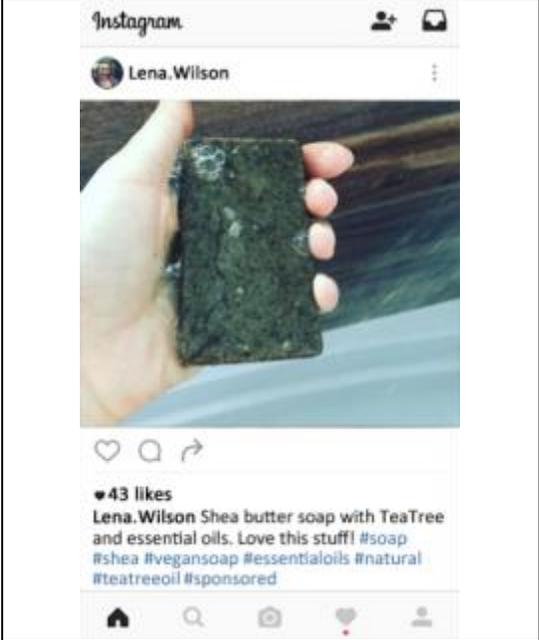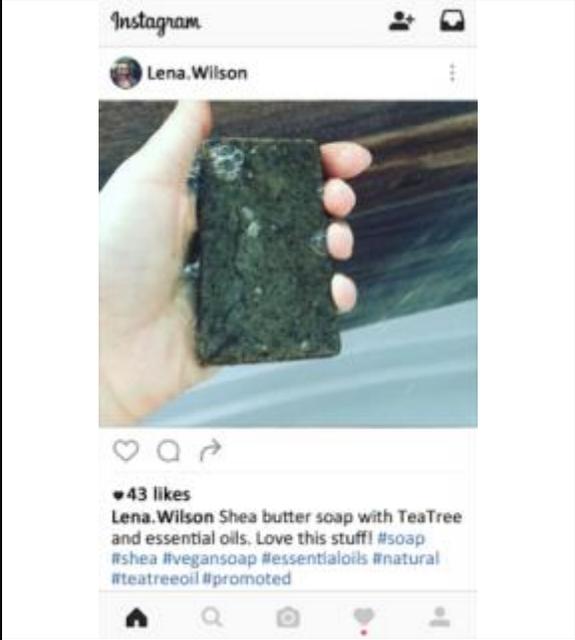
#promoted condition, dog image
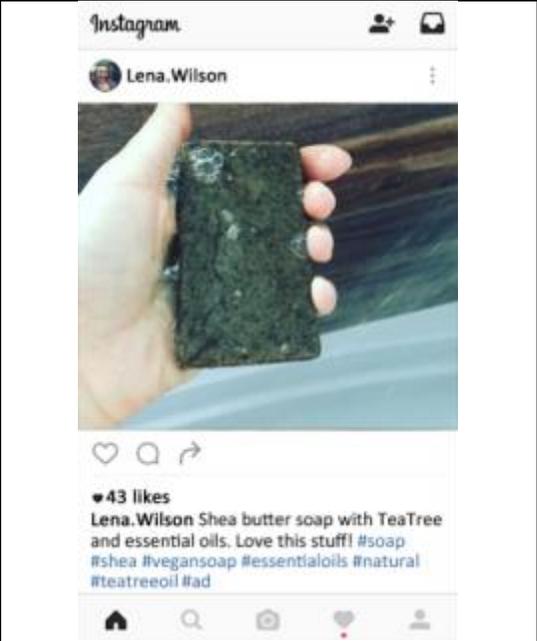
#sponsored condition, dog image

#ad condition, soap image

@company condition, soap image

No promotion text condition, soap image

#promoted condition, soap image

#sponsored condition, soap image

Please answer the following statements about the Instagram Post:
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

I paid attention to the Content (Image, Text, Hashtags) of the Instagram post.
I carefully read the Content (Text, Hashtags) of the Instagram post.
When I saw the Instagram post, I concentrated on its contents (Image, Text, Hashtags).
I expended effort looking at the Content (Image, Text, Hashtags) of this Instagram post.

Please answer the following statements about the Instagram Post:
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

When I saw the Instagram post, I concentrated on the Image.
When I saw the Instagram post, I concentrated on the Text.
When I saw the Instagram post, I concentrated on the Hashtags.

For the following questions, you will see the previous Instagram image again. Please take a minute to view the post and answer the following questions.

Please answer the following questions upon viewing this Instagram post:
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

I trust the information on the Instagram post.
I trust the user.
I trust the brand the user is talking about.

Think about the post you saw. Please select the answer that best describes your thoughts for each individual question.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

I think the Instagram post was honest.
I think the Instagram post was trustworthy.
I think the Instagram post was convincing.
I think the Instagram post was biased.
I think the Instagram post was not credible.

Did you see any advertising on the Instagram post you viewed in this survey?
❍ Yes (briefly describe what) _____
❍ No
❍ Maybe

The aim of this Instagram post is to sell a product.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

The aim of this Instagram post is to stimulate the sales of products/services.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

The aim of this Instagram post is to influence my opinion.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

The aim of this Instagram post is to make people like certain products.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

The aim of this Instagram post is to give information about product.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

The aim of this Instagram post is to let people know more about the product.
(response options: *Strongly disagree, Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree, Strongly agree*)

Have you ever been paid by another entity to promote a product on your Instagram feed?
❍ Yes (briefly describe your experience) _____
❍ No

We would like to know a little bit more about you in order to understand more about who uses Instagram. Please answer the following demographic questions:

Are you currently a college student?
❍ yes
❍ no

Display This Question:
    If Are you currently a college student? yes Is Selected

If you are currently a college student, please tell us where:
[open]

Choose your age range:
- ❍ Under 18
- ❍ 18 - 24
- ❍ 25 - 34
- ❍ 35 - 44
- ❍ 45 - 54
- ❍ 55 - 64
- ❍ 65 - 74
- ❍ 75 - 84
- ❍ 85 or older

With which gender do you identify?
- ❍ Male
- ❍ Female
- ❍ Other _____

In order for us to understand more about different types of people who use Instagram, please tell us how you identify your race in the following questions.

Are you Hispanic, Latino, or none of these?
- ❍ Hispanic
- ❍ Latino
- ❍ None of These

Choose one or more races that you consider yourself to be:
- ❑ White
- ❑ Black or African American
- ❑ American Indian or Alaska Native
- ❑ Asian
- ❑ Native Hawaiian or Pacific Islander
- ❑ Other (please specify) _____

What is the highest amount of education you have completed?
- ⭕ Some high school
- ⭕ High school degree
- ⭕ Some college
- ⭕ 2 year degree (Associate's degree)
- ⭕ 4 year degree (Bachelor's degree)
- ⭕ Some graduate school
- ⭕ Master's degree
- ⭕ Doctorate
- ⭕ Other professional degree (M.D., J.D., etc.)

What state do you currently live in?

Thank you for taking this survey about Instagram users. Your anonymous responses will be used to help researchers understand more about how advertising and sponsored posts work on Instagram. If you would like to be entered into the raffle for one of two $40 Amazon gift cards as our thanks for your participation, please provide your email address below.

Appendix B: Recruitment Materials

The following are the recruitment email messages were distributed to randomly selected

Colorado State University students from an email list.

Recruitment Email

Weigh in with your thoughts and opinions about one of the most popular social media platforms, Instagram.

Take a ten minute survey and tell us what you think about it. You're already online, so give yourself the chance to win $40 Amazon gift card. It's so worth it!

You'll be helping a CSU grad student AND providing incredibly useful information to help people understand social media better.
Click on the following link to be taken to the study's survey and be entered into a raffle to with one of two $40 gift cards to Amazon: https://csujmc.qualtrics.com/SE/?SID = SV_9QrFMZMOMH8a9TL
Or copy and paste the URL below into your internet browser:
${l://SurveyURL}

This survey will be available for the next two weeks and the survey is anonymous.
Questions? An email to the Study Researcher will clear those right up:
june.macon@colostate.edu

Follow the link to opt out of future emails:
${l://OptOutLink?d = Click here to unsubscribe}

Follow-up Email

Hey!
This is just a reminder to weigh in with your thoughts and opinions about one of the most popular social media platforms, Instagram!

Take a ten minute survey and tell us what you think about it. You're already online, so give yourself the chance to win a $40 Amazon gift card. It's so worth it!

You'll be helping a CSU grad student AND providing incredibly useful information to help people understand social media better.

Follow this link to the Survey:
Take the survey
Or copy and paste the URL below into your internet browser:
https://csujmc.qualtrics.com/SE?Q_DL =
6ri0HfpbwwAUYHr_9QrFMZMOMH8a9TL_MLRP_2aTVXNcP6JdcOVf&Q_CHL =
email
Follow the link to opt out of future emails: Click here to unsubscribe

Thank You Email

Thank you to all who participated in this survey! The winners of the $40 Amazon gift cards will be notified via email in the next few weeks.

If you haven't had a chance to participate or if you still need to finish, you can do so right now. The survey will be closed tomorrow. Results from the survey will be available in a few months. Here is the link if you have time to take it now:
https://csujmc.qualtrics.com/SE/?SID = SV_9QrFMZMOMH8a9TL

Sincerely,
June Macon
Follow the link to opt out of future emails:
${l://OptOutLink?d = Click here to unsubscribe}