



LUND UNIVERSITY  
School of Economics and Management

# “This Video is Sponsored by L’Oréal”

A Test of Competing Hypotheses on the Effects of Sponsorship  
Disclosure Timing and Discount Codes in Beauty Vlogs

by

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# Abstract

- Thesis purpose:** The aims of this thesis are to investigate (1) the effect of sponsorship disclosure timing (before vs. after) on attitudes towards the brand and attitudes towards the vlogger in a beauty vlog context and (2) test a possible moderating effect of discount codes on the relationships between disclosure timing and attitudes towards the brand and the vlogger. These two aims were pursued by testing competing hypotheses.
- Methodology:** An experiment was conducted with a 2 (disclosure timing: before vs. after) x 2 (discount: discount vs. no discount) between subjects design.
- Theoretical perspective:** The study draws on the literature streams of influencer marketing and sponsorship disclosure. Theories of persuasion knowledge, exchange theory and equity theory are also applied.
- Empirical data:** The data was collected through a web-based survey. 410 responses were gathered from social media beauty communities.
- Conclusions:** In a beauty vlog context, disclosure timing had no effects on attitudes, but – as seen through a preliminary data analysis – rather affected the ability to recall a disclosure statement. Moreover, offering a discount did not moderate the relationships between disclosure timing and brand attitude and attitude towards the vlogger. Furthermore, in contrast to previous studies, sponsorship disclosures only affected attitudes towards the vlogger negatively, while brand attitudes remained unaffected. Although our initial framework was not supported, the findings provided valuable new insights. We therefore conclude with a modified version of our initial theoretical framework, together with an alternative framework for testing the effects of sponsorship disclosures in beauty vlogs.

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# 1 Introduction

## 1.1 Background

### 1.1.1 Social Media, Electronic Word-Of-Mouth and Influencers

When it comes to friends, we tend to become friends with people who are like us, but do we likewise choose brands that our friends like? Past research shows that when it comes to making decisions about what to buy, consumers tend to trust what their peers say more than what advertisements say (Carr & Hayes, 2014). This is because they perceive peer recommendations, commonly referred to as word-of-mouth (or WoM), as free of bias and hence more trustworthy than messages that come from commercial sources (Liljander, Gummerus & Söderlund, 2016).

Recently, with the advent of the internet and widespread adoption of social media, WoM has increasingly moved to an online setting (Carr & Hayes, 2014). Recommendations are now no longer confined to an inner circle of close friends and family members, but can be shared virtually with anybody who is seeking for product advice online (Labreque et al., 2013). This development is at large due to the rising popularity of social media platforms, which enable consumers from all over the world to connect with each other and rapidly and easily exchange recommendations (Lu, Chang & Chang, 2014; Lee & Watkins, 2016). Scholars refer to this new, amplified version of word-of-mouth as electronic word-of-mouth (eWoM).

Another phenomenon triggered through social media is the rise of “social media influencers” or in short “influencers” (Liu, Jiang, Lin, Ding, Duan, Xu, 2015). Influencers are ordinary consumers who manage to garner a large audience of consumers by producing and sharing content about their consumption and evaluation of products online (McQuarrie, Miller & Phillips, 2013; Uzunoglu & Sema, 2014). They thereby act as opinion leaders, shaping the attitudes of thousands – and sometimes millions – of potential customers to the advantage but in certain cases also disadvantage of brands (McQuarrie, Miller & Phillips, 2013). Many consumers nowadays, especially those of the younger generation, highly value the opinion of influencers (Curalate, 2016), with much of their appeal coming from their relatability. Influencers usually do not hold any institutional position, nor do they have any professional experience – they are simply people who exert great taste and are passionate about their specific field of interest (McQuarrie, Miller & Phillips, 2013), just like an ordinary friend to whom we like to turn to for advice.

Moreover, influencers usually share personal stories with their followers and interact with them via comment functions, allowing them to be a part of their daily lives. As time passes, it



is therefore quite common that followers eventually start to develop friendshiplike feelings towards the influencers (Colliander & Erlandsson, 2015).

Amongst the common social media platforms used by influencers are personal blogs, which are websites that mostly contain text and images (Liljander, Gummerus & Söderlund, 2016). More recently however, a new form of blog, namely vlogs (short for video blogs) has received much attention (Harnish & Bridges, 2016; Lee & Watkins, 2016). Here influencers, which in this context are called “vloggers”, record and upload videos in which they speak about their personal lives and review the products that they use (Lee & Watkins, 2016). Due to the platform’s high traffic, vlogs are mostly found on YouTube, which is why vloggers are also frequently referred to as “YouTubers”.

### 1.1.2 YouTube Vlogs

Since its launch in 2005, YouTube has become one of the most influential social media platforms. It is currently ranked the second most-visited website on the internet and is globally seen as the most popular video-sharing portal (Alexa, 2017). More than 400 hours of video content are being uploaded to YouTube every minute – an upload rate four times higher than just two years ago (Statista, 2015), indicating its incredible growth over the last few years. YouTube’s success has even gotten the press to suggest that it might soon replace traditional TV (TIME, 2015). Regardless of whether this will hold true, YouTube has undoubtedly transformed the way people watch videos and consume content in today’s digitalized world. As implied by YouTube’s tagline, “Broadcast Yourself”, a major part of this new development is that content is now primarily produced by ordinary users (i.e. vloggers).

On YouTube, vloggers receive their own “channel” by simply creating an account, which is nothing more than their own personal page on the platform, where videos can be shared with a mass audience of YouTube users. Moreover, vlogs come in many different forms and cover a wide area of topics, ranging from topics such as travel destinations, self-improvement or fashion and beauty. Just like choosing a program on TV, the rich vlog landscape allows viewers to choose to watch whichever vlog that suits their personal interests. Interesting is the credibility many of these vloggers have received, where 60% of teens are today more likely to believe the opinions of YouTube stars on what to purchase rather than movie stars (Curalate, 2016).

### 1.1.3 Beauty Vlogs

Among the most popular and dynamic type of vlogs, are those that revolve around topics regarding makeup, hair and skincare, in short: beauty vlogs. With an impressive increase of more than 200% in monthly views of beauty-related videos from 2015 to 2016 (Pixability, 2016), the growth and influence of beauty content on YouTube is becoming difficult to neglect. More and more beauty consumers are turning to YouTube to learn about new beauty

products and watch makeup tutorials, where content created by beauty vloggers are leading the race for share of voice. Statistics show that brands had less than 3% of last year's share of voice for YouTube beauty content, while beauty vloggers captured nearly 98% (Statista, 2016a). Moreover, some beauty vloggers have managed to build a loyal fan base of several million subscribers, further mirroring their influence in the online beauty world. One prominent example is "Zoella", a British beauty vlogger, who has amassed an impressive viewership of over 11 million subscribers (YouTube, n.d.).

The proliferation of beauty vlogs presents a great opportunity for beauty brands to stay in the hearts and minds of consumers. Especially, when it comes to the young and digitally savvy generation that is becoming increasingly difficult to reach via traditional channels (Pixability, 2016). Beauty vlogs are especially popular amongst 18-24 year old females (DigiDay, 2015), who are mainly interested in makeup tutorials (Statista, 2016b) in which vloggers show their viewers how to recreate a makeup look and at the same time review the products that they are using.

#### 1.1.4 Influencer Marketing and Sponsorship Disclosure

With consumers increasingly growing wary of advertisements (Campbell, Mohr & Verlegh, 2013; Boerman, van Reijmersdal & Neijens, 2014) and traditional channels progressively losing influence, especially amongst the younger and more digitally savvy target group, more and more brands are reaping the benefits of working with social media influencers (Lu, Chang & Chang, 2014; Liu et al., 2015; Rogers, 2016; DeBroff, 2016). This development has given rise to influencer marketing, a strategy that mainly involves brands sponsoring influencers (by paying them or sending them free products) in return for favorable product reviews (Lu, Chang & Chang, 2014). On YouTube, this has caused a new breed of vlogger-brand partnerships, where vloggers create sponsored videos for brands.

The use of sponsored content, however, has been under much scrutiny for having a hidden commercial nature, especially because it often appears in a format that consumers typically expect to be non-commercial (e.g. Campbell, Mohr & Verlegh, 2013; Hwang & Jeong, 2016). As such, YouTube vlogs have recently attracted the attention of policymakers around the world that fear a violation of consumer rights due to sponsored videos. Vloggers usually create sponsored videos in the same style as their regular, unsponsored content, which can make it difficult for viewers to see the commercial nature behind the video. Policy makers argue that this in turn could impair the viewer's ability to make informed decisions and hence are increasingly requiring vloggers to clearly disclose if they have been paid to create content (The Guardian, 2014).

As the popularity of sponsored videos rises, the rules are becoming stricter. It is expected that policy makers around the world will follow suit with countries such as the USA (Federal Trade Commission, n.d.), UK (Advertising Standards Authority, 2015) or Sweden (Konsumentverket, 2015), where sponsorship disclosures on vlogs are already required by

law. However, in terms of how disclosures are to be made, the laws in these countries are still considerably vague. While disclosures need to be stated clearly, the regulations do not explicitly state which words need to be used or when during the video the vlogger should make her disclosure statement. This gives vloggers the “freedom” to decide how they would like to inform their viewers about the commercial nature of their sponsored videos.

When accepting sponsorships, vloggers also need to keep in mind the fine line that they are walking between making money and staying true to their legions of fans. Do vloggers risk causing a feeling of distrust when they disclose sponsorships? After all, their opinions should be coming from the bottom of their hearts, not the budget of a marketing team. More specifically, with sponsorship disclosures becoming the status quo, it will be interesting to see how viewers react towards different ways of disclosing. Will viewers react differently depending on if the vlogger states her sponsorship upfront, at the beginning of the video or if she waits until the end? How will the brand be affected and what can be done to fight against possible negative reactions?

## 1.2 Literature Review

### **Influencer Marketing**

Influencer marketing is a part of social media marketing (Li, Lai & Chen, 2011). Within the research area of influencer marketing we have identified three main streams. The first stream focuses on the advantages of influencer marketing (e.g. Uzunoglu & Sema, 2014; Weiss, 2014), while the second stream examines how companies can identify effective influencers (e.g. Li, Lai & Chen, 2011; Liu, Jiang, Lin, Ding, Duan, & Xu, 2015). We position our paper within the third stream, which investigates the effects of sponsorship disclosures (e.g. Hwang & Jeong, 2016; Liljander, Gummerus & Söderlund, 2015).

### **Sponsorship disclosure**

In recent years, the effects of sponsorship disclosures have started to attract attention from various research teams. As such, most of the researcher have examined the effects of disclosures in the context of product placements in TV shows (e.g. Boerman, van Reijmersdal & Neijens, 2014; Campbell, Mohr & Verlegh, 2013) and blogs (e.g. Hwang & Jeong, 2016; Liljander, Gummerus & Söderlund, 2015; Carr & Hayes, 2014). The studies analyze the effects of disclosure on different types of consumer responses with most studies focused on influences on brand attitude, purchase intention and blogger credibility. The majority of studies find that disclosure negatively affects consumers’ attitude towards the brand and purchase intentions (Hwang & Jeong, 2016; van Reijmersdal, Fransen, van Noort, Oprea, Vandeberg, Reusch, van Lieshour & Boerman, 2016; Liljander, Gummerus & Söderlund,

2015; Boerman, van Reijmersdal & Neijens, 2014; Campbell, Mohr & Verlegh, 2013). In contradiction, one study shows that disclosing sponsorships increases brand attitudes (Colliander & Erlandsson, 2015). The same study finds that even if consumers have a more positive attitude towards a brand after a sponsorship is revealed, their perception of the blogger's credibility suffers from the disclosure (i.e. lower blogger credibility). On the other hand, there are other studies suggesting that disclosures do not affect the perceived credibility of bloggers at all (Liljander, Gummerus & Söderlund, 2015; Carr & Hayes, 2014). However, it should be mentioned that Colliander and Erlandsson (2015) chose tabloid articles, i.e. a third-party, as the source of disclosure. In the other above-mentioned studies it is the bloggers themselves who disclose the sponsorship, which may explain the difference in findings (Liljander, Gummerus & Söderlund, 2015).

Previous research on sponsorship disclosures have also investigated mediating and moderating factors. The main factors that were found to mediate the effect of a disclosure on consumer responses include the credibility of a blogger (Carr & Hayes, 2014) and the persuasion knowledge as well as cognitive and affective resistance mechanisms (van Reijmersdal et al., 2016). Persuasion knowledge refers to the knowledge that individuals develop about persuasive attempts of messages such as advertisements, which help them cope with the intent by either allowing or resisting the persuasion (Friestad & Wright, 1994). This concept will be explained in more detail in the theoretical framework.

We further identified six studies that investigate moderating factors of sponsorship disclosures. Lu, Chang and Chang (2014) examine the moderating effects of brand awareness, type of good (search vs. experience good) and type of compensation (monetary vs. non-monetary). They find that while the level of brand awareness and the type of good (search vs. experience good) influences brand attitude, the type of compensation that vloggers receive from brands for the sponsorship (monetary vs. non-monetary) does not. Other studies discuss how different formats and ways of disclosing sponsorships can moderate the negative effects. Carr and Hayes (2014), for instance, show that consumers view blogs as less credible when sponsorships are implied rather than explicitly disclosed. In an implied disclosure, the blogger declares that some of her blog post might be sponsored, but does not specifically disclose which ones are sponsored. On the other hand, the blogger was perceived as more credible when they explicitly disclosed a sponsorship. Another study by Hwang and Jeong (2016) shows that consumers respond more positively when bloggers state that their opinions are honest even if they are being sponsored. Liljander, Gummerus and Söderlund (2015) postulate that the negative effects may be mitigated if a consumer generally accepts the fact that bloggers should be compensated. However, the results show that consumer acceptance does not have a moderating effect. In addition, studies have identified that the timing of a disclosure has an impact on brand attitude (Boerman, van Reijmersdal & Neijens, 2014; Campbell, Mohr & Verlegh, 2013). However, the findings regarding timing as a moderator are contradictory. While one study finds that disclosing sponsorships in TV shows after the programme, rather than before, results in lower brand attitudes (Campbell, Mohr & Verlegh, 2013), another study finds the exact opposite (Boerman, van Reijmersdal & Neijens, 2014). Interestingly, both studies draw on the same main theory (Persuasion Knowledge Model), but

arrive at opposing theoretical viewpoints by using other combining theories. As already stated, their empirical findings furthermore support their theoretical assumptions, which leads to a tension in the literature of disclosure timing.

### 1.3 Problem Discussion

When it comes to sponsorship disclosures, the majority of researchers within the literature have acknowledged that disclosures have a negative effect on brand attitudes. What researchers, however, have not agreed upon is how different timings of disclosures affect brand attitudes. In specific, there is a conflict between two studies that have conveyed opposite arguments and presented competing findings. While one study finds that a disclosure before the video (Boerman, van Reijmersdal & Neijens, 2014) has a negative effect on brand attitudes, the other study finds that it is rather a disclosure after the video that has a negative effect on brand attitudes (Campbell, Mohr & Verlegh, 2013). These contradictory findings lead to confusion on how consumers react towards a disclosed sponsorship and thus call for further research.

Also noticeable is that within the literature stream of sponsorship disclosure, researchers have mainly studied the context of blogs and TV shows. Despite the rising popularity of vlogs, no previous research has studied the effects of sponsorship disclosures in this environment. Especially interesting is the dynamic category of beauty vlogs, where vloggers are frequently sponsored by brands and sponsorship disclosures have therefore become an important topic. Moreover, as legislators have not explicitly stated how vloggers should disclose sponsorships in vlogs, the aspect of disclosure timing could also be of interest in this context. Hence, findings of the effects of disclosure timing in beauty vlogs would advance the knowledge on the effects of sponsorship disclosures by showing how consumers perceive sponsorships in these new emerging environments.

Researchers have in addition to studying how the brand is affected by sponsorship disclosure, also studied how it affects the influencer (i.e the blogger or the vlogger). Various aspects have been studied, where for example credibility is regarded as an important characteristic that can be harmed by disclosures. Furthermore, the essence of a vlogger's success can be regarded as her ability to connect with her audience, i.e. build strong and positive relationships. Hence, if the attitudes towards her are negatively affected by sponsorship disclosures, similarly to what studies have found for the brand, the effectiveness of influencer marketing may not be the same. A recent incident with one of the biggest vlogs stars "PewDiePie" further illustrates that brands take good notice of how followers perceive vloggers. After making inappropriate statements, several brands feared negative spill-over effects on their brands and as a reaction decided to immediately end their collaborations with him (Mcalone, 2017). This shows that it is – from both an academic and practical perspective – interesting to study general attitudes of viewers towards vloggers.

Even though researchers have found sponsorship disclosures to have negative effects, there is still limited research on the boundary conditions of those effects. Therefore, little is known about factors that can potentially reduce or further amplify the negative effects caused by sponsorship disclosures. In the context of beauty vlogs, the use of discount code comes to mind, which is often used as a promotional strategy by brands such as Maybelline and L'Oréal (Shen & Bissell, 2013). Interestingly, regardless of its popularity as a marketing tactic, no previous research has studied how discounts could potentially moderate the negative effects of sponsorship disclosures. On the one hand, a discount could arouse positive feelings (Teng, 2009; Ailawadi, Neslin & Gedenk, 2001; van Heerde, Gupta & Wittink, 2003) and thus mitigate the negative effects of sponsorship disclosure. On the other hand, however, consumers may see through the promotional tactic and react negatively towards it (Alvarez & Casielles, 2005), which in turn may amplify the negative effects of sponsorship disclosures. Due to the possible twofold reactions to a discount, it remains ambivalent how consumers will react when discount codes are offered in a sponsored video.

## 1.4 Research Aim

Influencers are today required to disclose sponsorship, which previous research has found to result negative responses towards the brand and the influencer. Considering this dilemma, our study has two research aims.

Our first aim is to investigate how the timing of a disclosures (i.e. before vs. after the video) affects brand attitudes and attitudes towards the vlogger. More specifically, we will study this in the context of beauty vlogs. In doing so, we aim to contribute to resolving the current dispute in the literature regarding the effects of disclosure timing, i.e. whether disclosing before (Boerman, van Reijmersdal & Neijens, 2014) or after (Campbell, Mohr & Verlegh, 2013) the video has a negative effect on brand attitudes. With regards to the controversy in the literature, we will conduct competing hypotheses, rather than positioning ourselves with one of these studies. By additionally investigating how attitudes towards the vlogger are affected, we aim to contribute to the literature on how the general attitudes towards the influencer is affected by sponsorship disclosures.

Our second aim is to contribute to the body of literature on the boundary conditions of the effects of sponsorship disclosures. More specifically, our study aims at investigating how discount codes can affect the relationship between the timing of disclosure and brand attitudes and attitudes towards the vlogger in a beauty vlog context. We therefore aim to contribute to the literature on how negative effects of sponsorship disclosures could potentially be reduced or further amplified. Since opposing theories exists on whether discounts arouse positive or negative responses, we will likewise take the approach of testing competing hypotheses for the moderating effect of discounts.

Our study also aims at contributing with practical insights for policy makers, firms and vloggers. For policy makers, it is important to know how consumers perceive persuasive attempts from marketers in order to adapt regulations accordingly. As such, insights from our study could help legislators understand how consumers react to marketing attempts in the vlog environment. In specific, our results may help legislators decide whether the aspect of timing should be more strictly regulated for sponsored videos in vlogs. For firms, insights from our study could help managers increase the effectiveness of their campaigns with vloggers that now need to be openly disclosed. Since discounts are widely used in social media campaigns nowadays, our findings could further help marketers decide whether they should include a discount code when working with beauty vloggers to potentially mitigate the negative effects of sponsorship disclosures on their brands. For vloggers, our study will help increase the understanding of how viewers perceive vloggers who are sponsored, which is important for vloggers to maintain a positive relationship with their viewers. Likewise, our study will provide insight on whether discounts are appreciated by followers or whether they harm the relationship.

## 1.5 Research Question

This research seeks to address the following two research questions:

What are the differential effects of the timing of a disclosure in a vlog video (before vs. after the video) on consumer's brand attitude and attitude towards the vlogger?

How does offering a discount code affect the relationship between disclosure timing and consumer's brand attitude and attitude towards the vlogger?

## 1.6 Outline of the paper

To answer the two research questions presented above, we will start with a chapter in which we develop our theoretical framework. In this chapter, we will present theories and concepts that are relevant to our study, upon which we will develop our hypotheses. After that, in the methodology chapter, we will describe how our study was conducted. Thereafter, the results of our hypotheses tests will be presented. In the subsequent discussion chapter, the results will be analyzed and discussed by relating back to the theories presented in our theoretical framework. This thesis will end with a conclusion, where we will summarize the results of our study and draw inferences. The theoretical and practical contributions as well as limitations of our study and suggestions for future research are also presented in the last chapter.

## 2 Theoretical Framework

### 2.1 Persuasion Knowledge and the Effects of Sponsorship Disclosure

Sponsored content, such as sponsored videos on vlogs, can be considered as a form of covert marketing (van Reijmersdal et al., 2016; Campbell, Mohr & Verlegh, 2013). The persuasive message that is for example rather obvious in a traditional advertisement on TV, becomes more subtle and hidden in this case. This is due to the fact that the message is embedded in entertaining content when it comes to sponsored content on for example TV shows or blogs (Campbell, Mohr & Verlegh, 2013). Hence, when consumers view a sponsored video on a vlog it is more difficult for them to recognize the persuasive marketing tactic behind the video. Referring to the Persuasion Knowledge Model (Friestad & Wright, 1994), this means that it becomes more difficult for consumers to evaluate the message in relation to their persuasion knowledge.

Already at an early stage of adolescence individuals develop general knowledge about how and why messages, such as an ad on TV, are trying to influence them (John, 1999). This helps them cope with persuasion attempts by either allowing persuasion or resisting it (Friestad & Wright, 1994). When individuals reach adulthood this persuasion knowledge is expected to be fully developed (Friestad & Wright, 1994; John, 1999). Hence, when a consumer watches a vlog where the sponsorship is disclosed she wants to make sense of the information given in relation to her persuasion knowledge. She may then understand that due to the sponsorship the video has an underlying persuasive intent and may then consider it as a marketing tactic. Once a persuasive intent is recognized, the consumer can use her persuasion knowledge to respond to it by either being persuaded or resisting persuasion (Friestad & Wright, 1994).

In the context of sponsored content, researchers postulate that individuals are more likely to infer an unwanted influence (Campbell, Mohr & Verlegh, 2013). They further argue with reactance theory in stating that individuals generally want to avoid manipulation and value freedom of choice. Therefore, blog readers tend to resist an unwanted persuasion when they realize that a post is sponsored (van Reijmersdal et al., 2016). As such, they will employ resistance strategies once their persuasion knowledge is activated (van Reijmersdal et al., 2016) and hence recognize the content as an advertisement (Boerman, van Reijmersdal & Neijens, 2014). The underlying resistance strategies may be of cognitive or affective nature. Cognitive resistance in this case refers to when consumers use cognition to deny the persuasive claims made and as a result react by developing negative thoughts. Contrarily, affective resistance is more related to emotions. When blogs are sponsored consumers may



feel that the meaning of the blog changes from being entertaining to becoming a persuasive marketing attempt. This in turn may evoke feelings of anger, irritation and disappointment, as consumer may feel deceived. Both cognitive and affective resistance have shown to be the underlying mechanism explaining that disclosures negatively affect consumer responses (van Reijmersdal et al., 2016).

Since consumers can become irritated by a sponsorship due to its persuasive nature, it is likely that they will direct their negative sentiments towards the actor that is trying to covertly persuade (i.e. the sponsoring brand). As a result, consumers may evaluate the brand negatively when sponsorships are disclosed (van Reijmersdal et al., 2016). Several studies have supported this by showing that brand attitudes are lowered when sponsorships are disclosed (e.g. Hwang & Jeong, 2016; Boerman, van Reijmersdal & Neijens, 2014). However, the resistances may also pertain to the person communicating the persuasive intent (i.e. the vlogger) (van Reijmersdal et al., 2016; Campbell & Kirmani, 2000). Thus, in this case the vlogger could also be condemned for accepting a sponsorship. Consumers may therefore not only evaluate the brand negatively, but also the vlogger. Previous studies have found that consumers do show such reactions towards social media influencers, such as bloggers, which was mainly measured in terms of a lowered perceived blogger credibility (e.g. Hwang & Jeong, 2016; Colliander & Erlandsson, 2015).

As illustrated above, for consumers to respond negatively towards a brand or the vlogger, consumers first need evaluate the message in relation to their persuasion knowledge. As such, it is a necessary precondition that they recognize an underlying persuasive commercial attempt in the video that they are watching. Sponsorship disclosures aim at aiding consumers in doing so. However, the timing at which the disclosure is presented during the video may influence whether the persuasion knowledge of viewers gets triggered.

## 2.2 Competing Hypotheses on the Effects of Disclosure Timing on Brand Attitudes

As mentioned in the literature review, two previous studies have identified that the timing of a disclosure can alter how consumers respond to a sponsorship in terms of their attitude towards the sponsoring brand. However, although these studies use the same theory they produce different hypothesis and also result in contradictory findings. Both studies investigate disclosure timing in the context of product placements in TV shows and find that consumer brand attitudes were generally lowered when sponsorships were disclosed in comparison to when they were not disclosed (Campbell, Mohr & Verlegh, 2013; Boerman, van Reijmersdal & Neijens, 2014). Yet, one of the studies finds that a disclosure before a TV show rather than after lowers the brand attitude (Boerman, van Reijmersdal & Neijens, 2014), while the other study finds the same effect for a disclosure after the show (Campbell, Mohr & Verlegh, 2013). Interestingly, both studies develop hypotheses based on the same underlying theory, the Persuasions Knowledge Model. However, they integrate the model with different theories

and assumptions and therefore arrive at two competing viewpoints on how disclosure timing affects brand attitudes. In the following section, we will thoroughly review these two contradictory studies. We will start by describing the arguments for why a disclosure before the video should have a negative effect on brand attitudes. Then we will consider the competing viewpoint and outline the arguments for why a disclosure after the video rather has a negative effect on brand attitudes.

### **Sponsorship Disclosures Before the Video have a Negative Effect**

Boerman, van Reijmersdal and Neijens (2014) argue that sponsorship disclosures help consumers recognize a message, such as product placements on TV shows, as an advertisement and thus make them realize that they are being marketed to. The authors argue that once consumers are made aware of such persuasion attempts, they will perceive it as manipulative and hence begin processing the content more critically. This in turn should evoke the need to resist the persuasion. Since product placements aim at persuading consumers of a brand, consumers might counteract (i.e. resist persuasion) by adjusting their attitude towards the sponsoring brand. However, the authors (Boerman, van Reijmersdal & Neijens, 2014) argue that whether consumers will recognize a message as an ad depends on the timing of the disclosure. They draw on the concept of priming theory and suggest that a disclosure shown before a TV show functions as a prime. As such, a prior disclosure can increase the attention aimed at the sponsored content when it is presented and hence make consumers more likely to recognize the content as an ad (i.e. activate their persuasion knowledge) (Boerman, van Reijmersdal & Neijens, 2014). The authors further build on the forewarning literature, which finds that when a disclosure is presented before a persuasive message it functions as a warning and hence gives consumers time to process the information. This temporal delay in turn enables them to resist the persuasion by building cognitive defences (Freedman & Sears, 1965; Hass & Grady, 1975). Therefore, a disclosure at the beginning of a TV show should give viewers more time to recognize the underlying advertisement and consequently respond to the persuasion attempt by adjusting their brand attitude (i.e. evaluate the brand negatively). When a disclosure is presented after the show, however, viewers are not warned beforehand. In that sense, the disclosure also does not function as a prime and hence cannot direct the viewer's attention towards the product placement when it is presented. Consequently, viewers may fail to recognize the content as an ad and fail to resist persuasion by adjusting their brand attitude when a disclosure is presented after the show (Boerman, van Reijmersdal & Neijens, 2014).

We argue that the above presented theoretical considerations can be applied to the context of vlogs in general, but also specifically to beauty vlogs. As in TV shows, vlogs consist of motion pictures and are amongst other factors meant to be entertaining (GlobalWebIndex (2015). Besides recommending products, vloggers usually speak about happenings in their lives and try to connect with their viewers on an emotional level (Lee & Watkins, 2016; Huang, 2015). Make-up tutorials for example are a common type of video in beauty vlogs and are often presented in a fun and lively way with elements of entertainment. Beauty vloggers may include parts where they reveal stories about occasions at which they wore the specific

make-up shown in the tutorial for example or include humorous scenes with their personal make-up failures (Fischer 2014). Referring to a sponsored make-up tutorial, a disclosure at the beginning of the video may function as a prime that leads the viewer's attention towards the sponsored content and may warn the viewer of the persuasion intent of the video. This gives viewers time to recognize the video as an advertisement, which would not apply if the sponsorship was disclosed at the end of the video. We therefore suggest the following hypothesis:

**H1a:** Disclosing a sponsorship before (vs. after) the video has a negative effect on consumers' brand attitudes

### **Sponsorship Disclosures After the Video have a Negative Effect**

In contrast to Boerman, van Reijmersdal and Neijens (2014) findings, Campbell, Mohr and Verlegh (2013) argue for the opposite effect in that disclosures after the video have a more negative affect on brand attitudes than disclosures before the video. They present findings from the forewarning literature, showing that warnings do not fully result in persuasion resistance (Wood & Quinn, 2003). This is especially evident when individuals are somewhat distracted by content that is shown between the disclosure and the persuasive message (i.e. product placement) (Wood & Quinn, 2003), such as the storyline in a TV show (Campbell, Mohr & Verlegh, 2013). Moreover, watching a TV show is considered considerably cognitively demanding, as viewers need to process the information given to them. Consequently, viewers will have limited cognitive capacity to infer a potential persuasive intent when the product placement is presented. This inference, however, is a necessary precondition for a modification of responses towards the covert marketing tactic. In other words, consumers will only adjust their brand attitude if they have inferred that the TV show content is trying to persuade them without their consent (Campbell, Mohr & Verlegh, 2013). Hence, a disclosure at the beginning of a TV show will not allow viewers to activate their persuasion knowledge and infer a persuasive intent due to the distraction of the content and their limited cognitive capacity to process the disclosure information. On the other hand, when a disclosure is presented at the end of the show viewers will not be distracted. They will also have available cognitive capacity to think back and evaluate how the product placement may have influenced them (Campbell, Mohr & Verlegh, 2013).

Even though these theoretical assumptions clearly contradict the theory presented in the earlier section, we argue that they, too, are plausible for the context of beauty vlogs. We again consider a sponsored make-up tutorial to illustrate our hypothesis. When consumers watch a vlogger applying make-up and reviewing products it requires the viewer's attention and can therefore be considered somewhat cognitively demanding and distracting. As a result, less cognitive capacity is available for viewers to infer a persuasive intent of the video. It is easier for consumers to make an inference when the disclosure is presented at the end of the video when they are not distracted by the content and have more cognitive capacity to evaluate it as a marketing tactic. We therefore suggest the following competing hypothesis:

**H1b:** Disclosing a sponsorship after (vs. before) the video has a negative effect on consumers' brand attitude

## 2.3 Competing Hypotheses on the Effects of Disclosure Timing on Attitude towards Vlogger

In addition to the effect of timing on brand attitudes, previous studies have also found that sponsorship disclosures can affect how the influencer is perceived. Previous researchers have in the context of blogs studied how sponsorship disclosures affect different aspects of the bloggers. These aspects include the perceived credibility (Liljander, Gummerus & Söderlund, 2015; Carr & Hayes 2014; Colliander & Erlandsson, 2015; Hwang & Jeong, 2016) trustworthiness (Liljander, Gummerus & Söderlund, 2015), the influencers ability to influence (Carr & Hayes, 2014), attitude towards the blog (Colliander & Erlandsson 2015) and message attitudes (Hwang & Jeong, 2016).

One stream of research has found sponsorship disclosure to have a positive effect on the blogger, and that sponsorships may be perceived as a sign of popularity which acts to boost the image of the blogger (Liljander, Gummerus and Söderlund, 2015). In comparison to when a disclosure is implied (i.e. readers suspect a sponsorship), an explicit disclosure of sponsorship has also shown to be an indication of honesty and thus increases the credibility of the blogger. The reason explained for the increased honesty was because the blog readers did not need to speculate whether the blogger was sponsored or not as they had explicitly stated the outside bias. In addition, researchers have also found that disclosure had no effect on the credibility of the bloggers in comparison to no disclosure (Liljander, Gummerus & Söderlund 2015; Carr & Hayes 2014).

In contrast to the studies that have found a positive effect of disclosure, other studies have found that it negatively affects the influencer. More specifically, researchers have found sponsorship disclosure to have a negative effect on credibility (Hwang & Jeong, 2016) and attitude towards the blog (Colliander & Erlandsson, 2015). In terms of credibility, Hwang and Jeong (2016) found that the reason for the negative effect of a disclosed sponsorship was because it revealed the persuasive intent of the blogger, which resulted in decreased credibility and trustworthiness towards her. A similar phenomenon was observed when a tabloid newspaper (i.e. third-party) disclosed that a blogger was sponsored instead of the blogger herself (Colliander & Erlandsson, 2015). Consequently, the blog readers felt betrayed by the blogger where the notion of friendship decreased, which resulted in decreased credibility and lower attitudes towards the blog.

As elaborated upon above, the literature suggests that disclosure of sponsorship effects the influencer differently. Furthermore, we have chosen to position our study with the articles that

have found disclosure of sponsorship to have a negative effect on the influencer. This is partly because (1) influencer marketing stresses the importance of unbiased recommendations and a vlog that contains (and discloses) sponsorship violates the assumption that the recommendation is unbiased, (2) followers can become suspicious about the behavior of the vlogger and believe that the influencer has hidden motives for their behaviors (Fein, 1996).

In a different context than blogs, Campbell and Kirmani (2000) has found that if consumers infer an ulterior motives of a sales person, the consumer may evaluate the sales person as being less sincere and thus develop negative perceptions of that person. In the context of vlogs, a disclosed sponsorship may aid the vlog viewers to infer that the vlogger may have an ulterior motive for speaking positively about the product or the brand. We therefore find that the arguments presented in Campbell and Kirmani (2000) study have great relevance also in the context of vlogs. We will therefore in more detail present their underlying theory for how consumers evaluate the behavior of a sales person when they infer an ulterior motive. In their study, the consumers are described as the target and the sales person as the agent. In our context, the target may therefore represent the vlog viewers and the salesperson the vlogger.

Campbell & Kirmani (2000) suggest that two conditional factors influence consumers' inferences about persuasion motives underlying the salesperson's behavior; (1) the consumer's cognitive capacity, and (2) the accessibility of ulterior motives. According to the first factor, consumer's cognitive capacity, the target primarily evaluates the behavior of the sales person based on their first impression. In other words, the target can at first automatically perceive the salesperson as being sincere. Although at a second step the target typically corrects the primary impression with additional information about situational constraints such as ulterior motives of sales people. An example of such an ulterior motive can be that sales people want to sell in order to get provision. However, there might be limitations in the target's ability to use their cognitive capacity and evaluate the attempts of the sales person because of cognitive constraints. For example, the target may be cognitively busy when they interact with the sales person which may limit their ability to evaluate the behaviour of the sales person in relation to their persuasion knowledge. As a result, it makes it more difficult for the target to judge the inferences about the salesperson's persuasion motives. In contrast to the cognitively busy target, Campbell & Kirmani (2000) compare them to the unbusy observers who is watching the interaction between the salesperson and the target. These individuals have more cognitive capacity available to correct their primary impression with ulterior motives because they are not cognitively busy. This makes the unbusy observer more alert to analyse the situation and perceive persuasion attempts.

Campbell & Kirmani's (2000) second component, accessibility of ulterior motives, refers to how strongly an agent is associated with a motive. For example, a salesperson is likely to be strongly associated with sales (Thompson, 1972) where other motives such as building relationships could be less accessible to the target (Campbell & Kirmani, 2000). Hence, the more the agent is associated with a specific motive, the more accessible it is for the target to evaluate these motives. The accessibility of motives aids the target to infer ulterior persuasion motives of the sales person and assess persuasion knowledge to modifying primary

perceptions of the salesperson. Consequently, when an ulterior motive is less accessible, a target that is busy interacting with the sales person may be more likely to evaluate the salesperson as sincere. This is mainly because they do not infer an ulterior persuasion motive, both because of the low accessibility of ulterior motives of the sales person but also because they are cognitively busy with the interaction compared to the unbusy observer of the interaction.

As a result, both the cognitive capacity of consumers and the accessibility of ulterior motives will influence the likelihood that a consumer makes an inference of ulterior motives of the sales person. In line with our study that aims at testing how timing of disclosure affects the vlog viewer's ability to infer ulterior persuasion motives, Campbell & Kirmani's (2000) also tested the impact of timing. In their study they provided the target with an ulterior persuasion motive prior to the interaction with the sales person. The result showed that the target evaluated the sales person as less sincere compared to when no priming was given. Hence, they argue that the reason being for this result is because the priming condition increased the accessibility of ulterior-persuasion motives of the sales person and thus the target's use of persuasion knowledge.

In the context of vlogs, the ulterior motive of persuasion may be even less accessible to the viewers because they may relate the vlogger to motives other than sales for example entertainment. Consequently, it could make it difficult for the vlog viewers to infer an ulterior persuasion motive from the vlogger and use their persuasion knowledge in order to evaluate the intent. However, when a sponsorship is explicitly disclosed in the vlog, the ulterior motive will become more accessible to the viewers. This can act to raise suspicion that the vlogger is motivated by the intent to persuade and then assist the viewers to use their persuasion knowledge in order to consider the motives of the vlogger. Consequently, if they believe that the vlogger has motives to persuade them, it may ultimately influence the perceptions of the vlogger where they may be perceived as less sincere (Campbell & Kirmani, 2000). Since consumers are today becoming more aware of advertisement in entertainment media and where even vague advertisement such as product placement and product reviews are enough to raise among consumers (Bhatnagar, Aksoy & Malkoc, 2004) we argue that explicit disclosure of sponsorship in vlogs is enough to raise suspicious of ulterior motives of the vloggers.

Referring to the timing of the disclosure, a disclosure at the beginning of the video may function as a prime where it increases the accessibility of ulterior-persuasion motives. This prime will give the viewers time to recognise persuasion motives underlying the vlogger's behavior where they can use their persuasion knowledge to evaluate the behavior. A disclosure at the end of the video would not provide the viewers with such a warning of ulterior motives. Hence, we suggest the following hypothesis:

**H2a:** Disclosing a sponsorship before (vs. after) the video has a negative effect on the consumers' attitude towards the vlogger

On the other hand, the viewers might be cognitively busy watching and processing the content of the vlog and thus devote less resources to ulterior motives and use of persuasion knowledge. A disclosure after the video might potentially facilitate this case where the inference of ulterior motive is presented afterwards when the viewers are less distracted and have more available cognitive capacity to evaluate the intents. Therefore, we suggest the following competing hypothesis:

**H2b:** Disclosing a sponsorship after (vs. before) the video has a negative effect on the consumers' attitude towards the vlogger

## 2.4 Moderating Effect of Discount Codes

Even though sponsorship disclosure may lower consumer's attitudes towards the brand and the vlogger, there may be boundary conditions that could mitigate those effects. This could be the case when viewers of sponsored videos receive an added value (which they would normally not receive) in return for following the vlogger and watching the sponsored content. This benefit could act as a compensation for the persuasive marketing tactic, which was unwillingly imposed on viewers. We suggest that offering a discount code could function as a compensation and as such improve both attitudes towards the brand and the vlogger. These considerations can be explained by the exchange theory, equity theory and referral program literature.

### Exchange Theory

Exchanges are a core concept in marketing (Bagozzi, 1975). According to Kotler and Keller (2012, p. 5) marketing can be defined as a "process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others". Moreover, these exchanges may be direct or indirect and a system of exchanges may also contain both direct and indirect exchanges (Bagozzi, 1975). Similarly, exchanges can be tangible (e.g. product, money) or intangible (e.g. entertainment, enjoyment) and are made between at least two social actors. Hereby, social actors can refer to various actors involved in marketing, such as consumers and firms, retailers and manufacturers or advertisers and consumers (Bagozzi, 1975; Bagozzi, 1974). Hence, referring to the current study we argue that consumers and vloggers are also involved in an exchange, which we will illustrate further in the following.

Depending on the number of actors and type of exchange the literature distinguishes between three different types of marketing exchanges (Bagozzi, 1975). Relevant for the context of sponsorships in vlogs is the complex type of exchange. In this exchange system, there are at least three parties involved with at least one direct exchange in place. The system as a whole is organized as an interconnection of relationships between the parties, where indirect

exchanges may result from direct exchanges between two parties (Bagozzi, 1975). When a brand sponsors a vlogger, the relationship between the follower and the vlogger is extended by a third party, namely the brand. In this case, indirect tangible exchanges are triggered by the initial direct intangible exchange between the follower and the vlogger. To illustrate this, we will take the case of the cosmetic brand L’Oréal that offers a beauty vlogger monetary compensation in return for a product review of their latest mascara (see Figure 1).

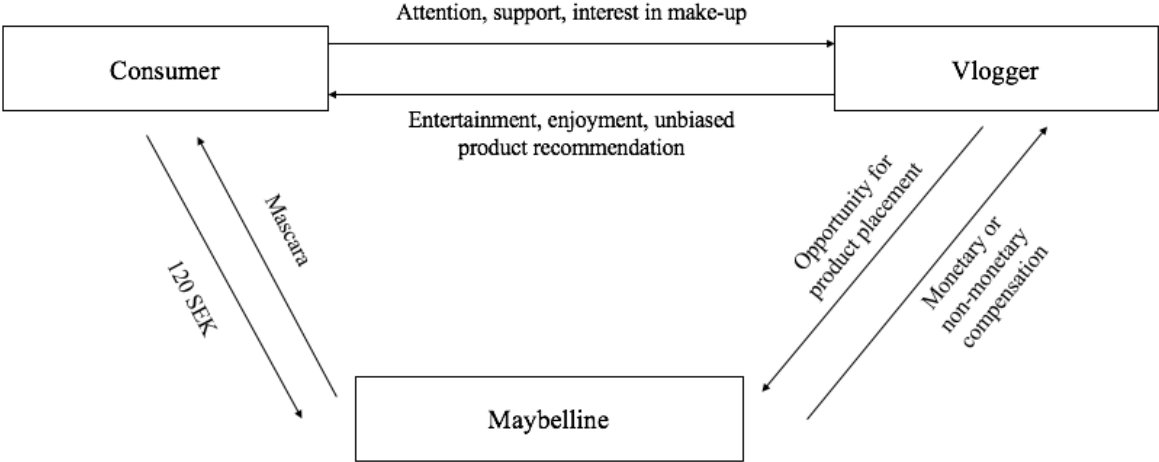


Figure 1: Complex Exchange between the Consumer, Vlogger and Brand

When consumers view a video on a beauty vlog they first experience a transfer of direct intangibles between themselves and the vlogger. She gives her support, attention and interest in purchasing make-up and receives entertainment, enjoyment, make-up expertise and most importantly an unbiased product review from the vlogger. After noticing the sponsorship disclosure however, she also experiences an indirect exchange with the vlogger through several direct intangible transfers. As such, there is a direct exchange of monetary compensation in return for the possibility of product placement between L’Oréal and the vlogger. This exchange, however, is also dependent on the exchange between the vlogger and the follower. A brand will more likely collaborate with a vlogger once she has established herself as an opinion leader with a strong follower base. Lastly, within this triangular exchange system there will also be a direct tangible transfer of money in exchange for the product between the consumer and the brand, if the consumer follows the vloggers advice and buys the mascara. Finally, L’Oréal may consider more collaborations with the vlogger in the future, if the sponsorship made L’Oréal reach their marketing objective (e.g. increased sales). Consequently, in this case the direct intangible exchange between the vlogger and the consumer is a fundamental precondition for the indirect tangible exchanges.

We have mentioned above that followers value the opinion of influencers, because they consider them to be independent of corporate interests. Therefore, receiving an unbiased product recommendation is an essential aspect of the exchange between the follower and the vlogger. Consumers may feel that the outcome of the exchange has been violated when



vloggers are sponsored, as sponsored product recommendations may no longer be considered unbiased. Moreover, they may perceive it as unfair that the outcome of the exchange is higher for the vlogger, as she receives compensation from the brand for recommending a product, while the viewer receives a presumably biased recommendation. These mechanisms are explained below with the help of the equity theory.

## **Equity theory**

In order for the exchange between the parties to endure, they need to feel that they are getting something out of the exchange (Oliver & Swan, 1989). Thereby, the underlying dimension of an exchange is that you want something in return for the input that you have invested into the exchange, which can be explained in terms of equity. The equity theory can be helpful when evaluating relationships with marketing agents (Bagozzi, 1986) and we also consider it to be applicable to the context of vlogs. In a commercial setting, consumers compare the outcome from the exchange with (1) the other party in the interaction (e.g the vlogger), (2) other consumers who interact on the same level (e.g other followers), and (3) the commercial brand (e.g L'Oréal) (Oliver & Swan, 1989). It is common in an exchange that the parties do not have equal characteristics of input and output (Oliver & Swan, 1989). For example a salesperson may want sales and commissions as their outcome, while the consumer may desire the utility or entertainment of the product as their outcome. It is therefore problematic to evaluate the exchange in absolute units, as the parties rather have expectations on what they want in return.

As described above, each party in the exchange have expectations of what they perceive to be a fair outcome (Jasso & Rossi, 1977). They therefore compare their invested input in relation to their output, but also in comparison to what the other parties have received (Huppertz, 1979). The equilibrium in the exchange is called “equity” and occurs when the ratio of perceived outcome relative to the input is perceived by the parties to be equal for each party (Adams, 1965). Hence, each of the parties then perceive that they get a positive outcome in relation to their invested input which refers to a notion of perceived fairness. For example in a sales interaction, the consumer can perceive the salesperson as being more fair if they have received more outcome in relation to their invested input (Oliver & Swan 1989). In contrast, an exchange could also be in “inequity”. This would be evident when the ratio of perceived outcome relative to input is different across the parties in the exchange (Oliver & Swan 1989). More specifically, “inequity” refers to when one or more parties have received less outcome compared to what they may have invested in the exchange. If “inequity” is evident from the consumer's side, feelings of the sales person being “egocentric” could arise (Adams, 1963; Adams, 1965).

In the context of the exchange and equity theory, the vlog viewers may after a disclosed sponsorship perceive that the exchange with the vlogger is less fair or in “inequity”. This could be evident because of two reasons. First, vlog viewers may think that they received a lower output from the exchange with the vlogger (i.e. biased product review) in relation to

their invested input (i.e. spending time watching the video, supporting the vlogger, paying attention to the recommendation). Second, they may think that the vlogger has a higher outcome from the exchange, as the vlogger has received compensation from the sponsored brand, while the input of the vlogger (production of video) is still rather small. Therefore, from the viewer's' perspective there is an urgent need for restoring the equilibrium in the exchange.

Oliver & Swan (1989) suggests that marketers should strive to create an environment where buyers feel that they have received high levels of tangible and intangible outcomes. They suggest that this could be achieved by “making outcomes received from the salesperson *more salient* to the customer” (p. 33). A suggestion could be to make consumers feel like they get something in return from the exchange as a compensation that they would normally not get, for example a special discount. This feeling of receiving something in return for the sponsorship from the vlogger could in turn make the consumer perceive the vlogger as more fair and perceive the exchange to be more balanced. As a result, we expect the consumer's attitude towards the vlogger to increase.

## **Referral Program Literature**

Drawing on the referral program literature consumer attitudes towards the brand may also increase after a discount code is offered. The literature finds that when referral makers receive a reward for referrals (e.g. free gifts or money) recipients will think that the referral maker had ulterior motives. As such, they may infer that the referral was only given in order to receive the reward, but not to give a honest recommendation (Verlegh, Ryu, Tuk, & Feick, 2013). This is similar to the vlogger context, where vloggers give recommendations to viewers but receive compensation for them when they are sponsored. In a way vlogger could therefore be seen as referral makers and viewers as referral receivers.

In the referral program literature it has been shown that when referral makers are rewarded it will negatively impact the attitude of receivers towards the referral. However, if both parties receive a reward, the negative effect diminishes (Verlegh et al., 2013). Applying this to our context, offering a discount code could have a similar effect. When a brand sponsors a vlogger and includes a special discount code a reward is given to both the vlogger (monetary or non-monetary compensation) and the follower (discount code). Similar to the referral program condition, we would expect a discount code to improve consumer's attitudes towards the brand and the vlogger, since it may consumers feel like they are receiving a fair compensation.

Consumers may respond differently to a promotion, depending on which of the following three consumer segments they belong to: (1) the consumer who responds positively to the promotion, (2) the consumer who reacts negatively to the promotion, (3) the consumer who is indifferent and thus unaffected by the promotion (Alvarez & Casielles, 2005). Reasons for why consumers react positively to promotions (i.e the first group) can be because price

discounts are often appreciated by consumers in terms of rising positive feelings and emotion (Teng, 2009; Ailawadi et al., 1998; van Heerde, Gupta, & Wittink, 2003). Other benefits of using discounts are that it can make consumers feel special and provide the feeling of exclusivity when they are offered to an exclusive group (Mangold & Faulds, 2009), which can be seen as the case when a vlogger offers their followers a discount. Due to the positive responses of a discount, it is commonly used by beauty brands in promotional post on social media, especially department store cosmetic brands such as L'Oréal and Maybelline (Shen & Bissell, 2013) and particularly in vlogs where discount can be used for the reviewed products (Harnish & Bridges, 2016). Furthermore, discount codes are in general more commonly offered by mass market brands in comparison to exclusive brands, which can be explained by that their consumers usually value utilitarian benefits (Luk & Yip, 2008) such as functional, instrumental, and practical benefits compared to hedonic benefits that are more about the aesthetic, experiential, and enjoyment-related benefits of consumption offerings (Chitturi, Raghunathan & Mahajan, 2008). Furthermore, consumers who emphasize more on utilitarian benefits respond in general more positively to discounts offered by brands (Luk & Yip, 2008).

The reason for why consumers would react positively to a discount can further be explained by the equity and the exchange theory. A discount offered by the vlogger could potentially compensate for the lower perceived outcome or “inequity” that could occur after a disclosed sponsorship. Therefore, the vlog viewers could respond positively to the discount as they feel that they get more outcome in relation to their invested input. Hence, this could make the exchange become more fair as the vlogger has received a compensation from the brand. Furthermore, a discount has also within the literature showed to generate positive response from consumers and is also commonly used by mass market brands. We therefore argue that a discount could moderate the effect of disclosure on the attitudes towards both the brand and the vlogger. As a result, we propose the following hypotheses:

**H3a:** Offering a discount code in a sponsored video has a positive effect on the relationship between disclosure timing and consumers’ brand attitude

**H3b:** Offering a discount code in a sponsored video has a positive effect on the relationship between disclosure timing and consumers’ attitude towards the vlogger

On the other hand, there might be a possibility that a discount could amplify the negative effects of sponsorship disclosure on the attitudes. This could be the case for consumers belonging to the second group described above, i.e the segment who would react negatively to a promotion (Alvarez & Casielles, 2005). This negative reaction could furthermore be explained by the persuasion knowledge model. As previously mentioned, persuasion knowledge refers to consumers’ awareness about strategies and tactics that firms use to persuade them to buy a product as well as the motives behind these strategies (Friestad & Wright 1994). This specific knowledge about pricing strategies and methods that firms employ refers to pricing tactics persuasion knowledge (PTPK) (Hardesty, Bearden & Carlson, 2007). Consumers who possess knowledge about these price tactics of the marketers can

affect the success of strategies employed by marketers (Pillai & Kumar 2012). For example, a promotion (i.e. a discount) could make the consumer become suspicious about the behavior of the sales person, where they may even perceive them as being manipulated to purchase the promotional brand or product. For those reasons, they may want to punish the sales person by not purchasing what is being promoted (Alvarez & Casielles, 2005).

A sales promotion (including discounts) is a tool that can help marketers to reach their goals for example reaching their sales objective or getting provision (Alvarez & Casielles, 2005). When the vlogger includes a discount in the vlog, it can therefore make the persuasive intent become even more obvious. Potentially it might even amplify the perception of a persuasion attempt in comparison to when the vlogger simply disclosed a sponsorship without offering a discount. In line with the arguments of Campbell and Kirmani (2000) about how persuasion attempts are perceived, a discount could make the ulterior motives that the vlogger wants to earn money become more accessible. This could assist the vlog viewers to infer a persuasion intent by and might therefore impact negatively on the attitudes towards the brand and the vlogger. From the perspective of the equity and exchange theory, the inference of an ulterior motive could make the vlog viewers realise that the vlogger wants to earn money by speaking positively about the products in combination with a discount. Additionally, the brand may now also earn more money if the discount appeals to consumers. As such, the outcome of the vlogger and the brand may now be higher than the vlog viewers, where the exchange is in “inequity” for the vlog viewers. Consequently, due to the perceived “inequity”, the followers might perceive the vlogger and the brand as being less fair in the exchange where negative emotions might arise from the perceived inequity. As a result, we propose the following hypotheses:

**H4a:** Offering a discount code in a sponsored video has a negative effect on the relationship between disclosure timing and consumers’ brand attitude

**H4b:** Offering a discount code in a sponsored video has a negative effect on the relationship between disclosure timing and consumers’ attitude towards the vlogger

## 2.5 Summary of Theoretical Framework

Our study is positioned within the literature stream that has found sponsorship disclosures to have a negative effect on brand attitudes (Hwang & Jeong, 2016; Boerman, van Reijmersdal & Neijens, 2014; Campbell, Mohr & Verlegh, 2013) and on the influencer (Hwang & Jeong, 2016; Colliander & Erlandsson, 2015). Researchers in this stream have found that the timing of a disclosure in TV shows affects how consumers respond to sponsorships, although there is still a tension in the literature on whether a disclosure before (Boerman, van Reijmersdal & Neijens, 2014) or after (Campbell, Mohr & Verlegh, 2013) the show has a more negative effect on brand attitudes. Though not specifically studied in previous research, we expect a

similar tension to exist for the attitude towards the vlogger. Our study therefore aims at solving this tension by testing timing (before vs. after) as our independent variable and its effects on the two dependent variables brand attitude and attitude towards the vlogger. In specific, we will study these effects in the context of beauty vlogs, which has not been studied before in previous research. Due to the contradictory findings in the literature with regards to timing, we will operate with competing hypotheses. The first pair of hypotheses will test whether a disclosure before (H1a) or after (H1b) the video has a negative effect on brand attitudes. Similarly, the second pair of hypotheses will test whether a disclosure before (H2a) or after (H2b) the video has a negative effect on the attitude towards the vlogger.

Additionally, we are interested in studying the moderating effect of discounts, i.e. how a discount affects the relationship between disclosure timing and brand attitude respectively attitude towards the vlogger. We again developed competing hypotheses, to test how a discount affects this relationship, as the literature provides reasons to believe that discounts could both intensify as well as weaken the negative effects of disclosure timing. The third pair of hypotheses will therefore test if a discount has a positive effect on the relationship between disclosure timing and the brand attitude (H3a) and attitude towards the vlogger (H3b). In contrast, the fourth pair of hypotheses will test the potential negative effect that a discount may have on the relationship between disclosure timing and brand attitude (H4a) and attitude towards the vlogger (H4b). Our theoretical framework is illustrated in figure 2 below.

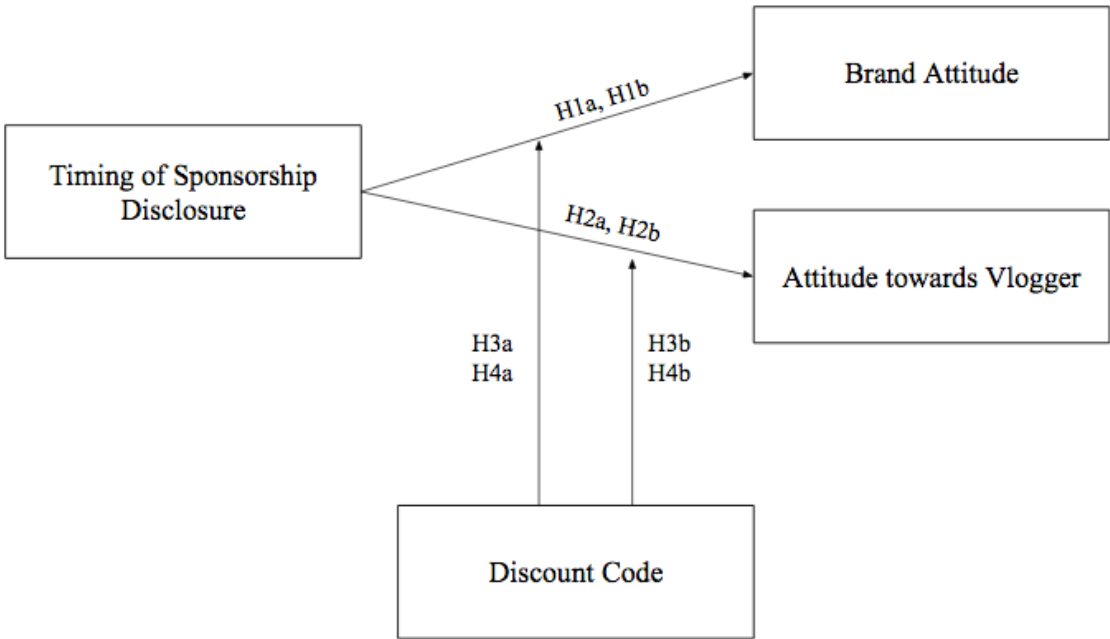


Figure 2: Theoretical Framework

# 3 Methodology

## 3.1 Research Philosophy

A researcher's philosophical position significantly impacts the goals of a study and the selection of an appropriate research design (Easterby-Smith, Thorpe & Jackson, 2015). Therefore, it is of central importance that we begin the methodology section with an explanation of the philosophical stance that we have taken in this thesis – both in terms of ontology and epistemology. In this research, we have adopted an internal realist ontology and consequently a positivistic epistemology. This will be explained below by reflecting upon our research questions and employed approach to answering the questions.

As reflected in our research questions, we are interested in testing cause-and-effect relationships that are found in the context of beauty vlogs. In specific, we firstly aim to determine the effects of disclosure timing on brand attitudes and attitudes towards the vlogger. And secondly, we intend to test how offering a discount code could moderate those relationships. Due to the nature of cause-and-effect relationships in our research questions, the current study classifies as a conclusive research and is quantitative in nature rather than exploratory with a qualitative nature (Malhotra, 2010). We hence employ a deductive approach in answering our research questions (Bryman & Bell, 2011), which is reflected in the way we built our theoretical framework. More specifically, we used past findings and theories in the domain of sponsorship disclosure together with relevant theories regarding marketing relationships (i.e. exchange and equity theory) to deduce hypotheses, which will be tested empirically (Bryman & Bell, 2011).

The nature of our research questions together with our approach of deducing hypotheses, shows that we believe in the objective existence of the said causalities. Moreover, we assume that the concepts brand attitude and attitude towards the vlogger can be treated as real phenomena, which exist independently of researchers. They furthermore exist, even though it may be difficult to agree on how to define or measure them. However, these concepts are human attitudes and we acknowledge that it is not possible to measure effects on human attitudes directly. We rather need to rely on techniques that enable humans to express their internal attitudes, such as questionnaires. These considerations are common for researchers with an internal realist ontology and a fitting positivistic epistemology, who generally believe that while facts exist, they can only be assessed indirectly (Easterby-Smith, Thorpe & Jackson, 2015).

To further illustrate our positivistic approach, we believe that it is possible to define the said concepts and translate them into quantitatively measurable items. As done in our study, these

items can then be used for questionnaires in experiments with large samples of individuals. The data collected will be of quantitative nature and hence enable us to identify patterns and regularities in human attitudes, which in turn will allow us to confirm or deny our hypotheses. This is in line with the goal of positivists to produce findings, gained through statistical tests (Easterby-Smith, Thorpe & Jackson, 2015).

## 3.2 Research Design

### **Experimental Design**

To answer our research questions, we conducted an experiment. This type of research design is considered to generate confidence and trustworthiness in the results of studies that investigate cause-and-effect relationships (Bryman & Bell, 2011). Hence, it is a commonly used research design for studies such as ours, that aim at testing causal relationships (Bryman & Bell, 2011; Malhotra, 2010).

An experimental design is conducted through manipulating the independent variable in order to observe whether there has been any influence on the dependent variable (Bryman & Bell, 2011). There are different types of experimental designs, where our study classifies as the true experiment type of design. This type is distinguished by the random assignment of respondents to different experimental groups containing different treatments (Malhotra, 2010), which is the case in our study. More specifically, our study is drawn upon a 2 (disclosure timing: before vs. after) x 2 (discount: discount vs. no discount) between subject experimental design. This design is equivalent to four groups. In correspondence to that, each respondent was randomly assigned to one of the following four groups: (1) Disclosure before the video with a discount, (2) Disclosure before the video without a discount, (3) Disclosure after the video with a discount, (4) Disclosure after the video without a discount. The experimental groups are presented visually in the matrix below (Figure 3).

After being assigned to an experimental group, respondents received the respective manipulation, i.e. watched a fictional beauty vlogger's video. Then the dependent variables were measured by asking respondents to rate their brand attitude and attitude towards the vlogger seen in the video. A detailed outline of the questionnaire is presented below in the chapter variable measurement and scaling.

		<i>Manipulation: Disclosure Timing</i>	
		<b>Before</b>	<b>After</b>
<i>Manipulation: Discount</i>	<b>Discount</b>	<b>Group 1:</b> Disclosure before, with discount	<b>Group 3:</b> Disclosure after, with discount
	<b>No Discount</b>	<b>Group 2:</b> Disclosure before, without discount	<b>Group 4:</b> Disclosure after, without discount

Figure 3: Experimental Groups

There are different types of true experiments. Our study classifies as a posttest-only type of true experiment rather than a pretest experiment. This is because we only measured the dependent variables after the respondents were exposed to the manipulation, rather than also measuring them before the manipulation exposure (Malhotra, 2010). Another reason why we chose a posttest-only type of experiment was because we did not want to influence our respondents prior to the manipulation. In other words, we believed that our participants would have processed the manipulation differently, if we would have asked them to rate their brand attitudes before being exposed to the actual experimental treatment. With regards to the attitude towards the vlogger, the respondents would have needed to know the vlogger before participating in the experiment in order to rate their attitudes towards them. In our experiment, however, we use a fictional vlogger. Thus, respondents could not have had any previous relationship with the vlogger. This, however, was not an issue for our study, as we are not interested in testing how the respondents' relationships to the vlogger changes after a sponsorship is disclosed. Instead, our study is concerned with measuring how respondents' general attitudes towards vloggers are after watching a video in which the vlogger openly discloses a sponsorship. Hence, a posttest only experiment is considered suitable.

Moreover, our experiment does not include a control group, i.e. a group where the vlogger does not state that she is sponsored. There are two reasons why we chose this approach. First, the majority of previous studies in the field of sponsorship disclosures found that when sponsorships are disclosed, compared to when they are not disclosed, it has a negative effect on consumers' attitudes towards brands. We have therefore decided to comply with past research and hence also expect sponsorship disclosure to have negative effects on consumer attitudes (in our case brand attitude and attitudes towards vloggers). Therefore, our study's purpose is not to test whether disclosures have a negative effect, but rather consider that as given. We are instead interested in studying the effects of a specific aspect of sponsorship disclosures, namely the disclosure timing. Second, disclosure regulations for sponsored vlogs are becoming increasingly prominent. As described in the background more and more



countries are requiring vloggers to disclose if they have been sponsored, suggesting this trend to continue. Hence, we argue that it is more interesting for researchers to study different boundary conditions for sponsorship disclosures, such as the moderating effect of offering a discount in sponsored videos, rather than simply testing the effects of disclosing versus not disclosing. As a result, in our study we merely compare experimental groups with each other and not to a control group, which enables us to create a better understanding of sponsorship disclosures, i.e. our phenomenon of study (Bryman & Bell, 2011).

### 3.3 Reliability and Validity

Regardless of the design of a study it should fulfill three criterias; reliability, replication and validity (Bryman & Bell, 2011). The reliability of a study refers to if the measures used in the study are consistent, meaning that the results and the findings can be repeated at another point in time (Burns & Burns, 2008). There are furthermore three aspects of reliability. The first is the stability of the measures, which measures the repeatability of a test over time. This means that the measures would give the same result if the study would be conducted again with the same respondents at another occasion. The second aspect is internal reliability. This refers to if the respondent's answers are coherent in the study, i.e. that the items that is supposed to measure the same concepts generate approximate scores. The third is the inter-observer consistency, which concerns whether there is consistency in the observer's judgements and decisions (Bryman & Bell, 2011). What contributes to the reliability of our study is first of all that it is an experimental design. This design tends to bring clarity to what is being investigated which facilitates the replication of a study (Easterby-Smith, Thorpe & Jackson, 2015). Furthermore, to facilitate the replication with as little variations as possible if the study was conducted at another occasion, we have in our study provided accurate descriptions for how we conducted the study (Bryman & Bell, 2011). For example, we have included the script to the video we created for the experiments, included the social media groups we posted the survey in, and the items and questionnaires we used if someone would like to conduct the study again. What further contributes to the reliability of our study is the high level of Cronbach's alpha for the multi-item scales used in our study (i.e for brand attitude, attitude towards the vlogger and product category involvement). All the scales had a level of above 0.80 which is an excellent level for assuming that the items are intercorrelated (Burns & Burns, 2008).

The validity of a study refers to whether the concepts in a study are measured in a correct way, i.e. if the measurements actually measures the constructs that it is supposed to measure. For example the validity of a scale refers to whether the differences captured by the scale also captures differences in the reality (Malhotra, 2010). Since we used multi-item scales, we conducted a factor analysis for these scales in order to make sure that they are actually measuring the concepts that they are supposed to measure. Furthermore, there are different types of validity, where internal, external and ecological validity are important for quantitative studies. In the context of an experiment design, internal validity concerns whether

the research can draw valid conclusions about the effects of the independent variables, and if the observed effect could have been caused by additional variables (Bryman & Bell, 2011; Malhotra, 2010). The internal validity of experimental design is generally high which gives confidence in the causal finding (Easterby-Smith, Thorpe & Jackson, 2015; Bryman & Bell, 2011). Our survey included manipulation checks with purpose to ensure that the respondents understood the manipulation in order to be able to draw conclusions about the independent variables. We also controlled for other variables (i.e. brand usage, product category involvement and frequency of watching beauty vlogs) that could possibly have an impact on our findings.

The external validity refers to whether the research can make valid generalizations to the population of interest (Malhotra, 2010). The external validity may be more difficult to establish because the interaction of setting and treatment is conducted in an artificial environment (Malhotra, 2010). This may impact on that the result may be unrelated to real-world experiences and contexts and thus may not be representative of the general population (Bryman & Bell, 2011). However, when the research is concerned with studying a phenomenon occurring in an online environment, these disadvantages of an artificial experimental environment could diminish by conducting the experiment on the Internet (Malhotra, 2010). As female consumers who are interested in beauty and are active on social media are our target group, we found it fitting to recruit our sample from Facebook beauty groups. We argue that this will increase the external validity of our study, as it captures the real-world setting in which our target population is active. This would also act to increase the ecological validity as our survey was posted in a natural social settings type of environment where our target population actually engages. The Facebook environment is also very similar to the YouTube environment in terms of being able to like, comment and follow the page which are further arguments that increases the external and ecological validity of our study. The respondents were further randomly assigned to one of the four different experimental groups, which acts to reduce any alternative explanations for the results and ultimately increases the external validity (Bryman & Bell, 2011).

### 3.4 Stimuli

The stimuli for our experiment, was a fictional sponsored video, which we created with a fictional vlogger. The video is a makeup tutorial where the vlogger shows her viewers how to create a natural makeup look by highlighting two featured products, a clay mask and a mascara by the brand L'Oréal. We chose a makeup tutorial as the content type, because it is the most common type of video found on beauty vlogs (Statista, 2016b) and hence contributes to making the stimuli appear realistic. The video was furthermore three minutes long, which is a common video length on beauty vlogs (Statista, 2013). We furthermore assumed that this length would be short enough to motivate people to participate and to watch the video from beginning to end.

For the sponsorship manipulation, we chose the beauty brand L'Oréal. There are three reasons why we chose this specific brand. Firstly, for the sake of external validity and relevance of our study we wanted to use a brand that has often worked with beauty vloggers. L'Oréal is one of those brands. The importance of beauty vloggers for L'Oréal's marketing is further illustrated by the fact that they have recently signed five British vloggers who will be producing content for them on an ongoing basis (Marketing Week, 2016). The second reason is that L'Oréal is a brand that frequently incorporates discount codes in their social media campaigns (Shen & Bissell, 2013), which makes them a suitable brand for the manipulation of discount in our experiment. Third, authors have urged future research to study the effects of disclosure timing on attitudes towards well-known brands, which past studies have not considered before (Boerman, van Reijmersdal & Neijens, 2014). As such, L'Oréal is a rather well-known brand that is relevant to study, even though participant's answers may be affected by their prior attitudes towards a familiar brand such as L'Oréal. The products that are highlighted in the video as part of the sponsorship are two rather newly launched products by L'Oréal: the "L'Oréal Pure Clay Glow Mask" and the "L'Oréal Volume Million Lashes Mascara". We choose those products to reduce a potential influence of prior experiences with the products.

The vlogger in the video is a friend of ours, who is highly interested in beauty vlogs and was therefore able to adequately speak and act the way beauty vloggers do. We chose to use a fictional vlogger, because we wanted to avoid any influence of prior relationships with the vlogger on participants attitudes towards her. Furthermore, working with a fictional vlogger allowed us to fully control the script in the video and hence the experimental treatment, which might not have been possible with a real vlogger.

For the manipulation of disclosure timing, the vlogger made a verbal statement about her sponsorship either at the beginning or end of the video. Different countries, such as the USA (Federal Trade Commission, n.d.) and UK (Advertising Standards Authority, 2015) do not specify by law how vloggers are to disclose a sponsorship. We hence found a verbal statement to be appropriate, because many vloggers disclose sponsorships in this way. For the discount manipulation, the vlogger stated that she had a 20% discount for all L'Oréal makeup and skincare products for her viewers in the discount conditions, and left out this statement in the no discount conditions. This amount of discount is furthermore commonly used by different brands in a social media environment and hence suitable for our study. The exact operationalization of timing and discount are presented in table 5 and table 6 in the chapter variable measurement and scaling.

To make the whole video appear as realistic as possible, we furthermore based our script on a real sponsored video by a beauty vlogger named Allana Davison, who in the video is sponsored by L'Oréal. The video is a typical makeup tutorial, where the vlogger shows her viewers how to create a certain look and incorporates some funny, lively statements, which served a guideline for our script. Hence, our video has informative but also entertaining elements. The storyboard for our video is shown in Appendix A and the script can be found in Appendix B. The four different videos (i.e. experimental treatments) are uploaded on

YouTube and can be accessed by clicking on the links in table 1. To ensure that nobody would be able see or access the videos outside of our experiment, we used the unlisted setting to upload the videos.

*Table 1: Stimuli Links*

Experimental Condition	YouTube Link
Before + discount	<a href="https://youtu.be/xMomr6589LA">https://youtu.be/xMomr6589LA</a>
Before + no discount	<a href="https://youtu.be/3pM_4NU_T5w">https://youtu.be/3pM_4NU_T5w</a>
After + discount	<a href="https://youtu.be/QEfh7zPQ7FY">https://youtu.be/QEfh7zPQ7FY</a>
After + no discount	<a href="https://youtu.be/3myzMG5s25k">https://youtu.be/3myzMG5s25k</a>

### 3.5 Sampling

The process of sampling is a vital step for quantitative research. The sample needs to represent the target population that the research aims to study (Bryman & Bell, 2011; Easterby-Smith, Thorpe & Jackson, 2015). Our target population are females in the age of 18-34 years who are interested in beauty-related topics and are social media users. This target population was chosen because beauty vlogs are mainly watched by females in these age groups. According to a study conducted by the data analytics company OpenSlate, 40% of 18-24 year old females and 17% of 25-34 year old females regularly watch beauty vlogs. Together with the 13-17 year olds (17%) these are the top three age groups with the highest percentages of females who are interested in beauty vlogs (Digiday UK, 2015). However, due to ethical reasons we were unable to allow people under 18 years old to participate in our study (Student Science, 2017), therefore this age group was not included in the target group. Moreover, females older than 34 years were disregarded since the popularity of beauty vlogs seems to decrease with age. As such, merely 6% of females in the ages of 35-44 years and only 4% in the ages 45-54 years claim to watch beauty vlogs (Digiday UK, 2015).

Facebook beauty communities were selected as the sampling unit, from which we recruited our sample. More specifically, five Facebook beauty communities were chosen. These are listed in more detail in table 2. We chose these specific beauty communities, because we perceived the members to be highly active in posting and sharing tips, videos and makeup rituals.

*Table 2: Beauty Communities*

Facebook Group	Country of Origin	Number of Members
MrsGloss&TheGoss	UK	59,500
The MakeUp Social	Australia	73,800
Schminke Haare Mode & Co	Germany	500
Beauty and bullshit	Sweden	9000
Beauty Escape	USA	52,200

As described above, the experiment consists of a 2 (disclosure timing: before vs. after) x 2 (discount code: discount vs. no discount) between subject experimental design. Furthermore, this design requires a minimum of 30 respondents per group, and since we have four groups, we would need a minimum of 120 respondents to participate in our study (Wilson & Betsy, 2007). A convenience sampling technique was applied to recruit respondents from our target population. This sampling technique is a form of nonprobability sampling which has limitations in the sense that the result cannot be generalized to the population (Bryman & Bell, 2011). Although this technique has limitations, it was chosen because of the availability and accessibility when collecting the data (Bryman & Bell, 2011). Furthermore, it was also chosen due to the time and cost constraints involved in securing a probability sampling.

Due to the nature of this research, we consider Facebook to be an effective medium to reach our target population where it is common to engage in various beauty communities (i.e. Facebook groups related to beauty topics). This is considered a convenience sampling (Easterby-Smith, Thorpe, & Jackson, 2015). Furthermore, convenience samples are a frequently used technique within business and management research and are actually even more prominently used than probability sampling techniques due to low costs and ease in execution (Bryman, 1989).

In order to be able to describe our sample and screen out respondents who are not representative of our target population, respondents were asked to fill out demographic questions about themselves. These questions included age, gender, occupation and nationality. We asked these questions in order to make sure that the respondents matched our target profile of females aged 18-34 years old. Furthermore, the respondents that did not fit this profile would be deleted from the data set. We further asked these questions to be able to describe the demographic distribution for the four experimental groups.

## 3.6 Data Collection Method

The method of data collection was conducted through a survey, which is the most commonly used method to collect data in marketing research. The aim of surveys are to detect patterns that may be hidden in human and organizational behaviors in order to reveal causal relationships between concepts (Malhotra, 2010). It was therefore considered a suitable method of data collection for our experimental research design. We used an inferential type of survey method which is considered appropriate for an experimental research design. More specifically, it aims at answering hypothesis and assumptions about relationship between variables and concepts (Easterby-Smith, Thorpe & Jackson, 2015).

Furthermore, as vlogs appear in an online setting, we chose the format of an online web-based survey. We used the online survey software tool Qualtrics to collect data which is commonly used by academic researchers (Qualtrics, 2017). This survey tool enabled us to randomly assign respondents to one of the four experimental groups. Furthermore, Qualtrics enabled us to export the data directly to SPSS, which eliminates the risk of data entry errors that could occur (Easterby-Smith, Thorpe & Jackson, 2015). Nevertheless, a limitation with web-based surveys is that they tend to generate poor response rates (Malhotra, 2010). Researcher, however, can try to improve them by for example including participation incentives (Bryman & Bell, 2011; Malhotra, 2010). We therefore chose to include incentives, namely a Valentino perfume and a 30€ gift voucher from the online-store ASOS, which should appeal to people who are interested in beauty related topics and thus help to increase the response rates for our survey.

Before sending out the survey to our target population, we conducted a pilot study by sending out the survey to our friends and family. We did this with purpose to confirm that the survey worked without complications and to assure that the questions were understandable. After the pilot study, we posted the survey in the five Facebook beauty communities. The survey was posted two times in each of the communities. More detailed information regarding the posting schedule can be found in the table 3. All five beauty communities received the same instructions for how to conduct the survey.

*Table 3: Schedule Data Collection*

Facebook Group	Number of Posts	Dates posted (local times)
MrsGloss&TheGoss	2	27.04 (19.30 pm) 28.04 (17.30 pm)
The MakeUp Social	2	29.04 (19.30 pm) 30.04 (17.30 pm)
Schminke Haare Mode & Co	2	29.04 (19.30 pm) 30.04 (17.30 pm)
Beauty and bullshit	2	29.04 (19.30 pm) 30.04 (17.30 pm)
Beauty Escape	2	29.04 (19.30 pm) 30.04 (17.30 pm)

## Survey Outline

The respondents were randomly assigned to one of the four different experimental groups. The randomization was conducted in order to reduce any possible alternative explanations that could have impacted the results. After being assigned to an experimental group, the respondents were first asked to provide personal information, such as their age, gender, occupation and nationality. They were then presented with a sponsored video of a fictional vlogger which contained the respective manipulation. After watching the video, they were asked a set of questions aimed at measuring the dependent variables brand attitude and attitude towards vlogger. These questions were followed by manipulation checks, which we deliberately placed after the dependent variable items. We did this to avoid potentially influencing participants in their process of answering the dependent variable questions due to the manipulation checks. Next, participants received questions regarding our three control variables. At the end of the survey, the participants were given the possibility to write a comment as well as join the lottery for a chance to win one of the two prizes we used as participation incentives.

## 3.7 Variable Measurement and Scaling

In order to test our hypotheses and infer cause-and-effect relationships between variables, the variables will need to be measured. This is the process of operationalization in which characteristics of the variables or constructs are specified which are grounded in theory (Malhotra, 2010). Items are here assigned to measure the characteristics of the constructs. These items need to accurately reflect the constructs in order to measure and establish the relationship between the variables (Easterby-Smith, Thorpe & Jackson, 2015).

A semantic differential scale was used to measure the two concepts (i.e. dependent variables) brand attitude and attitude towards the vlogger. This scale is a multi-item scale which aims at measuring different aspects of the constructs with the help of multiple items (Malhotra, 2010). More specifically, each item consists of a single statement that the respondents are asked to evaluate. What characterizes a semantic differential scale is that each statement consists of two bipolar endpoints (Malhotra, 2010). We used 7-point semantic differential scales in our questionnaire, where each item is scored on a scale from 1 to 7. The negative endpoint is positioned on the left side of the scale (i.e. score of 1), while the positive endpoint is placed on the right side (i.e. score of 7). Moreover, the middle point (i.e. score of 4) represents a neutral position for respondents who might not have an opinion about the statement. Below we will describe the operationalization of the two dependent variables, brand attitude and attitude towards the vlogger in more detail. Following, we will also describe the scales of the independent, the moderating and the control variables.

### 3.7.1 Dependent Variable

#### **Brand Attitude**

Our first dependent variable is brand attitude. It refers to the degree to which consumers like a brand and perceive it to be good and favorable (Mitchell & Olson, 1981). To measure this concept, we used established scales and items by researchers in the field of sponsorship disclosure. Since our research aim is to solve the tension how disclosure timing (i.e. before vs after) within the literature, we need our findings to be comparable to the two contradictory studies that our research is based on. Therefore, we adopt the same items and scales used in Boerman, van Reijmersdal & Neijens (2014) and Campbell, Mohr & Verlegh (2013) which we also consider to be applicable to the context of our study. Hence, the scale that we used to measure brand attitude was a four items 7-point semantic differential scale (see table 4).

#### **Attitude towards the Vlogger**

Similarly, the attitude towards the vlogger also refers to the extent to which the vlogger is liked and perceived in a favorable way. However, as this concept assesses attitudes towards a human being that represents a brand, but not the brand itself, we needed to use a scale with items measuring attitudes towards a person. Here the items by Whittler and Dimeo (1991), measuring the likeability of a spokesperson featured in an advertisement, are considered suitable. This is because when vloggers are sponsored, they can accordingly be seen as a spokesperson for the sponsoring brand. To measure the attitudes, we used a four item 7-point semantic differential scale (see table 4).

Since we used multiple-item scales to measure the dependent variables, the different items needed to be evaluated. Hence, the items need to be consistent and contribute to measure the same concept. This refers to the internal reliability and is measured by the Cronbach's alpha. In general, using established scales are beneficial since they have already been tested in terms of validity and reliability (Bryman & Bell, 2011), but we also measured them in the context of



our study to assure the internal reliability of our study. The Cronbach's alpha is below presented for our two dependent variables.

*Table 4: Operationalization of Dependent Variables*

Construct/Item(s)	Mean (SD)	$\alpha$
<b>Brand Attitude</b>	5.25	0.97
<i>I think L'Oréal is ...</i>	(1.45)	
– 1 = Bad / 7 = Good		
– 1 = Unfavorable / 7 = Favorable		
– 1 = Negative / 7 = Positive		
– 1 = Unlikeable / 7 = Likeable		
<b>Attitude towards the Vlogger</b>	5.73	0.95
<i>I think the vlogger is ...</i>	(1.57)	
– 1 = Cold / 7 = Warm		
– 1 = Unlikeable / 7 = Likeable		
– 1 = Insincere / 7 = Sincere		
– 1 = Unfriendly / 7 = Friendly		

*Notes:* All items were measured on a 7-point semantic differential scale (1 = negative extreme point; 7 = the best extreme point);  $\alpha$  = Cronbach's Alpha; SD = Standard Deviation

### 3.7.2 Independent Variables

The timing of disclosure (i.e. before or after the video) represents this study's independent variables. More specifically, the independent variable was operationalized in the experiment by the vlogger either disclosing that she was sponsored before or after the video. The specific statements for these two conditions are showed in table 5 below.

*Table 5: Operationalization of Independent Variable*

Independent Variable Level	Statement of Vlogger	Position of Statement in Video
Timing: Disclosure Before Video	<i>“So for today's look, I've partnered up with L'Oréal to create this video, which is sponsored by them”</i>	At the beginning of video
Timing: Disclosure After Video	<i>“Thank you so much for watching. And also big thanks to L'Oréal, I've partnered up with them to create this look, so this video was sponsored by them.”</i>	At the end of video

### 3.7.3 Moderating Variable

The moderating variable is in our study represented by a discount vs no discount condition. In other words, this variable is operationalized by the vlogger either offering a discount vs not offering a discount on products from L'Oréal which was the sponsored brand in the vlog. This statement was said directly after the vlogger disclosed the sponsorship and was placed either in the beginning or at the end of the vlog. The specific statements representing the moderating variable (discount vs no discount) is showed in table 6 below.

Table 6: Operationalization of Moderating Variable

Moderating Variable Level	Statement of Vlogger	Position of Statement in Video
Discount	<i>“And I also have a discount code of 20% for all L'Oréal makeup and skincare products for you guys.”</i>	Right after the disclosure statement (either at beginning or end of video)
No Discount	No statement of discount	No statement of discount

### 3.7.4 Control Variables

We also needed to control for additional variables that could potentially influence the effects on our dependent variables (Burns & Burns, 2008; Pallant, 2016). We have identified three such variables which include brand usage, product category involvement and interest in watching beauty vlogs.

Brand usage was chosen as a control variable because one can assume that if someone uses a brand frequently, they will most likely also have more favorable attitudes towards that brand, which can have an impact on how they react when the brand sponsors a vlogger. The prior experience that they have with the brand could also allow them to judge the vloggers statements about that brand more accurately. This in turn could influence the attitudes that they have towards the vlogger. Brand usage was measured by a single-item on a 7-point scale with the two endpoints: never/often.

The second control variable, product category involvement (i.e. beauty products) was chosen, because we can expect that people with low involvement in beauty products, will also have different attitudes towards beauty brands than someone with a high involvement. As such, someone with little or no interest in beauty products could potentially feel indifferent about brands who sponsor vlogs. Likewise, their attitudes towards beauty vloggers in general may then be tainted by their general disinterest in beauty products. Product category involvement was measured by an involvement situational scale measuring the relevance of an object to a

person (Bruner, 2009). It is a three-item 7-point semantic differential scale with the following endpoints: don't matter/matter, boring/interesting and irrelevant/relevant.

Lastly, we controlled for participant's interest in beauty vlogs, which we measured by the frequency of watching beauty vlogs. Someone who frequently watches beauty vlogs has most likely already been exposed to sponsorship disclosures before and may therefore be more familiar with this type of content. This prior experience gives them a reference point of how different vloggers disclose sponsorships and what type of brands normally work with beauty vloggers, which could affect the way they perceive the sponsored video in our experiment. Interest in beauty vlogs, assessed by the frequency of watching beauty vlogs, was measured by a single item on a 7-point scale with the endpoints never/very often.

The items of each scale together with the Cronbach's alpha for the multi-item scale are presented in the table 7 below.

Table 7: Operationalization of Control Variables

Construct/Item(s)	Mean (SD)	$\alpha$
<b>Brand Usage</b> <i>Do you use products from L'Oréal?</i> – 1 = Often / 7 = Never	4.60 (1.82)	(single item)
<b>Product Category Involvement</b> <i>To me, beauty-related topics (are) ...</i> – 1 = Don't matter / 7 = Matter – 1 = Boring / 7 = Interesting – 1 = Irrelevant / 7 = Relevant	6.14 (1.35)	0.95
<b>Interest in Beauty Vlogs</b> (measured by frequency of watching vlogs) <i>How often do you watch beauty vlogs?</i> – 1 = Never / 7 = Often	4.92 (2.00)	(single item)

Notes: All items were measured on a 7-point semantic differential scale (1 = negative extreme point; 7 = positive extreme point);  $\alpha$  = Cronbach's Alpha; SD = Standard Deviation

### 3.7.5 Exploratory Factor Analysis: Evaluation Multi-Item Constructs

In order to evaluate the three multi-item constructs in our study, we conducted an exploratory factor analysis to test whether the items correlated with the construct they were intended to measure. This type of factor analysis is often used in early stages of a research in order to explore interrelationships among a set of variables (Pallant, 2016).

Before conducting a factor analysis, the following assumptions need to be met: (1) a sample size containing more than 150 elements and a ratio of at least five participants for each item,

(2) factorability of the correlation matrix, (3) linearity between variables, and (4) no or only few outliers among cases (Pallant, 2016).

With a final sample size of 289 participants, 11 items and therefore a ratio of 26.3 cases per item, we met the first assumption. For the second assumption, the correlation matrix showed that the majority of coefficients had a value of at least 0.3. Moreover, the Kaiser-Meyer-Olkin value was 0.911 and the Bartlett's test of Sphericity was statistically significant ( $p < 0.001$ ). Hence, we fulfilled the second assumption. Since our dataset exceeded the minimum requirement necessary to fulfill assumption one, we can assume that there is linearity between the variables (Pallant, 2016). Assumption three was therefore also met. In the initial data screening process, we also checked for outliers and did not find such cases, therefore assumption four was also met.

The principal component analysis revealed that there were three components with eigenvalues greater than 1. The scree plot furthermore showed a cut-off point after the third component (see Appendix C). This three-component solution explained a total of 90.46% of the variance. The first component contributed to explain 63%, the second 18.3% and the third 9.12%. To enable the interpretation of these components, oblimin rotation was performed. As seen in table 10 all three components show strong loadings, with each variable loading substantially on only one component. This result shows that the items of our multi-item constructs are representable of their respective construct, namely brand attitude (i.e. first dependent variable), attitude towards the vlogger (i.e. second dependent variable) and product category involvement (i.e. one of the covariates).

*Table 8: Principal Component Analysis - KMO and Bartlett's Test*

KMO and Bartlett's Test		
Keiser-Meyer-Olkin Measure of Sampling Adequacy		0.911
Bartlett's Test of Sphericity	Approx. Chi-square	5424.96
	df	55
	p	< 0.001

Table 9: Principal Component Analysis - Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6.93	63.00	63.00	6.93	63.00	63.00	5.68
2	2.02	18.34	81.35	2.02	18.34	81.35	4.06
3	1.00	9.11	90.46	1.00	9.11	90.46	5.95
4	0.27	2.41	92.87				
5	0.16	1.48	94.34				
6	0.15	1.33	95.67				
7	0.11	0.98	96.65				
8	0.10	0.94	97.59				
9	0.10	0.90	98.49				
10	0.09	0.78	99.23				
11	0.08	0.71	100.00				

Table 10: Principal Component Analysis – Pattern & Structure Matrix

	Pattern coefficients			Structure coefficients			Communalities
	BA	AV	PCI	BA	AV	PCI	
<b>Brand Attitude</b>							
<i>Negative / Positive</i>	<b>0.97</b>	0.02	0.02	<b>0.97</b>	-0.66	0.35	0.93
<i>Unfavorable / Favorable</i>	<b>0.96</b>	0.00	-0.04	<b>0.96</b>	-0.67	0.32	0.91
<i>Bad / Good</i>	<b>0.95</b>	-0.02	-0.02	<b>0.95</b>	-0.66	0.36	0.93
<i>Unlikeable / Likeable</i>	<b>0.94</b>	0.01	0.04	<b>0.95</b>	-0.65	0.30	0.91
<b>Attitude towards Vlogger</b>							
<i>Unlikeable / Likeable</i>	-0.01	<b>-0.97</b>	-0.01	0.65	<b>-0.96</b>	0.49	0.91
<i>Cold / Warm</i>	-0.02	<b>-0.96</b>	0.02	0.65	<b>-0.96</b>	0.46	0.91
<i>Unfriendly / Friendly</i>	0.02	<b>-0.91</b>	0.05	0.66	<b>-0.95</b>	0.51	0.80
<i>Insincere / Sincere</i>	0.03	<b>-0.90</b>	-0.05	0.63	<b>-0.89</b>	0.41	0.91
<b>Product Category Involvement</b>							
<i>Irrelevant / Relevant</i>	0.01	0.01	<b>0.97</b>	0.34	-0.48	<b>0.97</b>	0.93
<i>Boring / Interesting</i>	0.01	0.01	<b>0.96</b>	0.33	-0.47	<b>0.95</b>	0.91
<i>Don't matter / Matter</i>	-0.02	-0.03	<b>0.95</b>	0.32	-0.48	<b>0.95</b>	0.90

Notes: BA = Brand Attitude (i.e. component 1); AV = Attitude towards the Vlogger (i.e. component 2); PCI = Product Category Involvement (i.e. component 3)

### 3.8 Plan of Data Analysis

Our data analysis was conducted in two steps, the first step being the preliminary analysis and the second being the main analysis where we tested our hypothesis. We started with a

preliminary data screening phase, which was followed by a data preparation for SPSS. Thereafter, we conducted different statistical analysis in the preliminary and main analysis, which we will elaborate upon further below.

### 3.8.1 Data Screening

We received a total of 410 responses from our survey. As a first step, we screened out respondents, who did not fit our target population. Hence, males and respondents who did not want to specify their gender were deleted from the datasets, as we are only interested in females. Additionally, datasets from respondents who were above the age of 34 and younger than 18 were also removed as our target population is specified as 18-34 years old. After this primary data screening, we were left with 391 respondents.

As a next step, we screened the datasets in order to check the data for errors (Pallant, 2016). We here deleted respondents who had contradictory answers in the manipulation check questions, since this indicates that they did not correctly understand the manipulation. An example of a contradictory combination would be answering that the vlogger was not sponsored in the first manipulation check, but in the second question answering that the vlogger stated a sponsorship at the beginning of the video. Four people were deleted from the datasets after this screening stage which left us with 387 respondents.

### 3.8.2 Data Preparation for SPSS

Before starting with the statistical tests in the preliminary analysis, we created composite scores for variables that consisted of multi-items. These variables included brand attitude, attitude towards vlogger and product category involvement. This was done because we used a multi-item scales to measure these variables. We also created a group variable for the independent variable timing. Respondents who received the manipulation before the video belonged to group 1 (before = 1), respectively respondents who received the manipulation after the video were part of group 2 (after = 2). Furthermore, we also created a discount variable where respondents who received a discount belonged to group 1 (discount = 1), and respondents who did not receive a discount belonged to group 2 (no discount = 2).

### 3.8.3 Preliminary Analysis

#### **Chi Square Test of Independence**

During the data screening process we noticed that several respondents did not recall that the vlogger was sponsored (i.e. answered no to the first manipulation check question). Therefore, we wanted to see if there was any statistical association between recalling a disclosure and being exposed to a disclosure before or after the video. In order to test this, we conducted a chi-square test which is a non-parametric test (Burns & Burns, 2008). It shall be noted that

since this test is non-parametric, it is not as powerful as a parametric test in terms of detecting differences between groups. However, chi-square tests are still considered useful when the assumptions of a parametric test are not met, as is the case in this part of our analysis.

The chi-square test is appropriate for our case, since we were interested in exploring the relationship between two category variables (Pallant, 2016), namely disclosure timing (i.e. disclosure before or after the video) and recalling a sponsorship disclosure (i.e. answering yes or no to the first manipulation check question). We furthermore chose this test, because the variables of interest in this part of our analysis are of categorical nature and thus consist of nominal data.

There are three assumptions that a chi-square test needs to fulfill: (1) random sampling, (2) independent observations, and (3) expected frequency in any cell should be at least 5.

### **Independent Samples t-test**

In addition to the chi-square test, we were also interested in comparing the scores of the dependent variables brand attitude and attitude towards the vlogger between participants who recalled a disclosure and those that did not. More specifically, we were interested in testing if there was any statistical difference in the scores of the dependent variables between people who understood that the vlogger was sponsored and those that did not. An independent samples t-test was therefore considered an appropriate test, since it enables us to compare the mean dependent variables scores (i.e. for brand attitude and attitude towards the vlogger) of two different groups (i.e. answering yes or no to the first manipulation check question). A t-test is a parametric type of test, which means that we need to fulfill certain more stricter assumptions compared to a non-parametric test. These assumptions are: (1) the dependent variable is at interval or ratio scale, (2) random sampling, (3) independence of observations, and (4) normal distribution (Pallant, 2016).

#### **3.8.4 Main Analysis**

### **Two-way Analysis of Covariance**

The main analysis of our study was conducted by using the test of two-way analysis of covariance, also referred to as two-way ANCOVA. ANCOVAs are an extension of ANOVAs and enable us to conduct an analysis of mean differences between experimental groups while statistically controlling for additional variables that may influence the dependent variable scores (Pallant, 2016). Controlling for such control variables or covariates furthermore helps reduce systematic bias (Pallant, 2016). Moreover, a two-way ANCOVA, as oppose to a one-way ANCOVA, additionally allows us to not only test the “main effect” of our independent variable, but also a possible “interaction effect”. Such interaction effects can occur when the effect of the independent variable on the dependent variable are dependent on the level of

another independent variable. The literature often refers to such effects as “moderating effects” (Pallant, 2016).

A two-way ANCOVA was suitable for our study as we were interested in testing the main effect of disclosure timing on brand attitude and attitudes towards the vlogger, but also wanted to test the moderating effect of offering a discount. Additionally, we believe that the brand usage, product category involvement and interest in beauty vlogs of participants could influence their attitudes, which is why we wanted to control for those variables. Hence, to test our hypotheses we conducted two separate two-way ANCOVAs. One with brand attitude as the dependent variable and another one with attitude towards the vlogger as the dependent variable. The independent variable was as discussed the disclosure timing and the moderating variable was the discount. As covariates we used the three above listed control variables.

There are several assumptions that need to be fulfilled in order to conduct a two-way ANCOVA. First the data needs to fulfill general assumptions that apply to all parametric techniques: (1) dependent variable is measured at ratio or interval level, (2) random sampling, (3) independence of observations, (4) normal distribution and, (5) homogeneity of variance. Additionally, specific assumptions of an ANCOVA needs to be fulfilled, which are: (1) independence of the covariate from the treatment effects, (2) reliability of covariates, (3) no strong correlation among covariates but correlation with dependent variables, (4) linear relationship between dependent variable and covariate, and (5) homogeneity of regression slopes (Pallant, 2016). These assumptions were checked before we ran the test.



## 4 Results

The results of our study are divided into two parts. The first part consists of the preliminary data analysis, where we tested the effectiveness of our experimental manipulations and based on those results decided to conduct a preliminary test before testing our hypotheses. In the second part we deleted the respondents who did not understand the manipulations and conducted the main analysis, where the hypotheses were tested.

### 4.1 Preliminary Analysis

We received a total of 410 respondents that participated in our survey. In the first data screening stage, we deleted respondents who did not fit our target group of women aged 18-34 years old. We also deleted respondents with contradictory answers in the manipulation check questions (see Table 11 for manipulation check questions). This data screening stage is in more detail described in section 3.6 in the method part. A total of 387 respondents remained in the sample after this primary data screening stage.

*Table 11: Manipulation checks*

Manipulation checks	Subject	Questions (Answer options)
MC1	Sponsorship disclosure	In the video that you just saw, did the vlogger state that she was sponsored? (Yes / No)
MC2	Timing	When did the vlogger state that she was sponsored? (At the beginning of the video / at the end of the video / the vlogger didn't state that she was sponsored)
MC3	Discount	Was a discount code offered in the video? (Yes / No)

#### 4.1.1 Manipulation Check 1: Sponsorship

The sample of 387 respondents included 98 respondents who answered “no” to the question if the vlogger stated that she was sponsored. In other words, 25% of the respondents did not

recall a disclosure statement and will therefore be removed from the final dataset used for the main analysis later on. However, before removing these respondents we were interested in further investigating the differences between respondents who recalled a disclosure and those who did not recall a disclosure. More specifically, we wanted to answer two questions: (1) Is there an association between not recalling that a disclosure statement was made and the timing of the disclosure? And (2) is there a difference in brand attitude and attitude towards the vlogger between people who recalled a disclosure and those that did not? To answer the first question, we conducted a chi-square test for independence. For the second question we carried out two independent samples t-tests. The results will be presented below.

## **Chi-square test**

Firstly, we made sure to check the assumptions of chi-square tests. We fulfilled the assumption of having independent observations, variables in categorical nature as well as zero cells with an expected frequency of less than 5. However, since we used a non-probability sampling technique, we did not fulfill the last assumption of a random sample. As researchers, however, often do not fulfill this assumption (Pallant, 2016), we can infer that it is considered acceptable to run the test without having to fulfil it. We therefore regarded it as appropriate to conduct a chi-square test.

Since in our case we have two variables with two categories (MC1: yes, no; Timing: before, after) we will use the Yate's Correction for Continuity (Pallant, 2016). The results show that there is a significant association between whether participants recalled a disclosure and whether the disclosure was presented at the beginning or at the end of the video,  $\chi^2(1, n = 387) = 3.82, p = 0.051, \phi = -0.12$ . Out of the respondents in the before condition around 70% recalled a disclosure (i.e. answered "yes" to MC1), while 30% did not (i.e. answered "no" to MC1). Similarly, almost 80% recalled it in the after condition, while 20% did not. This shows that in both timing conditions, there were more participants who were able to recall a disclosure than not recall it. According to this result, one may be inclined to infer that the timing of a disclosure had no impact on whether participants were able to recall a disclosure. However, when we have a closer look at the 98 participants who did not recall a disclosure, around 60% were in the before condition, while merely around 40% were in the after condition. This implies that participants who did not recall a disclosure are more likely to have seen the disclosure before the video than after. Among the participants who recalled a disclosure, around 49% were in the before condition, while around 51% were in the after conditions, hence they were evenly distributed across the two timing conditions.

Table 12: Chi-square test of Manipulation Check 1: Frequencies

			MC 1: Sponsorship		Total
			YES	NO	
<b>Timing</b>	BEFORE	Count	142	60	100%
		% within MC1	70.30%	29.70%	
		% within Timing	49.10%	61.20%	
	AFTER	Count	147	38	100%
		% within MC1	79.50%	20.50%	
		% within Timing	50.90%	38.80%	

Notes: 0 cells (0.0%) have expected count less than 5.

Table 13: Chi-square test of Manipulation Check 1: Test statistics

	Value	df	p
Yate's Correction for Continuity	3.816	1	0.051
phi	-0.105	-	0.038

## Independent samples t-test

Before conducting the t-tests we again first checked so that we had not violated any of the t-test assumptions, which concern the level of measurement, random sampling, independence of observations and normal distribution (Pallant, 2016). As already pointed out above, we assume that it is acceptable to not fulfill the assumption of random sampling. As all other assumptions were met, we conducted the t-tests.

For the t-test with brand attitude as the dependent variables, equal variances were assumed. The results show that the respondents who recalled a sponsorship disclosure did not have a significantly different brand attitude than respondents who did not recall a disclosure. More specifically, there was no significant difference in brand attitude scores between participants who answered yes in the first manipulation check ( $M = 5.19$ ,  $SD = 1.40$ ) and those participants who answered no ( $M = 5.41$ ,  $SD = 1.34$ ;  $t(387) = -1.37$ ,  $p = 0.17$ , two-tailed). The magnitude of the differences in means (mean difference =  $-0.22$ , 95% CI:  $-0.54$  to  $0.097$ ) was rather small ( $\eta^2 = 0.004$ ).

In the second t-test with attitude towards the vlogger as the dependent variable, equal variances were not assumed. Here the results show that attitudes suffer when respondents recalled that the vlogger is sponsored. Hence, the results show that there was a significant difference in attitude towards vlogger scores between respondents answering yes ( $M = 5.61$ ,  $SD = 1.52$ ) and no ( $M = 6.09$ ,  $SD = 1.28$ ;  $t(387) = -2.79$ ,  $p = 0.003$ , two-tailed). The score for

participants who did not recall that the vlogger was sponsored was significantly higher than the score of participants who did. The magnitude of the differences in means (mean difference = -0.48, 95% CI: -0.79 to -0.17) was however rather small (eta squared = 0.023).

Since our study aims at testing the effects of disclosure timing, it was a necessary precondition that our respondents understood that the vlogger was sponsored. Therefore, after this step in the analysis, we deleted all the participants who did not recall a sponsorship disclosure. Consequently, 98 participants were deleted from the data set and 289 participants remained in the sample. We then proceeded with the manipulation checks two and three.

*Table 14: Means of Manipulation Check 1*

	N	Brand Attitude	Attitude towards Vlogger
		Mean (SD)	Mean (SD)
MC 1: YES	289	5.19 (1.40)	5.61 (1.52)
MC 1: NO	98	5.41 (1.34)	6.09 (1.28)

*Table 15: T-tests of Manipulation Check 1*

	Brand Attitude			Attitude towards Vlogger		
	Dif.	t	p	Dif.	t	p
YES vs. NO	-0.22	-1.37	0.17	-0.48	-2.79	0.003

Notes: Dif. = Mean Difference

#### 4.1.2 Manipulation Check 2: Timing

In this step we wanted to see if the manipulation of timing was effective in our experiment. We conducted a Chi-square test of independence in order to see if significantly more participants answered that the vlogger disclosed the sponsorship before rather than after when they were placed in the before condition and vice versa for participants in the after condition. The same as for the first manipulation check, we first assured that all assumptions of chi-square tests were met.

As expected, the results show that there is a significant association between being placed in the before or after condition and answering that the sponsorship disclosure occurred in the beginning or after the video,  $\chi^2(1, n = 289) = 261.88, p = <0.001, \phi = 0.96.$  As such, around 99% in the before condition correctly answered that the disclosure was presented at the beginning of the video, while less than 1% answered that it was presented at the end. Likewise, in the after condition about 97% correctly answered that the disclosure was presented at the end and only about 3% answered that it was presented at the beginning. We therefore conclude that the manipulation of timing was effective.

Table 16: Chi-square test of Manipulation Check 2: Frequencies

		MC 2: Timing		Total	
		AT THE BEGINNING OF THE VIDEO	AT THE END OF THE VIDEO		
<b>Timing</b>	BEFORE	Count	141	1	100%
		% within MC2	99.30%	0.70%	
		% within Timing	96.60%	0.70%	
	AFTER	Count	5	142	100%
		% within MC2	3.40%	96.60%	
		% within Timing	3.40%	99.30%	

Notes: 0 cells (0.0%) have expected count less than 5.

Table 17: Chi-square test of Manipulation Check 2: Test statistics

	Value	df	p
Yate's Correction for Continuity	261.88	1	<0.001
phi	0.96	-	<0.001

### 4.1.3 Manipulation Check 3: Discount

We likewise conducted a Chi-square test of independence in order to see if the manipulation of discount was effective. We did this by testing whether significantly more participants in the discount condition in fact noticed that a discount was offered and vice versa for the no discount condition.

The results are in line with our expectations, showing that there is a significant association between being placed in the discount or no discount condition and realizing that the video included a discount or that it did not include a discount,  $\chi^2(1, n = 289) = 22307, p = < 0.001, \phi = 0.88$ . We can see that as expected around 90% in the discount condition realized that a discount was offered in the video, while only around 10% did not. Likewise, around 98% in the no discount condition, correctly answered that no discount was offered in the video, while only around 2% answered that a discount was offered. We therefore can conclude that the manipulation of discount was effective.

After assuring that both the timing and discount manipulation was effective, we deleted the small amount of respondents who did not understand the manipulations to ensure that they

would not distort the results of our main analysis. In total we deleted 20 participants who answered wrongly in the second and third manipulation check. This led to a final sample of 269 respondents for our main analysis, whose answers we used for our hypotheses tests.

*Table 18: Chi-square test of Manipulation Check 3: Frequencies*

		MC 3: Discount		Total	
		YES	NO		
<b>Discount</b>	DISCOUNT	Count	131	15	100%
		% within MC 3	89.70%	10.30%	
		% within Timing	97.80%	9.70%	
	NO DISCOUNT	Count	3	140	100%
		% within MC 3	2.10%	97.90%	
		% within Timing	2.20%	90.30%	

*Notes:* 0 cells (0.0%) have expected count less than 5.

*Table 19: Chi-square test of Manipulation Check 3: Test statistics*

	Value	df	p
Yate's Correction for Continuity	223.07	1	<0.001
phi	0.88	-	<0.001

## 4.2 Main Analysis: Hypothesis Testing

After ensuring the effectiveness of our manipulations we proceeded to the main part of our data analysis where we tested our eight hypotheses.

### 4.2.1 Overview of Gathered Data

Before conducting the statistical tests in our main analysis, we checked if the four experimental groups were evenly distributed with regards to number of respondents and socio-demographic characteristics per experimental group. The socio-demographic characteristics of our final sample are presented in table 20 below, where we can see that the groups are evenly distributed with regards to the different characteristics.

Table 20: Overview of Final Sample

Characteristics	Before + Discount	Before + No Discount	After + Discount	After + No Discount	Total Sample
<b>Sample Size</b>	62	67	67	73	269
<b>Gender (%)</b>					
Female	100	100	100	100	100
<b>Age (%)</b>					
18 – 24	40	40	42	38	40
25 – 34	60	60	58	62	60
<b>Occupation (%)</b>					
High school student	3	2	3	3	3
University student	31	27	30	21	27
Employed	42	57	51	56	52
Self-employed	11	5	5	10	7
Without occupation	2	5	3	4	3
Other	11	6	9	7	8
<b>Nationality (%)</b>					
UK	55	46	54	60	54
USA	3	6	5	3	4
Sweden	19	9	24	19	18
Germany	3	9	8	6	6
Australia	7	13	3	4	7
Other	13	15	8	8	11

Notes: Due to rounded up numbers, the total test group percentages per category in the table may exceed 100%

#### 4.2.2 Results from Hypothesis Testing

To test our hypotheses, we conducted two separate two-way ANCOVAs, one with brand attitude as the dependent variable and another with attitude towards the vlogger as the dependent variable. The independent variables were disclosure timing (before vs. after) and discount (discount vs. no discount). As the participants' current frequency of using L'Oréal products (i.e. brand usage), their level of involvement in beauty products (i.e. product category involvement) as well as their interest in beauty vlogs (i.e. frequency of watching beauty vlogs) may influence the scores on the dependent variables, we further used the three variables as covariates in the ANCOVAs.

Before conducting the ANCOVAs, preliminary checks were conducted to test that there was no violation of the assumptions for an ANOVA but also the additional assumptions for an ANCOVA. The five assumptions for ANOVA were fulfilled. More specifically, (1) the dependent variable is measured at ratio or interval level, (2) the sampling is random, (3) there is independence of observations, (4) the data shows a normal distribution and, (5) there is

homogeneity of variance as equal variances are assumed from Levene's test. Second, we checked the specific assumptions of an ANCOVA. (1) The independence of the covariates from the treatments effects were measured. (2) The reliability of covariates was checked and the multi-item scale (i.e. product category involvement) had a Cronbach's alpha over 0.80 which is over the acceptable level (i.e. over 0.70). (3) We checked for correlations among covariates (i.e. above  $r=.8$ ) which was not evident and hence this assumption was not violated. (4) The linearity between the covariates and the dependent variables was checked. It appeared to be a linear relationship rather than curvilinear, thus we did not violate this relationship. (5) The homogeneity of regression slopes was checked. For the dependent variable attitudes towards the vlogger, we found a significant interaction between two covariates (i.e category involvement and frequency of watching beauty vlogs) and the experimental manipulation (i.e before vs after and discount vs no discount). There was no significant interaction effect found for the other dependent variable brand attitude. Since in our case all but one assumption was met, we expected the ANCOVA to still be appropriate for our analysis. The tables with the results for the assumption tests can be found in Appendix D.

### **Effects of disclosure timing and discount on brand attitude**

Due to contradicting findings of past research with regards to the effect of disclosure timing on brand attitude, we proposed competing hypotheses. As such, H1a and H2b investigate whether disclosing a sponsorship at the beginning or after the sponsored video has a negative effect on consumer brand attitudes.

H1a:            Disclosing a sponsorship before vs. after the video has a negative effect on consumers' brand attitude

H1b:            Disclosing a sponsorship after vs. before the video has a negative effect on consumers' brand attitude

We further argue that the relationship between the timing of a sponsorship disclosure and brand attitudes could be moderated by the presence of a discount code. Our theory states that offering a discount code could either have a positive or negative effect, which is reflected in the competing hypotheses H3a and H4a.

H3a:            Offering a discount code in a sponsored video has a positive effect on the relationship between disclosure timing and consumers' brand attitude

H4a:            Offering a discount code in a sponsored video has a negative effect on the relationship between disclosure timing and consumers' brand attitude

The results of the ANCOVA suggest that the respondents' brand attitudes were unaffected by the timing of the disclosures. After adjusting for brand usage, product category involvement and interest in beauty vlogs, we found that there was no significant difference in brand attitude scores between respondents in the disclosure before and disclosure after condition.



Hence, no significant main effect of disclosure timing could be found ( $F(1, 262) = 0.74, p = 0.39$ ). We can furthermore see in Figure 4 that the mean values are similar in the before and the after condition, with minimal differences. Therefore, we can neither say that disclosing before nor that disclosing after the video has a negative effect on brand attitude. We thus reject H1a and H1b.

Furthermore, our results suggest that a discount does not moderate the relationship between disclosure timing and brand attitude. The two-way ANCOVA shows that there was no significant interaction effect between disclosure timing and discount ( $F(1, 262) = 0.35, p = 0.56$ ) and that the effect size was small (partial eta squared = 0.001). There was furthermore no main effect of discount ( $F(1, 262) = 0.55, p = 0.46$ ). As seen in Figure 4 the means of the discount vs. no discount conditions have similar values. This further illustrates that the brand attitudes were neither significantly lower nor higher when a discount code was included compared to not included. We hence reject both H3a and H4a.

Concerning the control variables, we can see that all of the three control variables have a significant effect on brand attitude (brand usage:  $F(1, 262) = 31.81, p < 0.001$ ; product category involvement:  $F(1, 262) = 38.4, p < 0.001$ ; interest in beauty vlogs:  $F(1, 262) = 5.67, p = 0.02$ ). This indicates that, in terms of the effects of disclosure timing on brand attitude, the three variables brand usage, product category involvement and interest in beauty vlogs were effective covariates.

*Table 21: ANCOVA Brand Attitude*

DV: Brand Attitude	F	p	Partial Eta Squared	Observed Power
Product Category Involvement	38.40	<0.001	0.128	1
Brand Usage	31.81	<0.001	0.108	1
Interest in Beauty Vlogs	5.67	0.018	0.021	0.660
Timing	0.74	0.392	0.003	0.137
Discount	0.55	0.459	0.002	0.114
Timing * Discount	0.35	0.555	0.001	0.091

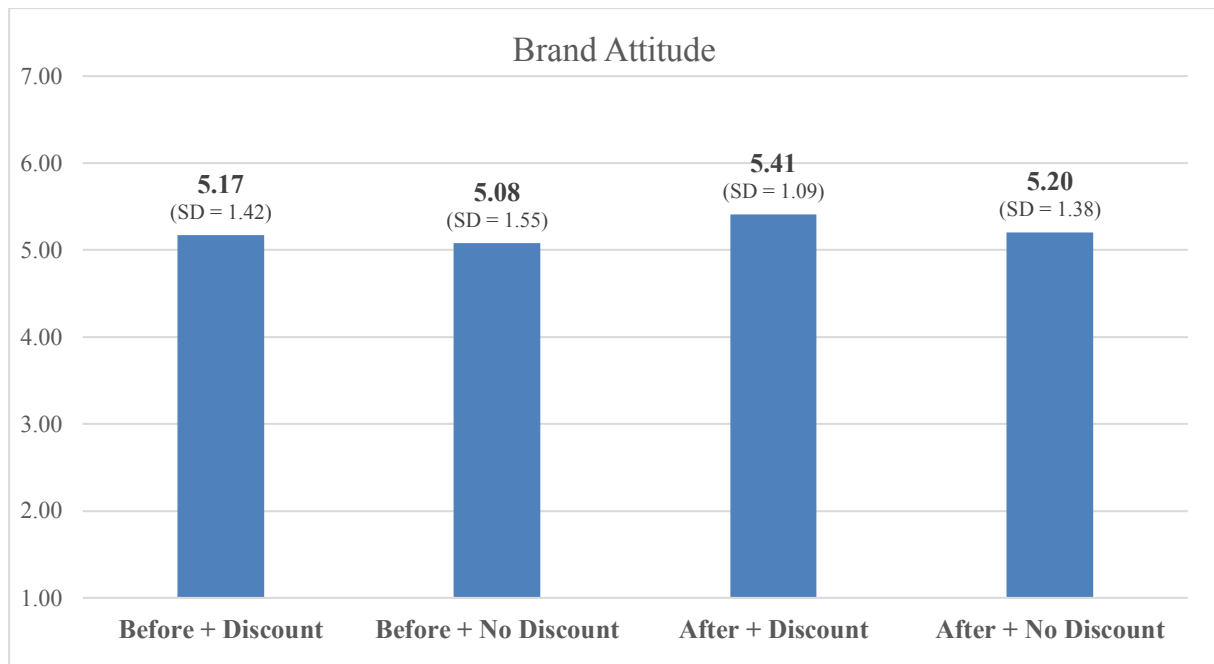


Figure 4: Mean Scores for Brand Attitude by Experimental Group

### Effects of disclosure timing and discount on attitude towards the vlogger

Similar to the effects on brand attitude, we argued that the timing of a disclosure can have a negative effect on the attitude towards the vlogger, but that this depends on whether the sponsorship is disclosed before or after the video. Hence, we put forth two competing hypotheses regarding the effect of disclosure timing on the attitude towards the vlogger.

H2a: Disclosing a sponsorship before vs. after the video has a negative effect on the consumers' attitude towards the vlogger

H2b: Disclosing a sponsorship after vs. before the video has a negative effect on the consumers' attitude towards the vlogger

We further postulated that the relationship between disclosure timing and the attitude towards the vlogger is moderated by offering a discount code. We proposed that a discount code can either have a positive or negative effect.

H3b: Offering a discount code in a sponsored video has a positive effect on the relationship between disclosure timing and consumers' attitude towards the vlogger

H4b: Offering a discount code in a sponsored video has a negative effect on the relationship between disclosure timing and consumers' attitude towards the vlogger

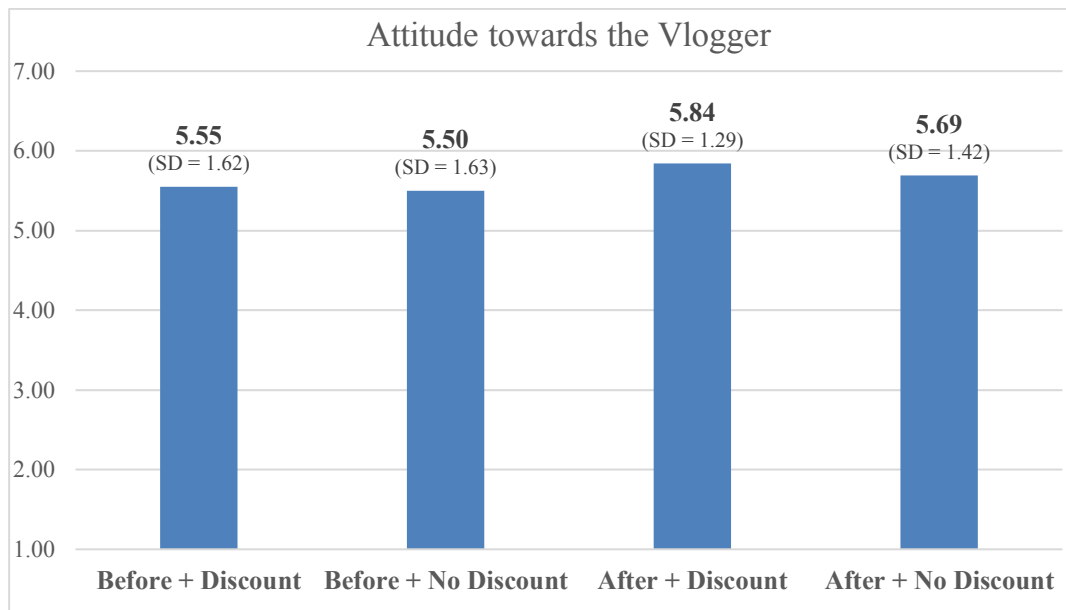
Our results suggest that the respondents' attitudes towards the vlogger were not affected by the timing of the disclosure. After adjusting for brand usage, product category involvement and interest in beauty vlogs, we found that there is no difference between respondents in the two timing conditions in terms of their attitude towards the vlogger scores. Hence, also in terms of the attitude towards the vlogger we did not find a significant main effect of disclosure timing ( $F(1, 262) = 1.15, p = 0.29$ ). This is further in line with the mean values presented in figure 5, where we can see that the means of respondents who were informed of the sponsorship in the beginning of the video is not much different from those who were informed at the end of the video. We therefore additionally reject H2a and H2b.

Our results moreover show that offering a discount does not moderate the relationship between disclosure timing and attitude towards the vlogger. Hence, the relationship was neither positively nor negatively affected by a discount. The two-way ANCOVA shows that also in terms of attitude towards the vlogger there was no significant interaction effect between disclosure timing and offering a discount ( $F(1, 262) = 1.02, p = 0.30$ ). The effect size was furthermore small (partial eta squared = 0.004). Results also show that there was no main effect of discount on attitude towards the vlogger ( $F(1, 262) = 0.78, p = 0.38$ ). As seen in figure 5 the means of the discount and no discount conditions have similar values. Therefore, we reject H3b and H4b.

The results of the ANCOVA, furthermore, shows that two control variables, namely product category involvement ( $F(1, 262) = 71.87, p < 0.001$ ) and interest in beauty vlogs ( $F(1, 262) = 5.83, p = 0.02$ ), have a significant effect on attitude towards the vlogger. Hence, when it comes to the effects of disclosure timing on the attitude towards the vlogger, product category involvement and interest in beauty vlogs were effective covariates.

*Table 22: ANCOVA Attitude towards the Vlogger*

DV: Attitude towards the Vlogger	F	p	Partial Eta Squared	Observed Power
Product Category Involvement	71.87	<0.001	0.215	1
Brand Usage	0.01	0.923	0.000	0.051
Interest in Beauty Vlogs	5.83	0.016	0.022	0.672
Timing	1.15	0.285	0.004	0.188
Discount	0.78	0.378	0.003	0.142
Timing * Discount	1.09	0.296	0.004	0.181



*Figure 5: Mean Scores for Attitude towards the Vlogger by Experimental Group*

## Results Summary

The results from our conducted experiment presented two main findings. Firstly, disclosure timing had no effects on brand attitudes and also had no effects on attitudes towards the vlogger. Secondly, offering a discount did not moderate the relationships between disclosure timing and brand attitudes and attitudes towards the vlogger. Table 23 provides a summary of our hypotheses tests, showing that we did not find support for our theoretical framework through our experiment. This gives way to an interesting discussion on the reasons behind these results, which we will present in the next chapter.

*Table 23: Results Summary*

	<b>Hypothesis</b>	<b>Results</b>
H1a	Disclosing a sponsorship before vs. after the video has a negative effect on consumers' brand attitude	Rejected
H1b	Disclosing a sponsorship after vs. before the video has a negative effect on consumers' brand attitude	Rejected
H2a	Disclosing a sponsorship before vs. after the video has a negative effect on the consumers' attitude towards the vlogger	Rejected
H2b	Disclosing a sponsorship after vs. before the video has a negative effect on the consumers' attitude towards the vlogger	Rejected
H3a	Offering a discount code in a sponsored video has a positive effect on the relationship between disclosure timing and consumers' brand attitude	Rejected
H3b	Offering a discount code in a sponsored video has a positive effect on the relationship between disclosure timing and consumers' attitude towards the vlogger	Rejected
H4a	Offering a discount code in a sponsored video has a negative effect on the relationship between disclosure timing and consumers' brand attitude	Rejected
H4b	Offering a discount code in a sponsored video has a negative effect on the relationship between disclosure timing and consumers' attitude towards the vlogger	Rejected

# 5 Discussion

## 5.1 Presumed Negative Effects of Sponsorship Disclosures

Since the majority of researchers have found sponsorship disclosures to have a negative effect on brand attitudes, we took this assumption as given and developed our theoretical framework accordingly. In our framework, we furthermore postulated that the attitudes towards the vlogger would - in a similar manner - be negatively affected by disclosures. However, in contradiction to previous research, the results from our preliminary analysis showed that the sponsorship disclosure did not necessarily have a negative effect on brand attitudes. Instead, only the attitudes towards the vlogger were negatively affected. In the following section, we will elaborate upon this result by referring to the theories presented in the theoretical framework, namely the persuasion knowledge model, the exchange and the equity theory.

Starting with the result concerning the attitude towards the vlogger, a sponsorship disclosure was shown to have a negative effect. According to the persuasion knowledge model, a possible reason for this would be that the disclosure made our participants infer an ulterior motive of the vlogger. This would mean that the disclosure made them suspicious about the vlogger's behavior, causing them to think that she may have hidden motives. For example, the respondents may suspect that the vlogger has received a compensation for speaking positively about the products and the brand. This ulterior motive could furthermore violate the notion of the vlogger as being an unbiased source of information, and thus make the respondents modify their primary perceptions they may have of the vlogger. Consequently, the respondents may after a disclosed sponsorship have perceived the vlogger as less sincere and thus have less favorable attitudes towards her.

The lower attitudes towards the vlogger can also be discussed from the viewpoint of the exchange and the equity theory. According to these theories, the respondents were together with the vlogger and the brand L'Oréal part of a complex exchange system, where direct and indirect exchanges as well as tangible and intangible exchanges between the three parties are in play. After a disclosed sponsorship, the respondents may perceive that the terms of the exchange have changed. A reason could be that the disclosure made the respondents infer an ulterior motive of the vlogger, where she receives a compensation from the brand, whereas the respondents will no longer receive an unbiased product review. Therefore, according to the equity theory, the output of the respondents is now lower in relation to the vlogger's output, meaning that the exchange is unbalanced or in a stage of "inequity". This could consequently make the respondents perceive the vlogger as being less fair and thus result in

lower attitudes towards her. Therefore, due to the “inequity”, the respondents may expect a compensation from the vlogger in return for their decreased outcome after the disclosed sponsorship.

In contrast, the results showed that sponsorship disclosure did not negatively affect brand attitudes. This may seem unexpected considering that previous researchers have found sponsorship disclosure to affect brand attitudes negatively. According to the exchange and equity theory, this could mean that the respondents did not perceive their output in the exchange with the brand to be lower after a disclosed sponsorship. This implies that the respondents may have perceived the exchange with the brand to be fair or in “equity” and as such did not expect a compensation from the brand.

These differences in attitudes open up for a discussion on why it was only the attitudes towards the vlogger that was affected and not the brand. We believe that there are three possible explanations for this result. First, we argue that the essence of every vlogger’s success is her ability to connect with her audience, i.e. build strong and positive relationships. As such, the notion of unbiased recommendations and trust are of high importance for a continuous relationship between the follower and the vlogger. Vloggers are not supposed to have any fixed ties to brands that may taint the trustworthiness of their recommendations. As Lee and Koo (2012) argue, after a sponsorship consumers may perceive the message to be biased or to have persuasive intentions other than contributing with their own recommendations on what they genuinely like. Therefore, a disclosure of sponsorship could potentially violate the relationship between the vlogger and their followers, thus lower the attitudes towards the vlogger. Furthermore, the respondents may punish the vlogger for the disclosure as she was the one who accepted the sponsorship.

A second reason for why brand attitudes were not lowered, could be the environment in which the sponsorship takes place in. Previous research who found that sponsorship disclosure negatively affect the brand attitudes studied the context of product placement in TV shows, while the sponsorship disclosure in our study takes place in a vlog context. Thus, there are reasons to believe that the context of how the sponsorship is disclosed may influence brand attitudes. Within the literature, sponsored content has been described as a form of covert marketing (van Reijmersdal et al., 2016; Campbell, Mohr & Verlegh, 2013), meaning that the commercial intent of the content is hidden and cannot easily be distinguished from the editorial content. This means that it becomes more difficult for viewers to infer a persuasive intent of the content, which is the case when product placements appear in TV shows. Therefore, when sponsorships are disclosed in this environment it may come as more of a surprise for the viewer, where they may feel deceived and unwillingly influenced by the sponsoring brand. In comparison to product placements in TV shows, we argue that the persuasive intent of the content is more obvious in a vlog, where the entire plot revolves around product features and brands. Therefore, it may be easier for viewers to infer a persuasive intent of the video and when a vlogger discloses a sponsorship it does not come as a surprise to them. According to the persuasion knowledge theory the respondents may once the persuasive intent was recognized use their persuasion knowledge to respond to it by either

being persuaded or resisting persuasion. Since the results shows that the brand attitudes were not lowered after a sponsorship was disclosed, it could mean that negative emotions did not arise. A reason for this could be that the persuasive intent is more obvious in a vlog context as it does not come as a surprise to the viewers when vloggers disclose sponsorships, unlike when viewers find out that a TV show content contained a product placement that was subtly embedded into the context. Therefore vlog viewers might not feel deceived or tricked by the content and as a result might have reacted to the disclosure by feeling indifferent about it, i.e. not developing negative cognitive or emotional responses. However, we were not able to test the underlying mechanisms that could describe why the brand attitudes were not affected (i.e. interference of persuasive intent, cognitive and affective resonance). This could furthermore be of interest for researchers to test in future research.

The third possible reason for the difference in attitudes is linked to our choice of brand and vlogger. Given that the brand in our experiment was a rather familiar one (i.e. L'Oréal), it is possible that our respondents already had prior attitudes towards the brand before participating in the survey, which may have had an influence on their answers. Moreover, since such pre-existing attitudes are built over time, one experimental treatment might have not been impactful enough to cause significant changes in prior attitudes. On the other hand, we used a fictional vlogger in our video. As such, the respondents could not have had any prior attitudes or knowledge of her and therefore needed to rate their attitudes solely based on their impressions from the video. A different result may have been evident if the respondents were familiar with the vlogger, where they may have condoned a sponsorship if they for example knew that the vlogger has a long history of using L'Oréal products.

## 5.2 Effects of Disclosure Timing on Brand Attitudes and Attitudes towards the Vlogger

Researchers in the field of sponsorship disclosure have thus far argued that the timing of disclosures has a significant influence on whether consumers will modify their attitudes, in specific their brand attitudes, when watching content that is sponsored. Although this assumption was supported empirically by two studies, the findings remain ambivalent. While one study finds that disclosing before a TV show compared to after the show affects brand attitudes negatively (Boerman, van Reijmersdal & Neijens, 2014), another study stands in contradiction to this finding by showing the exact opposite (Campbell, Mohr & Verlegh, 2013).

The results of our study challenge past research in this field, as it suggests that timing may not play a role in influencing attitudes at all. In addition to brand attitudes, we tested competing hypotheses for the effects of timing on the attitude towards vlogger and found that for both types of attitudes the timing of a disclosure did not have an effect. Therefore, we can neither position ourselves with Boerman, van Reijmersdal & Neijens (2014) nor with Campbell, Mohr & Verlegh (2013) and hence did not resolve the dispute in the literature, as we initially



intended to. Our study rather adds an interesting, new dimension to the discussion. As such our results do not only challenge the presumed effectiveness of timing in influencing attitudes, but also suggest that when it comes to beauty vlogs, timing rather has an impact on another variable: the ability to recall a sponsorship disclosure. This became evident in our preliminary analysis, where among the participants who did not notice a sponsorship, a larger percentage was placed in the disclosure before condition. In the following we will discuss possible reasons for these findings by starting with an explanation for why – contrarily to past research – timing had no effect on attitudes in our study. After that, we will elaborate upon why timing instead affected participant’s recall of a disclosure.

We believe that the main reason for why attitudes were unaffected by timing lies in the differences in context between our study and previous studies. While our study was conducted in a vlog environment, the two previous studies (Campbell, Mohr & Verlegh, 2013; Boerman, van Reijmersdal & Neijens, 2014) conducted theirs in a TV show environment. On the one hand, vlogs and TV shows share similar features, such as the fact that they consist of motion pictures and are usually watched for entertaining purposes, where a sponsorship could be perceived as intrusive. This seems to justify the assumption that there will be similar effects of disclosure timing in vlogs as in TV shows. On the other hand, however, the focus of content in vlogs and TV shows is rather different, where especially beauty vlogs are a lot more centered around products and brands than TV shows. Even if beauty vloggers occasionally speak about product-unrelated topics, such as their personal lives, the main aim of their videos is to review products and demonstrate how to use them. Hence, the attention of viewers is directed at the products and brands throughout the whole video, making it easier for viewers to infer a persuasive intent. Consequently, when a vlogger’s video is sponsored, the sponsorship may appear as more obvious as opposed to subtle product placements in TV shows, which are not integral to the plot and just appear for a short period of time during the show (Boerman, van Reijmersdal & Neijens, 2014). As a result, it may require more attention from the viewer to infer a commercial intent of a sponsored TV show.

In terms of disclosure timing, this could mean that it may be more necessary in a TV show context than in a vlog context to provide viewers with a prime that directs their attention towards the product placement at its time of appearance during the show (i.e. priming theory). Likewise, TV show viewers might need a warning beforehand to be able to process the content critically (i.e. forewarning theory) (Boerman, van Reijmersdal & Neijens, 2014). Since in beauty vlogs the content is focused on products and brands throughout the whole video, the arguments of priming and forewarning may not apply to a vlog viewer. This could explain why our results do not support the hypotheses that disclosing before the video rather than after negatively affects attitudes (i.e we rejected H1a and H2a).

At the same time, when viewers for instance watch a makeup tutorial on a vlog, we would expect it to require a certain level of their cognitive capacity, as they will most likely try to understand how the look was created. This suggest that it would be more difficult for them to recognize a persuasion intent when a disclosure is presented at the beginning of the video, due to the distracting content (i.e. cognitive capacity theory). However, even if the content is

distracting, their attention will still be directed towards brand and products, unlike in a TV show context where viewers will be busy processing a product-unrelated plot (Campbell, Mohr & Verlegh, 2013) (i.e. theory of cognitive busyness). This would explain why our results also do not support the hypotheses that disclosing after the video rather than before leads to negative attitudes (i.e. we rejected H1b and H2b).

On the other hand, when it comes to the ability to recall a disclosure of sponsorship, the percentage of people who saw the video at the beginning was larger amongst those who did not recall a disclosure. Referring back to the theory of cognitive capacity, this could mean that when our participants were distracted by the content (i.e. cognitively busy at the beginning of the video), it rather affected their ability to notice the disclosure statement than their ability to infer a persuasion intent if the disclosure was noticed. In other words, because of the busy content environment it can be difficult for viewers to follow exactly what the vlogger is saying and therefore may decrease the chances of viewers noticing a disclosure. In addition, it could also be that participants noticed a disclosure at the beginning of the video, but during the course of the video forgot it and hence were unable to recall a disclosure when the question was asked.

### 5.3 Moderating Effects of Discount Codes

In our study, we also tested whether discount codes could moderate the relationship between disclosure timing and brand attitudes, respectively attitudes towards the vlogger. Our results show that a discount – although frequently used in influencer marketing campaigns – neither positively nor negatively affected the relationship. This result could mean that a discount is not perceived as a value adding strategy to compensate for the presumed negative attitudes that previous research has found disclosure of sponsorship to cause. Neither is a discount perceived as a further persuasion attempt which could amplify the potential negative attitude towards the brand and the vlogger. Furthermore, this means that when brands include a discount when working with influencers, it has the same effect on brand attitudes as not including a discount. The same applies for the vlogger, since attitudes towards them did not change when they offered a discount. Hence, the usage of discount codes in the context of beauty vlogs could be questioned. In the following section, we will elaborate upon reasons for why a discount may not have had an effect on the attitudes in relation to theories presented in the theoretical framework.

In terms of the brand attitudes, there was no effect found for the interaction between the independent variable timing and the discount. This means that a discount did not moderate the relationship between timing and brand attitudes, and we therefore rejected H3a and H4a. One possible explanation can be found in the results of the preliminary analysis, where respondents who noticed a disclosure statement did not have significantly lower brand attitudes. As described in the first section of the discussion, this could mean that from an exchange and equity theory perspective the exchange between the respondents and the brand

was in “equity”, i.e. the respondents believed that the exchange gave them a fair output. Therefore, due to the “equity”, the respondents did not expect a compensation from the brand. This would explain why the discount did not have an effect on brand attitudes. In addition, the discount did not seem to have the power to improve the brand attitude in a situation where there is actually “equity”, nor did it harm the brand attitudes.

In terms of the attitudes towards the vlogger, there was also no interaction effect between timing and discount. This suggests that discount does not have an effect on the relationship between timing and attitudes towards the vlogger, which is why we rejected H3b and H4b. When we look at the results of the preliminary analysis and consider the equity theory, it may seem unexpected that the discount did not have an effect. The results showed that attitudes towards the vlogger were lower for respondents who recalled a disclosure, which in terms of the equity theory implies that these respondents must have perceived their exchange with vlogger to be in an “inequity” stage, i.e. unbalanced. Due to this “inequity” there are reasons to believe that the respondents would expect a compensation from the vlogger. However, the results showed that a discount did not have an effect on attitudes towards the vlogger since there was no difference in attitudes between respondents who received a discount and those who did not receive a discount. This would mean that a discount did not compensate for the perceived “inequity” in the exchange between the respondents and the vlogger, and we believe that there are four possible explanations for this.

A first possible explanation is that the respondents felt both positive as well as negative about the discount. In other words, they might have first seen the discount as an adequate compensation for the losses that they perceived from watching a sponsored video (i.e. restored “equity” in exchange). At the same time, however, the discount might have made them feel like the vlogger was trying to persuade them even more (i.e. amplified perception of persuasion), which then neutralized the initial positive feelings they had towards receiving a discount. In our theoretical framework, we assumed that discounts would have either a positive or a negative effect. We however never entertained the thought that such effects could occur concurrently, which as described above would neutralize the effect of discounts. We consider this an interesting, new thought that should be explored closer in future research.

A second possible explanation for the ineffectiveness of discounts could be that it was not the right type of compensation to make up for the perceived unbalanced relationship with the vlogger. Since it was the attitudes towards the vlogger that suffered from the sponsorship disclosure, perhaps a compensation more related to the vlogger would have been more appreciated by the respondents. In that sense, a discount is more strongly linked to the brand, hence explaining why it did not influence the impaired attitudes towards the vlogger. Moreover, the respondents might have appreciated a compensation that would rather emphasize on other aspects, such as hedonic benefits like enjoyments and experiences (Luk & Yip, 2008) as opposed to the ulterior benefits of a discount code. Similarly, an intangible compensation might have been more appreciated rather than a tangible compensation in the form of a discount. One type of compensation that would fulfill those criteria, are meet-and-greet events. An invitation to such an event would show that the vlogger is keen on building a

relationship with her followers and provide followers with an experienced-based, intangible benefit.

A third reason could be that the amount of the discount was too low to compensate the perceived “inequity”. The 20% discount that was offered in the video might have made the respondents feel indifferent in whether they should change their attitudes towards the vlogger or not, whereas a higher discount amount could have had a stronger impact on the attitudes.

## 5.4 Alternative Theoretical Frameworks

### 5.4.1 Effects of Sponsorship Disclosures in the Beauty Vlog Context

A crucial insight gained from our study is that – contrarily to previously held beliefs – sponsorship disclosures did not have a negative effect on brand attitudes. In the beauty vlog environment of our study, it was rather the attitudes towards the vlogger that were negatively affected. However, since we did not test the underlying mechanisms of these effects in our study we are only able to make assumptions about why this result turned out the way it did. We therefore propose an alternative framework that will help advance our theoretical understanding of how sponsorship disclosures affect different types of attitudes and for what reasons. More specifically, we propose a model (figure 6) that is adapted from the literature of persuasion knowledge and sponsorship disclosure (Campbell & Kirmani, 2000; van Reijmersdal et al., 2016).

Previous studies argue that sponsorship disclosures help people recognize the hidden commercial intent of sponsored content (i.e. inference of persuasive intent), which people will try to resist by developing negative emotions (i.e. affective resistance) and thoughts (i.e. cognitive resistance) about the brand, resulting in lowered brand attitudes. Similarly, viewers might suspect that the vlogger is only speaking positively about the products in her sponsored video, because she is being paid (i.e. inference of ulterior motive), which in turn should also evoke unfavorable emotions and thoughts that eventually lead to an unfavorable attitude towards the vlogger.

Since our study finds that brand attitudes were in fact not lowered, it might mean that respondents inferred a persuasive intent but did not react by developing negative thoughts or emotions. This, however, remains unclear which is why we propose testing the inference of persuasive intent and cognitive as well as affective resistance as mediators to uncover the underlying mechanisms of this effect. Furthermore, given that the brand used in our study was familiar, prior attitudes might have affected our results. We therefore suggest testing brand familiarity as a moderator (with 1 = familiar brand and 2 = unfamiliar brand).

With regards to the attitude towards the vlogger our results were as predicted, however we are unable to confirm our assumptions about mechanism underlying this result. To strengthen our

knowledge, we should therefore also test the inference of ulterior motives and cognitive and affective resistance as mediators. Since we used an unfamiliar vlogger in our experiment, the attitudes were solely created by the impression from one video. Hence, the effects may be different for familiar vlogger. We therefore suggest testing vlogger familiarity as a moderator (with 1 = familiar vlogger and 2 = unfamiliar vlogger).

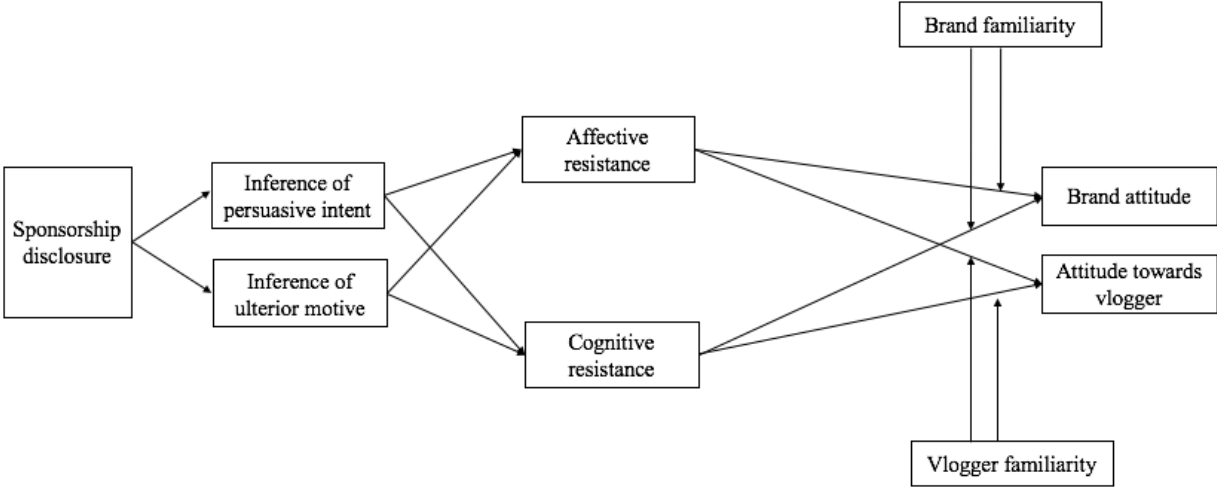


Figure 6: Alternative Framework: Effects of Sponsorship Disclosures in the Beauty Vlog Context

### 5.4.2 Effects of Disclosure Timing and Type of Compensation in the Beauty Vlog Context

In our study, we found that both the attitudes towards the brand and the vlogger were unaffected by the timing of a disclosure. We assume that the reason for this is due to the brand and product focused nature of the content on beauty vlogs. Hence, when a viewer watches a video in a beauty vlog, her attention will automatically be directed towards the brands and products throughout the video. This should make it easier for her to infer an ulterior motive and a persuasive intent regardless of if the disclosure is presented in the beginning or the end of the video. To test this, we therefore suggest considering the content’s degree of focus on brands and products and its effects on the ability to infer a persuasive intent and ulterior motive as mediators in our alternative framework (figure 7).

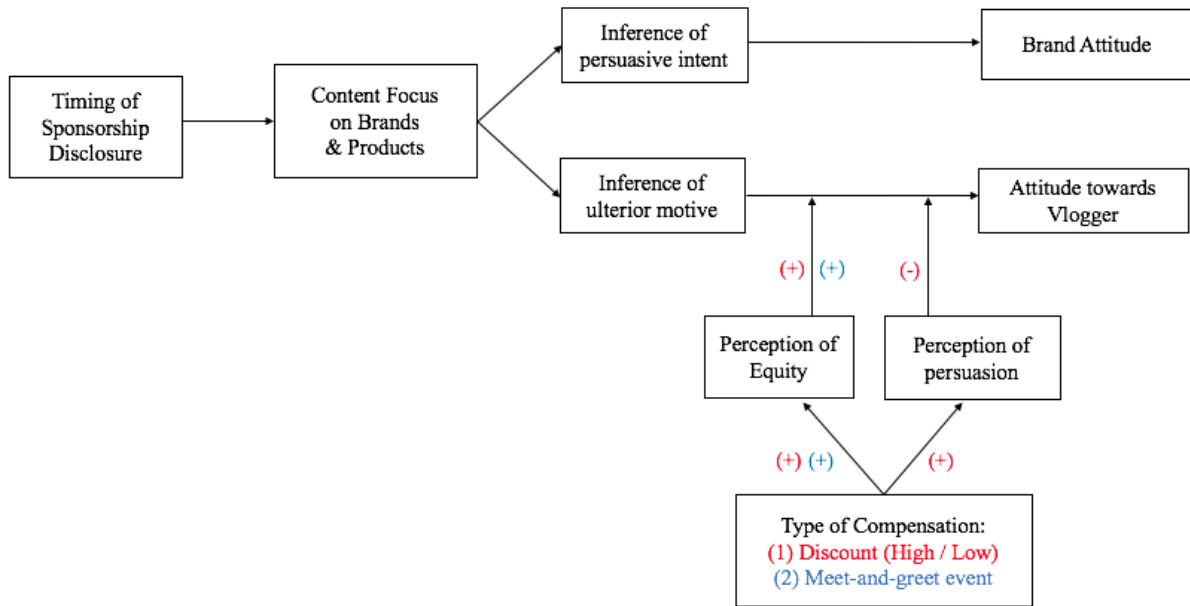


Figure 7: Alternative Framework: Effects of Disclosure Timing and Type of Compensation in the Beauty Vlog Context

Regarding the moderating role of discount codes, we expected that a discount would either improve or impair the attitude towards the vlogger, since – unlike brand attitudes – it was the attitude towards the vlogger that suffered from the sponsorship disclosure. Due to this unexpected result, we find it relevant to further uncover the possible reasons behind this result. We therefore added a set of additional relationships that should be tested with regards to the effect of discounts on the relationship between timing and attitude towards vlogger in our alternative framework. First, it should be explored whether another type of compensation that is more related to the vlogger would have had a different, more favorable effect. Here we suggest a meet-and-greet event where the vlogger can connect with her followers in person and strengthen her relationship with them. We expect such a type of compensation to make viewers feel like they have received a compensation for their perceived loss of the vlogger being sponsored, i.e. a positive effect on the feeling of equity (blue plus sign in figure 7). This should lead to more favorable attitudes towards the vlogger (blue plus sign in figure 7). Second, we suggest that it should be tested whether discounts have a positive effect on both the feeling of equity and the perception of a stronger persuasive intent of the vlogger (red plus signs in figure 7). If this is the case, it would mean that the effect of discount was neutralized (red plus and minus signs in figure 7). Third, we suggest testing whether a higher amount of discount would be powerful enough to influence attitudes. A comparison to the 20% discount that we have used would help us understand whether a discount code of 20% is simply considered too low to have an impact or whether discount codes in general are not the right type of compensation in this context.

## 6 Conclusion

This study had two research aims. The first aim was to investigate how the timing of a sponsorship disclosure (before vs. after the video) in a beauty vlog context affects consumers' brand attitudes and attitudes towards the vlogger. By examining this relationship, we intended to contribute to resolving the current dispute in the literature on whether disclosing before (Boerman, van Reijmersdal & Neijens, 2014) or after (Campbell, Mohr & Verlegh, 2013) the video has a negative effect on brand attitudes. The second aim was to contribute to the knowledge on boundary conditions of the effect of sponsorship disclosures. As such, we aimed to investigate how discount codes affect the relationships between disclosure timing and brand attitude and attitude towards the vlogger. To fulfill these research aims we proposed a framework of competing hypotheses.

Contrary to our expectations and the findings of past research, the timing of a disclosure did not have an effect on brand attitudes. Moreover, the attitudes towards the vlogger were also unaffected by timing. We were therefore not able to resolve the tension in the literature regarding disclosure timing, as we intended to. Our results rather add a new dimension to the discussion of disclosure timing effects by showing that instead of attitudes, it is the ability to recall a disclosure statement that is affected by timing. As such, our preliminary data analysis was able to show that among participants who did not recall a disclosure, a larger percentage was placed in the condition with the disclosure at the beginning of the video. Our study further demonstrates that - in contrast to our expectations - offering a discount code did not affect the relationship between disclosure timing and brand attitudes, nor did it affect the relationship between timing and attitudes towards the vlogger.

Furthermore, through the results of our preliminary data analysis, our study contributes with additional insights regarding the effects of sponsorship disclosures that challenge past research. It has so far been a widely-held belief that when sponsorships are disclosed, brand attitudes will be negatively affected (e.g. Boerman, van Reijmersdal & Neijens, 2014; Campbell, Mohr & Verlegh, 2013). However, our study shows that in a beauty vlog context brand attitudes seemed to be unaffected by disclosures, while the attitudes towards the vlogger were negatively affected. This suggests that when it comes to sponsorship disclosures in beauty vlogs the vlogger will be punished instead of the brand.

Given these findings our research makes several theoretical and practical contributions, which will be elaborated upon below.

## 6.1 Theoretical Contributions

There are five theoretical contributions that our study makes. First, our study expands the knowledge on the effects of sponsorship disclosures to the context of beauty vlogs, which to the best of our knowledge has not been done before. We contribute to this research field by challenging the previously held belief that disclosures cause negative effects on consumer brand attitudes. Since there was no difference in terms of brand attitudes between participants who recalled a sponsorship disclosure and those that did not, our study suggests that sponsorship disclosures do not result in negative brand attitudes per se. It seems that the environment in which a sponsorship takes place also plays a role. As such, our results suggest that when it comes to beauty vlogs brand attitudes remain unaffected by disclosed sponsorships, unlike when brands sponsor TV shows, where the attitudes towards the sponsoring brand were lowered after a disclosure (Boerman, van Reijmersdal & Neijens, 2014; Campbell, Mohr & Verlegh, 2013). Interestingly, however, disclosures affected the participants' attitude towards the vlogger. This implies that viewers only condemn the vlogger for sponsorships and not the brand when they watch beauty vlogs, which is a novel and important insight for the field of sponsorship disclosures. We, however, acknowledge that while we used a familiar brand in our studies, previous research studied the effects of sponsorship disclosures on rather unfamiliar brands (Boerman, van Reijmersdal & Neijens, 2014; Campbell, Mohr & Verlegh, 2013). Hence, prior brand attitudes might have affected our result, as they are developed over time and hence might remain unaffected by one-time exposures to experimental conditions. Similarly, the vlogger in our experiment was unfamiliar, meaning that the attitudes towards her were solely based on the impressions from one video. It is possible that different effects would occur for familiar vloggers.

Second, as a result of the new insights illustrated above we developed an alternative framework for the effects of sponsorship disclosures. As such, we contribute to the literature of sponsorship disclosure by proposing a framework specifically for studying the effects of disclosures on brand attitudes and attitudes towards the vlogger in the beauty vlog context. The framework incorporates the presumed underlying mechanisms of those effects and therefore will help advance the theoretical understanding of how sponsorship disclosures affect different types of attitudes by uncovering the reasons for those effects. Furthermore, the possible moderating effects of brand and vlogger familiarity are considered.

Third, our study adds a new dimension to the current dispute in the literature regarding the effects of timing of sponsorship disclosures. In contradiction to past studies we found that timing did not affect attitudes. Another novel insight is that while attitudes remained unaffected, timing seemed to influence the ability to recall disclosure statements. We assume that this is related to the brand and product focused nature of the content on beauty vlogs. As the viewer's attention is automatically directed towards brands and products throughout the video, it should be easier for her to infer a commercial intent and adjust her attitudes accordingly, regardless of when the disclosure is presented. However, when it comes to recalling a disclosure statement, we assume that the busy content environment can make it



difficult for viewers to follow what the vlogger is saying. Therefore, the chances of viewers noticing a disclosure may decrease when it is presented at the beginning of the video, where the viewer is busy with processing the content.

Fourth, we expand the knowledge on boundary conditions of disclosure effects by showing that discount codes do not act as moderators. This is an interesting finding, since discounts are a common promotion tactic that marketers use when they collaborate with vloggers. Moreover, although the use of discount codes on vlogs is widespread, we are to the best of our knowledge the first study to contribute with empirical insight regarding its effects in the context of sponsorship disclosures. We furthermore provide the literature with a set assumptions for why we believe that discounts did not have an effect in our study. First, it is possible that participants first felt that the discount was an added value, but that this feeling was then neutralized after they realized the promotional intention behind discounts. Second, a 20% discount might have not been high enough to influence attitudes. Third, participants might have expected another form of compensation that capitalized more on the generosity of the vlogger and not the brand, such as an exclusive meet-and-greet event.

Fifth, due to these new insights regarding the effects of disclosure timing and the moderating effect of discounts, we propose a modified version of our initial framework. This framework considers the underlying mechanisms that we believe explain the relationships between disclosure timing and brand attitudes and attitudes towards the vlogger. Furthermore, we have incorporated our assumptions on why discounts were ineffective into the modified model.

## 6.2 Practical Contributions

Along with the theoretical contributions, the findings of our study have three practical contributions that are important for three different parties. Firstly, our findings have important implications for legislators. In terms of disclosure timing, our findings suggest that it is more effective if vloggers disclose a sponsorship after the video if consumers should be able to recall a sponsorship. This is because our results showed that significantly more respondents recalled a sponsorship when it was disclosed after compared to before the video. However, what is important for legislators to note is that we asked the respondents to watch the video from beginning to end to ensure that participants would be exposed to the manipulations. In real life viewers may only watch parts of the video or not even watch it until the end, which would mean that a disclosure after the video could result in less viewers realizing that the video is sponsored. Legislators should therefore study the behavior of vlog viewers in a real life setting before deciding on whether to propose regulations regarding disclosures before or after videos. Another notable finding for legislators is that out of all the respondents, 25% of the respondents did not recall that the vlogger was sponsored. Therefore, it could be of interest for legislators to look further into how attentive vlog viewers are of sponsorships in a vlog context. There may be other more effective ways of how vloggers can disclose a

sponsorship to protect possibly inattentive viewers by openly informing them of the sponsored content. A statement in the title or text in the video are two possible examples.

Secondly, our findings have useful practical implications for brand and marketing managers. Our findings showed positive results for brands working with influencers. This is because our results showed that sponsorship disclosure in beauty vlogs does not have a negative effect on brand attitudes which contradicts what previous studies have found for sponsorship disclosures in TV shows. Likewise, it is important to note that sponsorships disclosures however also do not improve the attitudes. Since the attitudes were not affected by the disclosed sponsorship, this could mean that attitudes towards a brand is not solely developed in vlogs but also in other channels. This suggests that brands should focus on developing overall attitudes in multiple channels so that brand attitudes would not be negatively when influencers disclose sponsorships. In the aspect of timing, our findings show that when it comes to influencing brand attitudes, it does not matter when the vlogger states that she was sponsored. Therefore, there is no need for managers to control when the vlogger will disclose the sponsorship. A final important implication for managers is that we found a discount to not have an effect on brand attitudes. It may therefore not be necessary for brands to include a discount code when working with beauty vloggers. A compensation should instead be offered from the vlogger since the disclosed sponsorship was found to not affect brand attitudes, but rather the attitudes towards the vlogger. If managers on the other hand want to improve brand attitudes, they may need to think of other types of compensations that can have more positive effects.

Thirdly, the findings also have important contributions for beauty vlogger who collaborate with brands. Our findings can be perceived as negative news for vloggers, because the attitudes were showed to be lower when sponsorships are disclosed, whereas the brand attitudes were not affected. However, the timing of when vloggers discloses a sponsorship does not seem to matter in terms of affecting the attitudes towards them. Beauty vloggers can therefore decide if they either want to disclose the sponsorship before or after the video, and suggestively also concurrent with the video which was not tested in our study. What could have had an effect on the negative attitudes is that the vlogger in our experiment simply stated that the video was sponsored without emphasizing that the recommendation was still her honest opinion. This might have had a different effect similarly to what Hwang and Jeong (2016) found in their study that it had a positive effect on attitudes. Therefore, it could be advisable for beauty vloggers to assure their viewers that their opinions are always their honest and that they always have the best interest in mind for their followers where recommendations are unaffected by compensations they may receive from brands. Due to the negative attitudes that a disclosed sponsorship entails, it is therefore advisable for vloggers to offer their viewers a compensation in return for that they have been sponsored. The beauty vlogger should think of other types of compensations than a discount as it did not seem to have an effect on the attitudes. Rather than a tangible compensation like a discount, an intangible compensation might be more appreciated by the followers which could even act to strengthen the attitudes towards them. For example, a meet-and-greet event could be a

possible compensation where the vlogger can connect with her followers in person and strengthen her relationship with them.

## 6.3 Limitations

### 6.3.1 Research Design

The fact that our study is of quantitative research design makes it subject to different limitations. One limitation is that the survey we used for the data collection relies much upon what respondents say they would do but less on their actual behavior, which a qualitative research design would potentially have captured better (Bryman & Bell, 2011).

Another limitation is that the video in our experiment was only three minutes long. This might have been a possible explanation for why the timing of the disclosure did not have an effect on attitudes as it may have made more sense to study this in a longer video. A possible longer video might have increased the external validity as beauty vlogs in a real life setting are usually longer than our video. However, if our experiment would have included a longer video, the respondents might not have watched the whole video, as the survey would have required more time. We therefore needed to make a trade off between the length of the video and whether people would actually watch the whole video. We chose to focus on the former. To further stress on this, we asked the respondents to watch the whole video from beginning to end. As this would not have been the case in a real YouTube environment, this would pose limitations to the validity of our study as it was not in a natural setting. Furthermore, we did not have a disclosure condition concurrent with the video which also is an option for sponsorship disclosure as we only studied the condition before and after the video.

### 6.3.2 Selection of Brand and Vlogger

For our experimental manipulation we used a familiar brand. Although we controlled for the brand usage in our analysis, prior experiences with the brand might have had an impact on the way respondents answered to questions regarding their brand attitude. This poses a limitations to our study as the brand attitudes may have been different for another brand. For example, an unfamiliar brand that the respondents did not have any prior experiences with or attitudes towards might therefore have impacted our result. However, before choosing L'Oréal as the brand for our experiment, we carefully considered these factors. Nonetheless, for the sake of the external validity and relevance of our study, we wanted to study a brand that often appears in vlogs and that has previously sponsored vloggers. On the other hand, we used a fictitious vlogger in our experiment which eliminated the risk of the respondents having prior attitudes towards the vlogger that could have affected their attitudes.

### 6.3.3 Sample and Sampling Errors

The sample was recruited from beauty community groups on Facebook which we considered to be an effective way of reaching our target population. We acknowledge that this non probability sampling process is subject to limitations in terms of that the findings can only to a limited extent be generalized to the population and thus be totally randomized (Bryman & Bell, 2011) but was chosen due to the accessibility availability for us. Another notable limitation is that we recruited participants from five different beauty communities. Therefore, there may be differences between the groups which could have had an impact on the result. For example, the amount of group members differed across the groups. However, we were careful about administering the survey in the same way for all groups. Therefore the respondents received the same instructions for how to conduct the survey and it was posted only two times in each group.

Furthermore, we did not control for nationalities which might have had an effect on the results. For example, different countries have different establishment of regulations for disclosure of sponsorship. Even though more countries are forcing influencers to disclose sponsorships, there may still be differences in how used consumers are to sponsorship disclosure. As such, it may have impacted on how the respondents perceived the sponsorship disclosure.

Another limitation in terms of our sample is that we excluded respondents who were younger than 18 from our dataset due to ethical reasons. According to Open Slate, 17% of females in the ages of 13-17 females watches beauty vlogs (DigiDay UK, 2015) and may therefore be considered as an important target group for brands which were not included in our sample. Additionally, we also excluded respondents that were over 34 years due to the low frequency of watching beauty vlogs for this age group (i.e 6%). This poses limitations to our study in terms of generalizing the results of our findings.

### 6.3.4 Time and Budget

The fact that we were limited in budget and time contributed to limitations of our study. In terms of budget, financial support may have contributed to the possibility to recruit a larger sample size than our 410 respondents, possibly through a probability sampling. As such, it would have been possible to assign a sample that ideally represented our target population in terms of equally distributed women in the ages of 18-34 years. In terms of the time aspects, our survey was only available during less than a week due to the time limits. With more time available, we could have been able to recruit a larger sample size. This would have enabled us to have more experimental groups to test other conditions or for example included a control group in the experiment. Additionally, we were also forced to compromise on the inclusion of other possible mediators that may have been interesting to study. This was for example not included in our study due to more demanding resources it would require in the data analysis,

which may have been able to help us explain the underlying dimension of our results in a better way.

## 6.4 Future Research

Since the research field of sponsorship disclosures on beauty vlogs is still at its nascent stage, we have several suggestions for future research. Hereby, we have proposed two alternative frameworks based on the insights gained from our study that can be used to advance the knowledge in this field.

Firstly, in our study we found that when it comes to beauty vlogs sponsorship disclosures only have a negative effect on the attitudes towards the vlogger and not the brand. However, our empirical data did not allow us to make statistical inferences about the underlying mechanisms that caused those results. A suggestion is provided in our alternative framework for studying the effects of sponsorship disclosures on brand attitude and attitude towards the vlogger. As such, we urge future research to test whether the effects of disclosures on brand attitudes are in fact mediated by the inference of a persuasion intent and whether the effects on attitude towards the vlogger are mediated by the inference of an ulterior motive of the vlogger.

In our study, we furthermore used a fictional vlogger and a familiar brand. Vloggers usually build a relationship with their viewers. Hence, it is possible that someone who has followed a vlogger for a long time will have different attitudes towards her when she discloses a sponsorship than someone who is watching the vlogger for the first time. Moreover, L'Oréal is a rather familiar brand, which means that our participants may have had prior attitudes towards the brand. Future research could test whether using an unfamiliar brand but a real vlogger would yield different results. We therefore also considered the moderating role of vlogger and brand familiarity in our first alternative framework.

In terms of disclosure timing our results showed that attitudes were unaffected by the timing. We assume that this is due to the nature of the content in beauty vlogs, where the focus is primarily placed on products and brands. To test this assumption, we therefore suggest future research to consider this factor as a mediator of the relationship between disclosure timing and brand attitude and attitude towards vlogger. Furthermore, as discounts showed to be ineffective in moderating this relationship, we urge future research to further explore the reasons behind this result. As pointed out above, one possible reason is that the effects were neutralized by a parallel existence of both positive and negative reactions towards discounts. If support for this assumption can be found it could act as a stepping stone for closer investigations on the effects of discounts. In specific, scholars and practitioners could further build on this knowledge and develop strategies to capitalize on the positive effects and mitigate the negative effects of discounts. We further theorized that it is possible that the amount of discount, i.e. 20% discount, was simply not attractive enough for our participants. Therefore, future studies could test the effectiveness of higher amounts of discounts. In

addition, since the attitude towards vloggers was negatively affected by the disclosure, future research should test other variables that could potentially mitigate those negative effects. As such, we suggest testing forms of compensations that are initiated by the vlogger, as they may yield more effective in improving attitudes towards the vlogger than discounts. In specific, we suggest testing meet-and-greet events. We have incorporated all of these suggestions into our modified framework for testing the effects of disclosure timing and the moderating effects of discounts.

Moreover, given that a fourth of our respondents did not recall a statement of the vlogger about her being sponsored, this leads to the question of whether another form disclosure would have been more effective. Especially, since timing does not seem to play a role in the context of vlogs, perhaps different vlog-specific types of disclosure may have different effects on attitudes. Hence, future studies could test whether disclosing in the title impacts attitudes differently from a verbal disclosure or a disclosure in the description box.

Another suggestion is to test whether attitudes will differ depending on the nationality of the viewer. Since disclosure regulations are not the same globally, some nationalities may be more and some less used to disclosures in certain formats, which could have an influence on how they react to them.

Lastly, we disregarded females that are younger than 18 in our study. However, 17% of females aged 13-17 watch beauty vlogs (DigiDay UK, 2015), which is together with the 25-34 year olds the second largest age group that watched beauty vlogs. By disregarding them we excluded an important target group, which may have influenced our results. Therefore, we urge researchers to take this age group into consideration in future studies.

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# Appendix A: Storyboard

## MAIN PRODUCTS FEATURED IN SPONSORED VIDEO:

1. L'Oréal Pure Clay Glow Mask



2. L'Oréal Volume Million Lashes Mascara



## VIDEO STORYBOARD

1



### OPENING SCENE

- (1) Welcome, sponsorship disclosure & discount offered
- (2) Welcome, sponsorship disclosure
- (3) Welcome
- (4) Welcome

2



### STEP 1: CLAY MASK

For all conditions: vlogger introduces product features of L'Oréal Pure Clay Glow Mask in a lively & fun way

3



### STEP 2: FOUNDATION

For all conditions: vlogger shows her viewers how she applies her foundation



4

### STEP 3: EYEBROWS

For all conditions: vlogger demonstrates how to create natural looking eyebrows



5

### STEP 4: EYESHADOW

For all conditions: vlogger shows her viewers which eyeshadow shade to use for different parts of the eye



6

### STEP 5: MASCARA

For all conditions: vlogger shows a close-up of a comparison between the right eye with L'Oréal Volume Million Lashes mascara and left eye without mascara



7

### STEP 6: BLUSH

For all conditions: vlogger applies blush as the final step of the makeup look



8

### COMPLETE LOOK

For all conditions: vlogger shows the finished makeup look from different camera angles



9

### FINAL SCENE

- (1) Thank you to viewers & goodbye
- (2) Thank you to viewers & goodbye
- (3) Sponsorship disclosure, discount offered, thank you to viewers & goodbye
- (4) Sponsorship disclosure, thank you to viewers & goodbye

# Appendix B: Script Vlogger

---

Hey everyone, welcome back to my channel!

So for today's look I have partnered up with L'Oréal to create this video which is sponsored by them. And I am super excited to show you this natural makeup look which is all about healthy looking skin. And I also have a discount code on 20% for all L'Oréal makeup and skincare products for you guys.

First off, I will start to give my skin a little bit of an extra kick by using this pure clay glow mask from L'Oréal. I am just going to rub it all over my face. It's really weird actually to talk with it as it dries at the moment. This is one of the three versions L'Oréal has. I particularly like this mask as it draws out all the impurities which is in particularly relevant at the moment as my skin just broke out.

After leaving on the mask for about 15 min, I just rinsed it off completely, and now if I touch my skin it feels really soft. I also like the fact that it doesn't dry out my skin. So now my skin is just perfectly prep for the foundation that I will put on now. Ah look at that glow, I love it!

Starting with my foundation, I am just going to pump it a little bit on my hand. And then just apply it all over my face. So next we want this look to be natural and healthy and I am just going to fill in my eyebrows a little bit. So now onto the eyes. I am just going to keep it nice and simple. I am going to start with a really bright color. I am just going to apply it with my finger all over my eyelid. And as a transition shade, I am just going to use this shadow here and to intensify the look I will use this darker brown color. And then I am using the darker brown.

Alright, on to the eyes. I have actually already applied the mascara on this one eye. For this I used the Volume Million Lashes by L'Oréal. It is the perfect mascara if you are looking for really defined eyelashes and if you're not into this chunky eyelash look.

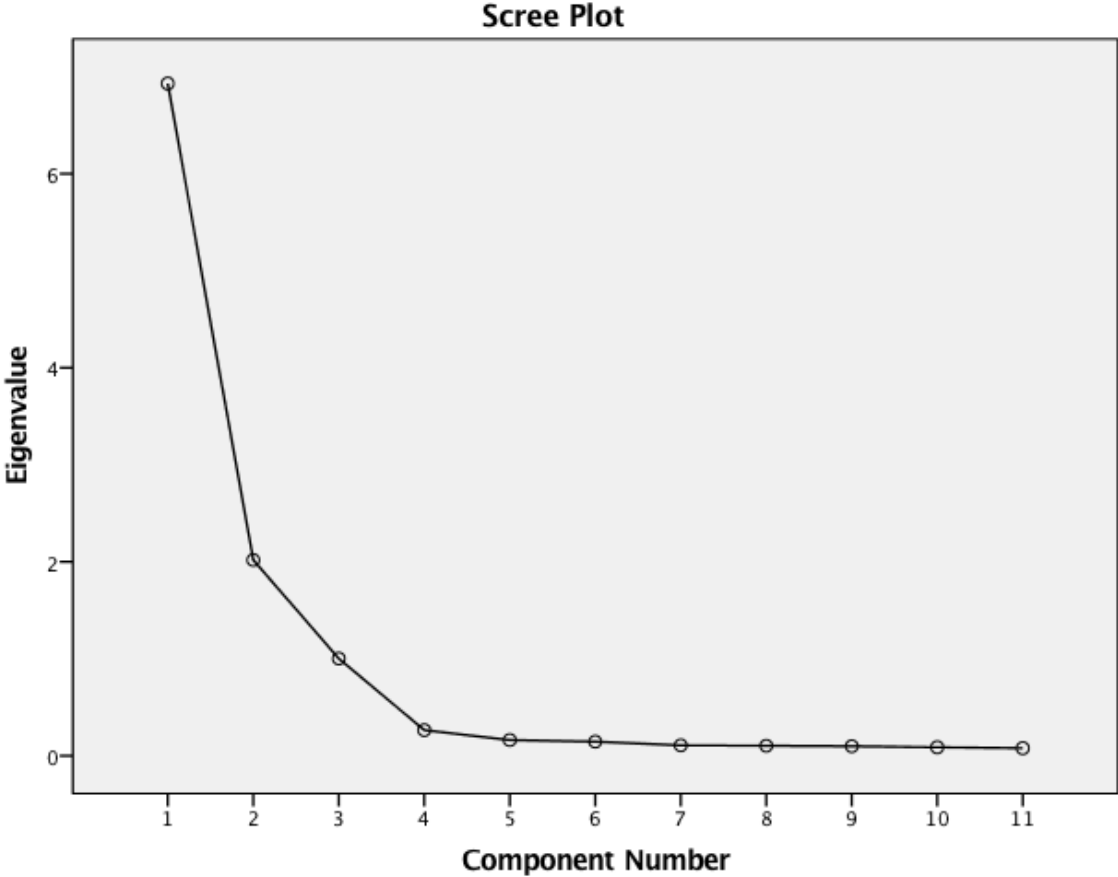
As a final step, I am going to use blush, and then I am just going to apply it a little bit on my cheeks. And then on the other cheek.

So that was today's look. Thank you so much for watching. And I really hope that you enjoy this video as much as I did. And then I see you in the next video.

BYE!

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# Appendix C: Screeplot Factor Analysis





# Appendix D: Assumptions ANCOVA

## Test of Assumptions of two-way ANCOVA

In the following we will show the results for the different tests that we did in order to see whether we had violated any of the assumptions of two-way ANCOVAs.

Two-way ANCOVAs need to meet the assumptions of ANOVAs as well as ANCOVAs. The following five assumptions of ANOVAs were fulfilled:

- (1) the dependent variable is measured at ratio or interval level
- (2) the sampling is random
- (3) there is independence of observations
- (4) the data shows a normal distribution
- (5) there is homogeneity of variance as equal variances are assumed from the Levene's test

Then the assumptions of ANCOVAs were tested. Below are the assumptions with the respective results:

### (1) The Reliability of Covariates

The multi-item scale (i.e product category involvement) had a Cronbach's alpha over 0.80 which is over the acceptable level (i.e over 0.70)

### (2) Correlations among Covariates

As shown in the table below, the correlation among the covariates had an acceptable level (i.e not above  $r=.8$ ).

Correlation Covariates and Dependent Variables

		Brand Attitude	Attitude vlogger	Product category involvement	Interest in beauty vlogs	Brand usage
Brand Attitude	Pearson Correlation	1	0.72	0.33	0.06	0.30
	Sig. (2-tailed)		0.00	0.00	0.275	<0.001
Attitude vlogger	Pearson Correlation	0.72	1	0.45	0.07	-0.01
	Sig. (2-tailed)	0.00		0.00	0.25	0.99
Product category involvement	Pearson Correlation	0.33	0.45	1	0.46	0.03
	Sig. (2-tailed)	0.00	0.00		0.00	0.62
Interest in beauty vlogs	Pearson Correlation	0.06	0.07	0.46	1	0.17
	Sig. (2-tailed)	0.28	0.25	0.00		0.00
Brand usage	Pearson Correlation	0.30	-0.01	0.03	0.17	1
	Sig. (2-tailed)	0.00	0.97	0.62	0.00	

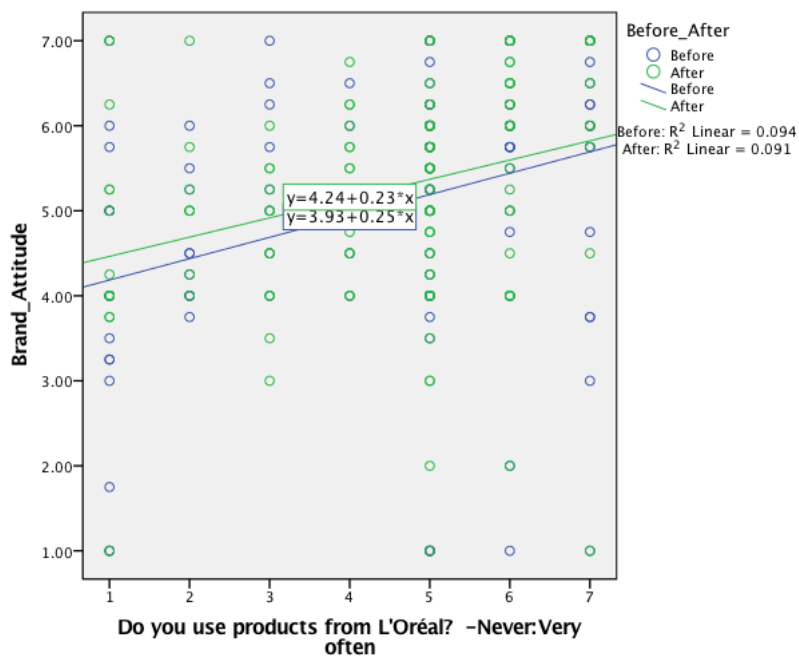
### (3) Linearity between the covariates and the dependent variables

As shown by the figures below, it appeared to be a linear relationship rather than a curvilinear relationship between the covariates and the dependent variables. Thus we did not violate this relationship.

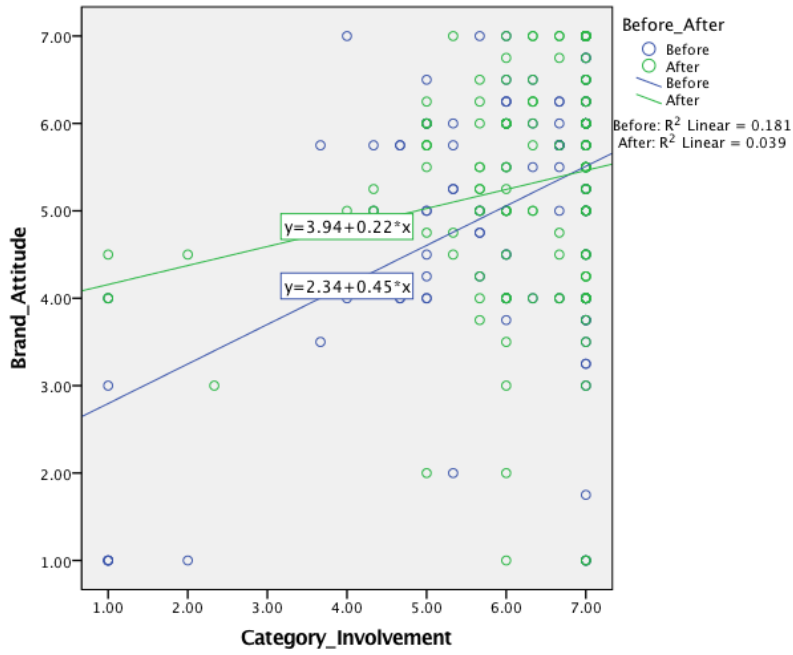
**Dependent Variable:** Brand Attitude

**Independent Variable:** Timing (Before\_After)

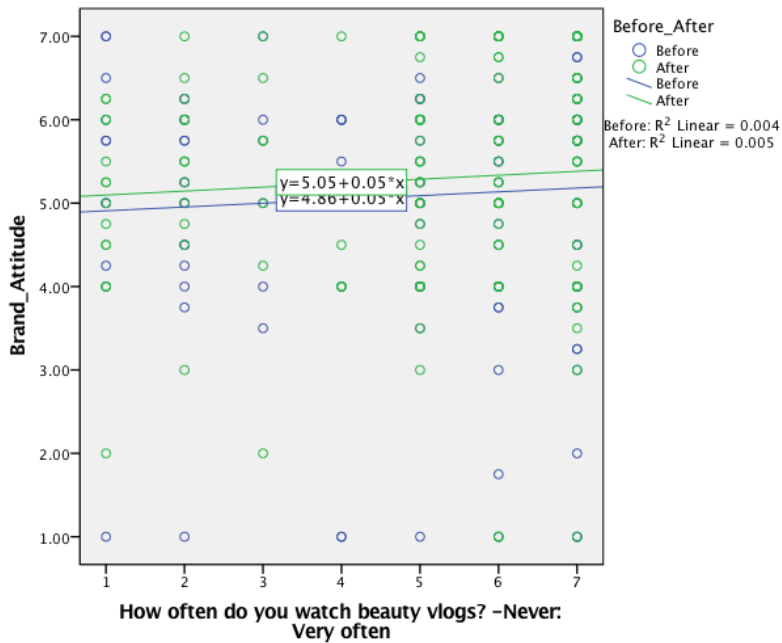
(a) Covariate: Brand Usage (Do you use product from L'Oréal?)



(b) Covariate: Product Category Involvement



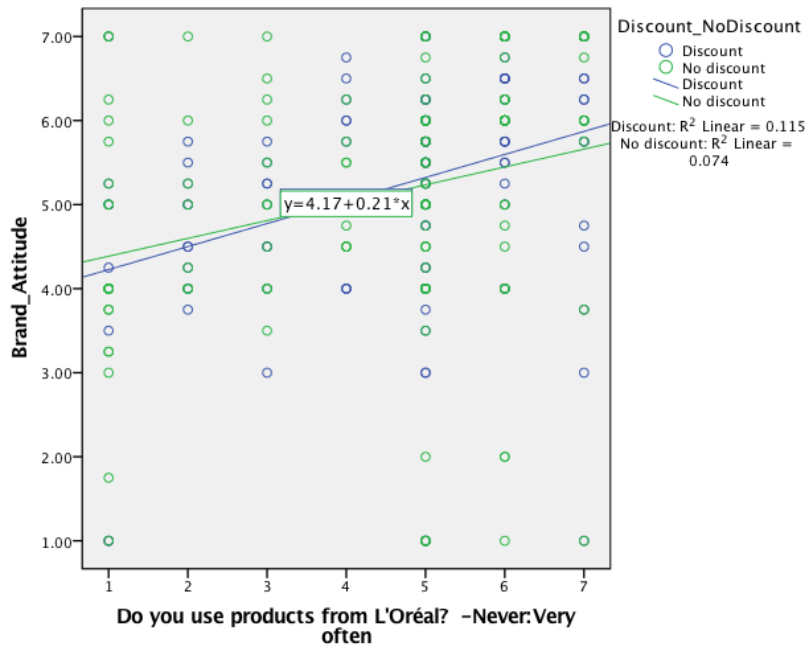
(c) Covariate: Interest in Beauty Vlogs (Frequency of watching Beauty Vlogs)



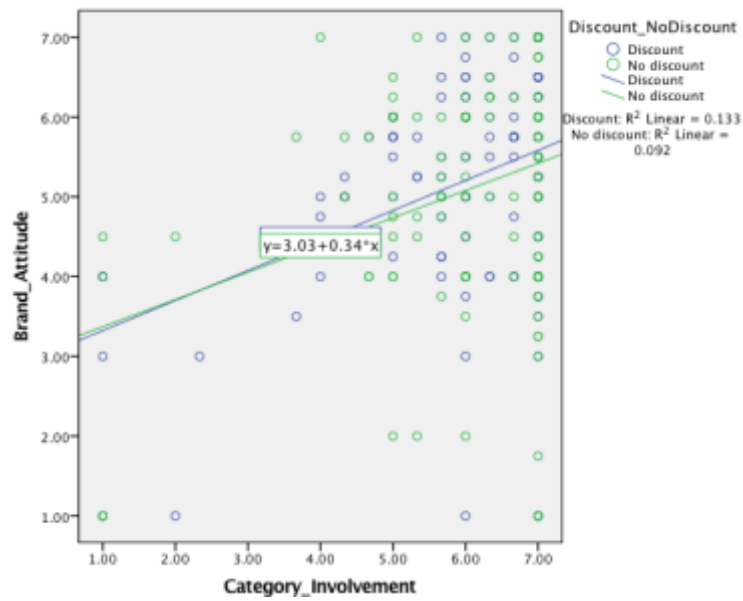
**Dependent Variable:** Brand Attitude

**Independent Variable:** Discount (Discount\_NoDiscount)

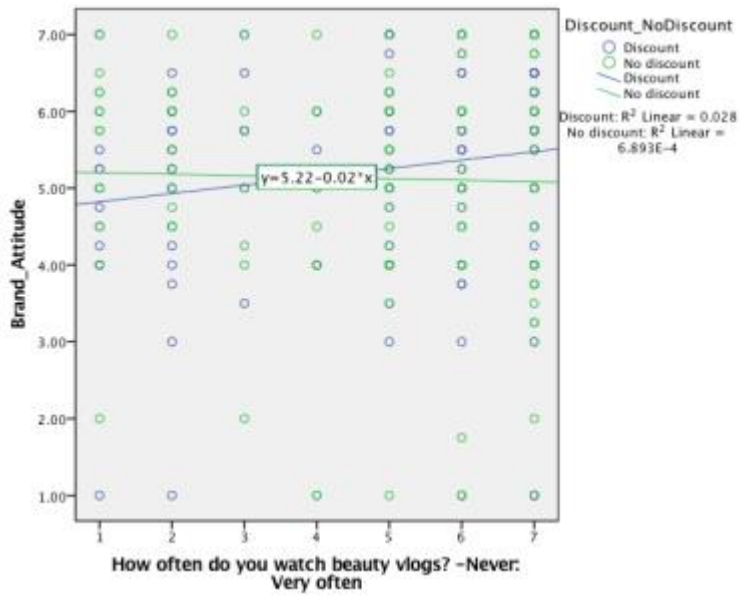
(a) Covariate: Brand Usage (Do you use product from L'Oréal?)



(b) Covariate: Product Category Involvement

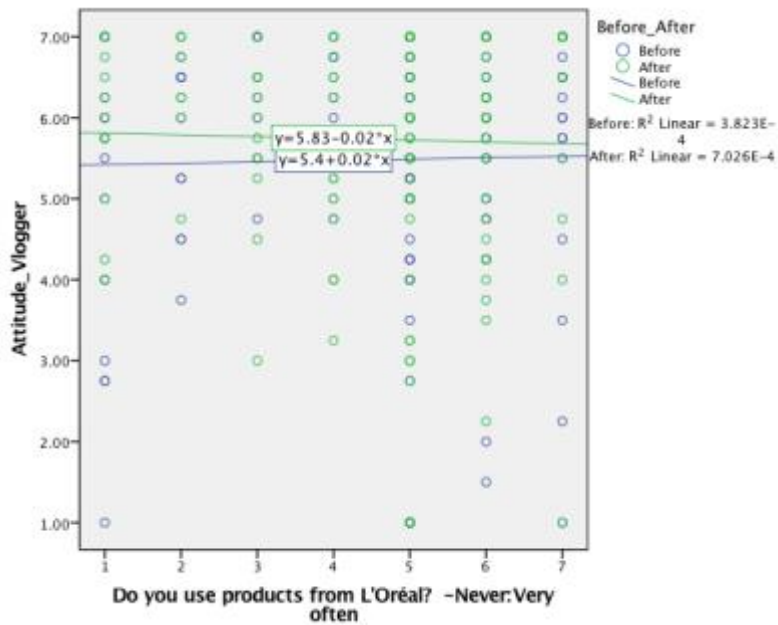


(c) Covariate: Interest in Beauty Vlogs (Frequency of watching Beauty Vlogs)

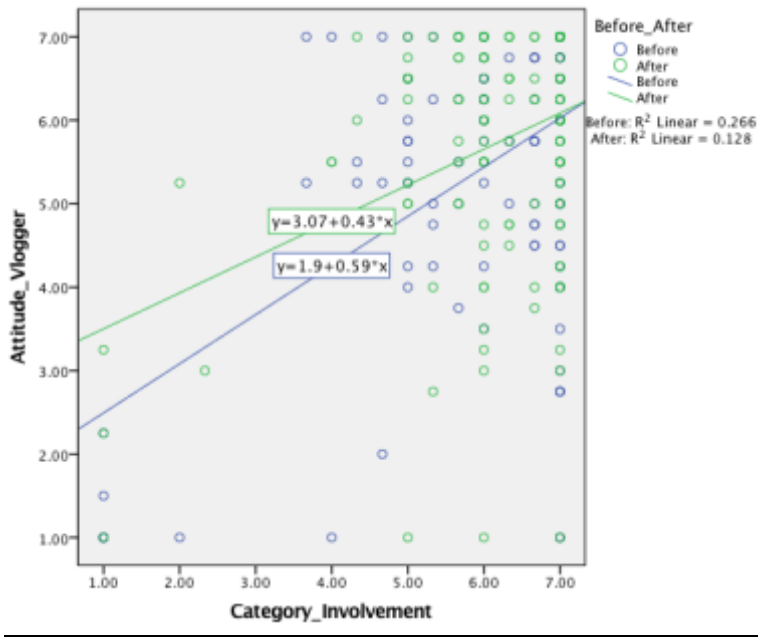


**Dependent Variable:** Attitude towards Vlogger  
**Independent Variable:** Timing (Before\_After)

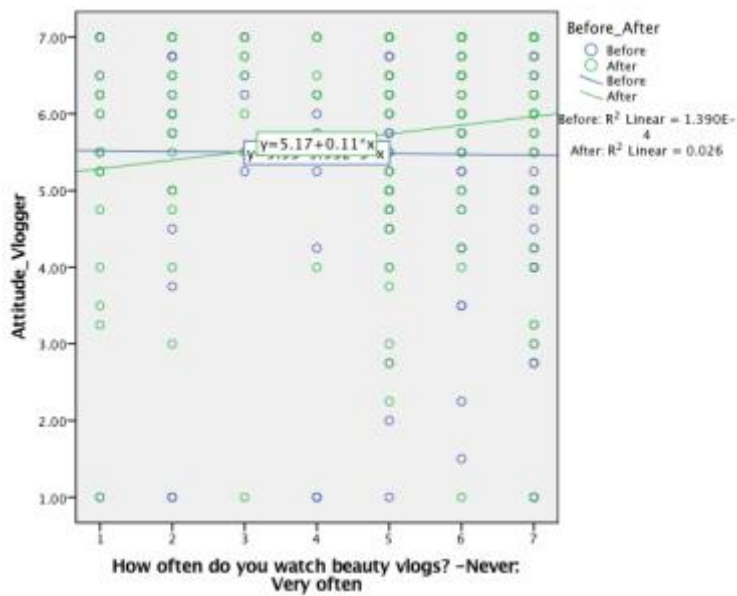
(a) Covariate: Brand Usage (Do you use product from L'Oréal?)



(b) Covariate: Product Category Involvement

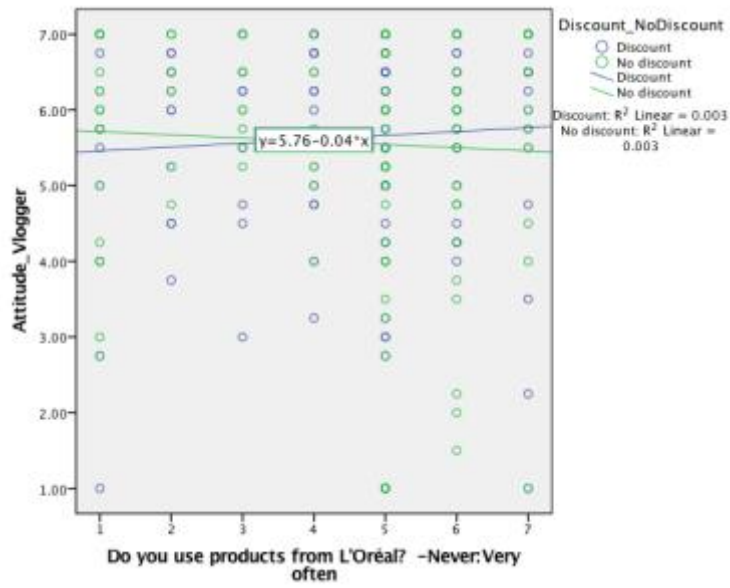


(c) Covariate: Interest in Beauty Vlogs (Frequency of watching Beauty Vlogs)

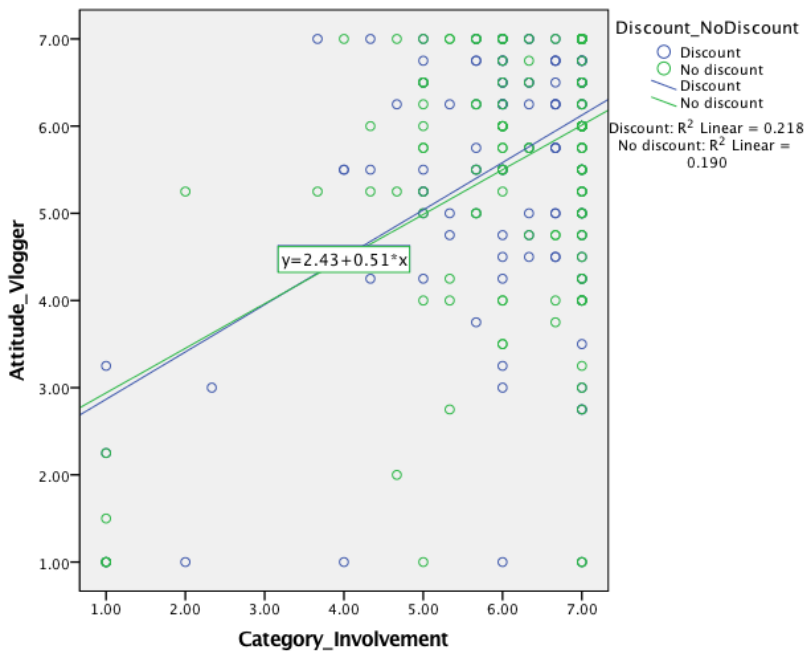


**Dependent Variable:** Attitude towards Vlogger  
**Independent Variable:** Discount (Discount\_NoDiscount)

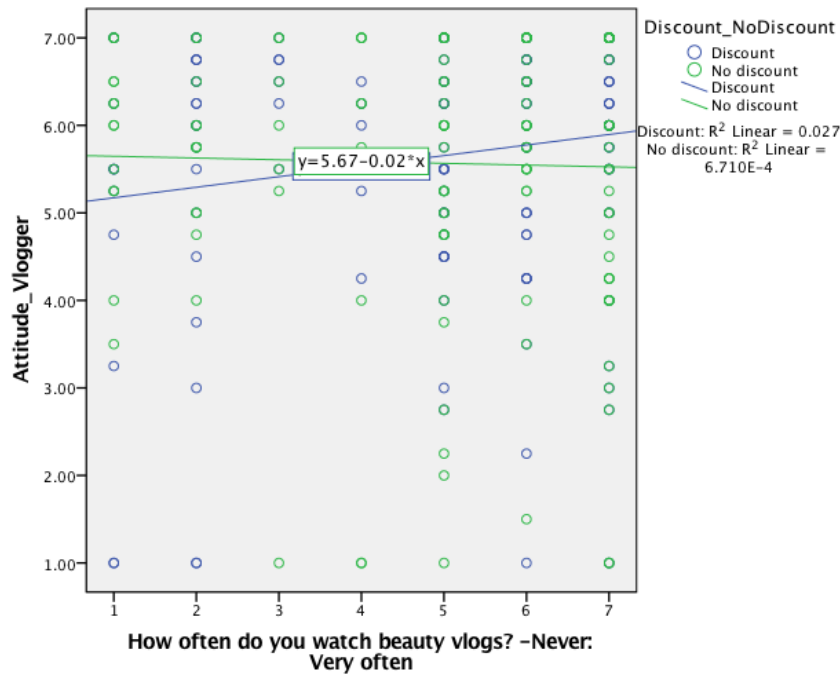
(a) Covariate: Brand Usage (Do you use product from L'Oréal?)



(b) Covariate: Product Category Involvement



(c) Covariate: Interest in Beauty Vlogs (Frequency of watching Beauty Vlogs)



#### (4) Homogeneity of Regression Slopes

For the dependent variable attitudes towards the vlogger, we found a significant interaction between two covariates (i.e category involvement and frequency of watching beauty vlogs) and the experimental manipulation (i.e before vs after and discount vs no discount). There was no significant interaction effect found for the other dependent variable brand attitude.

#### Dependent Variable: Attitude towards Vlogger

##### Homogeneity of Regression Slope: Attitude towards Vlogger

	df	Mean Square	F	p
Timing * Product category involvement	1	0.74	0.42	0.52
Timing * Interest in beauty vlogs	1	6.09	3.47	0.06
Timing * Brand usage	1	1.48	0.84	0.36
Discount * Category involvement	1	0.004	0.002	0.96
Discount * Interest in beauty vlogs	1	0.09	0.05	0.82
Discount * Brand usage	1	0.04	0.02	0.88



Timing * Discount * Category involvement	1	8.74	4.97	0.03
Timing * Discount * Interest in beauty vlogs	1	12.92	7.35	0.01
Timing * Discount * Brand usage	1	0.25	0.14	0.71

### Dependent Variable: Brand Attitude

#### Homogeneity of Regression Slope: Brand Attitude

	df	Mean Square	F	p
Timing * Product category involvement	1	1.51	0.96	0.33
Timing * Interest in beauty vlogs	1	2.61	1.65	0.20
Timing* Brand usage	1	0.02	0.01	0.92
Discount * Product category involvement	1	0.46	0.29	0.59
Discount * Interest in beauty vlogs	1	0.81	0.52	0.47
Discount * Brand usage	1	0.01	0.01	0.94
Timing * Discount * Product category involvement	1	0.60	0.38	0.54
Timing * Discount * Interest in beauty vlogs	1	1.97	1.25	0.27
Timing * Discount * Brand usage	1	0.55	0.35	0.56