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## **Highlights**

- This study examines the process of how advertising recognition (AR) affects consumers' responses to SMIs' branded posts.
- The negative effect of AR is mediated by SMIs' credibility and consumers' attitude toward influencer endorsements.
- The study indicate moderating effects of the parasocial relationship and consumer skepticism toward influencer marketing.
- The overall effect size of AR is considerably weak, indicating an increase in consumers' acceptance of sponsored SMI posts.

## **Hope You're Not Totally Commercial! Toward a Better Understanding of Advertising Recognition's Impact on Influencer Marketing Effectiveness**

### **Abstract**

Social media influencers (SMI) have become an effective channel for reaching targeted customers. The present study explores the influence process of advertising recognition on consumer responses in the SMI marketing context. The study examined an Instagram post featuring the endorsement of a brand and created an experimental design with four conditions related to advertising recognition and the parasocial relationship. Findings from a PLS-SEM procedure indicate that advertising recognition results in overall negative consumer responses to SMI brand endorsements. The results also indicate parallel mediating effects of source credibility and attitude toward endorsements as well as moderating effects of the parasocial relationship and consumer skepticism toward influencer marketing. The study contributes to understanding the influence process of SMI brand endorsements and the boundary conditions under which consumer responses to advertising recognition are moderated.

*Keywords:* Influencer marketing; Social media influencer; Advertising recognition; Parasocial relationship; Source credibility; Attitude toward advertising; Skepticism

## 1. Introduction

Companies increasingly are relying on social media influencers (SMIs) as a targeted advertising channel. SMIs are defined as third-party actors who have gained and have access to a substantial number of followers on diverse social media platforms and have the clout to influence consumer attitude and behavior (de Jans & Hudders, 2020; Enke & Borchers, 2019). Consequently, companies and other organizations are leveraging SMIs' reach and influence on their respective target groups. Thus, influencer marketing has become an important marketing tool to promote brands, products, and services. Influencer marketing's relevance can be demonstrated through recent industry forecasts that expect spending on influencer marketing to increase from \$8 billion in 2019 to \$15 billion in 2022 (Schomer, 2019), and according to a global consumer survey, 80% of the 3,600 consumers who participated in the survey had purchased a product as a direct result of an SMI promotion in 2019 (Rakuten, 2019).

Prior evidence suggests that the effectiveness of SMI brand endorsement is connected strongly to SMIs' perceived credibility as endorsers (e.g., Lou & Yuan, 2019; Martínez-López et al., 2020; Munnukka et al., 2019). To become a credible endorser and potentially influence their followers' attitude and behavior, SMIs must be viewed as peers and create interesting or entertaining content as well as build and maintain social or parasocial relationships with followers (Audrezet et al., 2020; C. Campbell & Farrell, 2020; Hudders et al., 2020). Companies reach out to SMIs and provide them with monetary or material compensation with the hope of positive and effective brand-related content in return (de Veirman & Hudders, 2019; Hughes et al., 2019). Thus, when creating and sharing commercially oriented content on social media platforms, SMIs face a tension resulting from their dual role as both members of the community and marketing agents (Audrezet et al., 2020). A common way to address this tension is by sharing a mix of community- and brand-related content with followers (García-Rapp, 2017) so that the commercial content usually is presented without inherent commercial persuasion and is embedded within non-commercial content (C. Campbell & Farrell, 2020).

Therefore, although influencer marketing has become more commercially oriented, the audience still associates SMI-generated content with similar forms of peer-generated content (Hudders et al., 2020), resulting in a higher message acceptance than the corresponding company-generated content (Lou & Yuan, 2019). Along with the professionalization of the influencer marketing industry and the trend toward higher commercial orientation, legislation and norms come into play. For example, the U.S. Federal Trade Commission (FTC, 2017) mandates that brand-related content with a clear connection to a company must be labelled as sponsored content to help consumers detect persuasive intent (Hudders et al., 2020). This kind of sponsorship disclosure is generally viewed as negative for influencer marketing effectiveness, as it harms the content's persuasiveness and acceptance. The negative effects are connected to the activation of advertising recognition, which leads to defensive and critical processing among consumers (Wojdyski & Evans, 2020), thereby jeopardizing the SMI's credibility (van Driel & Dumitrica, 2020) and, subsequently, advertising effectiveness (e.g., Amazeen & Wojdyski, 2019; de Veirman & Hudders, 2019; Eisend et al., 2020).

Although the consequences of sponsorship disclosure and subsequent advertisement recognition are generally negative for SMI brand endorsements (e.g., Wojdyski & Evans, 2020), a substantial variation exists as to the extent of how negative outcomes accrue for SMIs (Dhanesh & Duthler, 2019; Hudders et al., 2020). However, the underlying processes and conditions that explain how advertising recognition affects consumer responses to SMIs' sponsored content largely remain unexamined in the literature. We address this gap and provide insights into consumer response to advertising recognition of SMIs' brand-related content. This study's experimentally validated results add to the understanding of the influence process of consumer advertising recognition on consumer responses in the social media context. The results also provide evidence of the parasocial relationship and consumer skepticism's moderating roles in shaping advertising recognition outcomes. The findings carry theoretical and practical implications for influencer marketing's effectiveness.

## 2. Literature Review and Hypotheses Development

### 2.1. Advertising Recognition

Current online advertising increasingly has been moving away from traditional display and banner ads and toward advertising methods that are perceived as less disruptive, often referred to as *covert advertising* or *native advertising* (M. C. Campbell et al., 2013). Consumers' ability to distinguish commercial content (advertising) from editorial or entertainment content has been defined as advertising recognition (AR) (Boerman et al., 2017). Influencer marketing can fall under the category of covert or native advertising, as SMIs try to sustain their online status as appealing and credible information sources by creating various commercial- and community-oriented content (García-Rapp, 2017). This blend of organic and paid content explains why followers may not always realize sponsored content's commercial intent on social media (de Jans & Hudders, 2020). Against this background, public policy concerns have been raised about consumers' right to be notified about SMIs' commercial content that has a persuasive intent, and disclosing a sponsorship is important for consumers to be able to identify when attempts are made to persuade them (Hudders et al., 2020).

The literature is unanimous that clear, explicit disclosure of sponsored content, in combination with consumers' understanding of persuasive intent, activates a recipient's persuasion knowledge or better AR (e.g., Boerman, 2020; Boerman & van Reijmersdal, 2019; de Jans et al., 2018; de Jans & Hudders, 2020; de Veirman & Hudders, 2019; Eisend et al., 2020; van Reijmersdal et al., 2020). AR leads to negative cognitive and attitudinal outcomes for a sponsored post (Amazeen & Wojdyski, 2019; de Veirman & Hudders, 2019; Eisend et al., 2020), as consumers' realization of a sponsored post's persuasive nature results in a more critical evaluation of the content (Boerman & van Reijmersdal, 2019). The present study adds to this body of knowledge by integrating source credibility, brand attitude, and purchase intention as three outcome variables of AR in the context of influencer marketing. In addition, although the negative effects from AR on these measures have been studied thoroughly, only scarce evidence of its impact on website visit intention has been reported. For online commerce, driving traffic to the online store's website is the main objective of any online

advertising and, thus, a natural measure of the effectiveness of SMI endorsement. Therefore, in addition to the aforementioned measures, we examine website visit intention as a key outcome of AR.

Based on the prior evidence discussed above, we expect that recognition of an SMI's post as an advertisement decreases SMI credibility, brand attitude, and intention to purchase the endorsed brand among social media users. In addition, AR is also expected to decrease social media users' intention of visiting the presented brand's website. Therefore, we propose the following hypotheses:

H1a: AR exerts a negative effect on source credibility.

H1b: AR exerts a negative effect on website visit intention (H1b<sub>1</sub>), purchase intention (H1b<sub>2</sub>), and brand attitude (H1b<sub>3</sub>).

## *2.2. Attitudes toward Endorsements and Advertising Skepticism*

Kirmani and Campbell (2009) argue that the effect of persuasive messages depends on individuals' attitudinal evaluations and responses. Attitudes toward advertising can be defined as "a learned predisposition to respond in a consistently favourable or unfavourable manner to advertising" (MacKenzie & Lutz, 1989). The literature has demonstrated that consumers' understanding of persuasiveness causes them to develop more critical attitudes toward advertising formats through a "change-of-meaning" process (Wojdyski & Evans, 2020). In the present context, consumers' perceptions of SMIs giving unbiased and independent recommendations for brands and products are likely to be reshaped upon discovering that these SMIs are compensated sponsors who promote brands in their posts. Thus, understanding a sponsored post's persuasive nature is expected to trigger negative attitudes toward the advertising format (de Jans et al., 2018). Similarly, in the context of sponsored Facebook posts, Boerman et al. (2017) found that advertising recognition (described as the conceptual dimension of persuasion knowledge) can generally lead to a critical and unfavorable attitude toward the advertising (e.g., the attitudinal dimension of persuasion knowledge), which negatively affects advertising outcomes. In this study, we expect a similar process. Being exposed to an SMI's brand-related content on Instagram and recognizing that the post contains advertising are

likely to evoke an attitudinal process that will negatively affect consumer attitude toward endorsements on Instagram, translating into more negative advertising responses (Boerman et al., 2017). Therefore, we propose that consumer attitude toward endorsements mediate the relationship between advertising recognition and consumer responses to sponsored content. Exposure to sponsored brand-related content on Instagram and the realization that the post has a commercial slant are expected to negatively affect attitudes toward this form of advertising, resulting in changes to purchase intention, brand attitude, and website visit intention. Therefore, we propose the following hypotheses:

H2a: AR negatively influences consumer attitude toward endorsements.

H2b: Consumer attitude toward endorsements are related positively to website visit intention (H2b<sub>1</sub>), purchase intention (H2b<sub>2</sub>), and brand attitude (H2b<sub>3</sub>).

H2c: Consumer attitude toward endorsements mediate the effects from advertising recognition on the outcome variables website visit intention (H2c<sub>1</sub>), purchase intention (H2c<sub>2</sub>), and brand attitude (H2c<sub>3</sub>).

In a previous study, Brackett and Carr (2001) identified consumers' irritation or annoyance as an important antecedent of their attitude toward advertisements. If consumers perceive an advertising practice as annoying, overly manipulative, and unwanted, their attitudes toward this specific advertising are expected to be negative (Brackett & Carr, 2001; Ducoffe, 1996). Thus, consumers' attitude toward advertisements generally depends on their skepticism toward the advertising practice, which is defined as a critical sentiment that consumers feel toward motives and claims as well as the level of enjoyment of a specific advertising technique (Gaski & Etzel, 1986; Mangleburg & Bristol, 1998). We expect that attitudinal changes toward endorsements are affected by consumers' skepticism regarding influencer marketing on Instagram. The proposed attitudinal "change-of-meaning" process is expected to depend on an individual's skepticism toward influencer marketing. We expect that the recognition of an SMI's persuasive attempt leads to a more negative change in attitudes toward endorsements when the audience is more skeptical of influencer marketing rather than less skeptical.

This dynamic can be explained by SMIs' beneficial role as providers of informational and entertaining content. If consumers generally perceive SMI-related branded content on Instagram as being helpful and enjoyable rather than deceiving and unwanted, then the proposed attitude change resulting from advertising recognition may be outweighed (Kirmani & Campbell, 2004). Thus, we posit the following hypothesis:

H2d: Consumers' skepticism toward influencer marketing moderates the relationship between advertising recognition and attitudes toward endorsements so that for more skeptical consumers, the effect of advertising recognition on attitudes toward endorsements is more negative than for less skeptical consumers.

### *2.3. Source Credibility*

Source credibility (SC) is one of the decisive factors in persuasive communication (e.g., Ohanian, 1990; Pornpitakpan, 2004). More credible sources induce higher levels of persuasiveness than less credible ones (Hovland & Weiss, 1951; Ohanian, 1990). SC is attributed to the dimensions of trustworthiness, expertise, attractiveness, and similarity (e.g., Ohanian, 1990; Pornpitakpan, 2004; Reinikainen et al., 2020). In the context of SMI credibility, results from previous studies are partly inconsistent (Sundermann & Raabe, 2019). The evidence that SC plays an important role in company-related outcomes (e.g., purchase intention and brand attitude) is obvious. Sokolova and Kefi (2020) found a positive effect from SC (measured by attractiveness and homophily) on purchase intention, and Munnukka et al. (2019) demonstrated that an SMI's credibility (measured by trustworthiness, expertise, and similarity) positively affects brand attitude. Wiedmann and von Mettenheim (2020) demonstrated a positive and significant effect from an SMI's trustworthiness and physical attractiveness on brand satisfaction, brand trust, and brand image, and a small, but significant, positive effect from expertise on brand satisfaction. However, Lim et al. (2017) found no significant relationship between SC attributes (expertise, trustworthiness, and attractiveness) and purchase intention. The authors also found no significant correlation between source expertise, trustworthiness, and consumer attitude toward SMIs, but they did find a positive significant relationship between SMI

attractiveness and consumer attitude toward SMIs. Drawing on this partially mixed evidence, there is a need to validate the expected positive effect from source credibility on outcome variables of influencer marketing. In this study, an SMI's credibility is based on trustworthiness, expertise, and similarity and is expected to be related positively to purchase intention, brand attitude, and website visit intention. Therefore, we posit the following hypothesis:

H3a: An SMI's credibility is related positively to website visit intention (H3a<sub>1</sub>), purchase intention (H3a<sub>2</sub>), and brand attitude (H3a<sub>3</sub>).

In addition, we suggest that SC explains the underlying process through which advertisement recognition translates into negative consumer responses. Following the described change-of-meaning process, advertising recognition is expected to affect SMI credibility because it jeopardizes consumers' perception of the SMI as an independent endorser (Boerman, 2020; de Veirman & Hudders, 2019). Thus, in the present research study, we posit that SC mediates the relationship between advertising recognition and its outcome variables:

H3b: Source credibility mediates advertising recognition's effects on website visit intention (H3b<sub>1</sub>), purchase intention (H3b<sub>2</sub>), and brand attitude (H3b<sub>3</sub>).

#### *2.4. Parasocial Relationship*

A parasocial relationship (PSR) is defined by an illusionary face-to-face relationship between a media performer and a media consumer (Horton & Wohl, 1956), which is more enduring, cross-situational, and long-term oriented compared with a parasocial interaction that refers to a short-term relationship (Liebers & Schramm, 2019). The media performer can appear to be a trustworthy, an attractive, and a knowledgeable persona and can create PSR by appearing frequently and consistently (Hoerner, 1999). Even if the communication between the media persona and media user is usually one sided, viewers can develop feelings and behavior similar to real social relationships (Dibble et al., 2016; Horton & Wohl, 1956).

In the present context, a PSR plays an important role in elucidating SMIs' influence on consumer behavior and attitude (e.g., Colliander & Erlandsson, 2015; Munnukka et al., 2019; Rasmussen, 2019). SMIs establish PSRs by posting daily insights on their lives, reacting occasionally to comments, and addressing their followers directly (e.g., via Instagram Stories or by asking questions in their social media posts) (Abidin, 2016; García-Rapp, 2017; Jerslev, 2016; Raun, 2018). These ongoing dialogues and repeated encounters between SMIs and their respective followers increase the intimacy level with the audience, thereby deepening the parasocial relationship (Ballantine & Martin, 2005) and distinguishing SMIs from traditional celebrities (e.g., Hwang & Zhang, 2018).

Previous researchers have asserted that a PSR exerts a significant positive effect on purchase intention (Hwang & Zhang, 2018; Sokolova & Kefi, 2020), brand perceptions (Lee & Watkins, 2016), source credibility (Breves et al., 2021), and electronic word-of-mouth (eWOM) intentions (Hwang & Zhang, 2018) in the context of influencer marketing. Moreover, scholars have demonstrated that PSR act as a mediator between attitude toward a brand and purchase intention (Colliander & Dahlén, 2011), between attitude toward a blog and blog credibility (Colliander & Erlandsson, 2015), and between participation in vlogs and credibility perceptions (Munnukka et al., 2019). Drawing from existing research, a PSR is expected to positively affect influencer marketing outcomes. Therefore, we propose the following hypotheses:

H4a: A PSR (high/low) is related positively to source credibility.

H4b: A PSR (high/low) is related positively to website visit intention (H4b<sub>1</sub>), purchase intention (H4b<sub>2</sub>), and brand attitude (H4b<sub>3</sub>).

In addition, a PSR is a boundary variable, which explains why some consumers react more or less negatively to sponsored content on Instagram (Hudders et al., 2020). We expect that the negative effects resulting from advertising recognition are based on the PSR level between an SMI and their followers. Specifically, social media users who develop feelings of an intimate connection and friendship with an SMI (high PSR) are expected to be not as critical and reactant when they recognize

a brand-related post's persuasive intent on Instagram, compared with consumers with a low PSR. Similar effects were found in a self-reported study of users on a Chinese social network (Hwang & Zhang, 2018) and a study measuring SMI video disclosures' impact on children (Boerman & van Reijmersdal, 2019). Consequently, we propose this final hypothesis:

H4c: A PSR (high/low) moderates the relationship between AR and the proposed outcome variables such that when a consumer feels a higher PSR, the negative relationship between AR and website visit intention (H4c<sub>1</sub>), purchase intention (H4c<sub>2</sub>), and brand attitude (H4c<sub>3</sub>) is reduced.

Figure 1 illustrates the proposed conceptual model and our hypotheses.

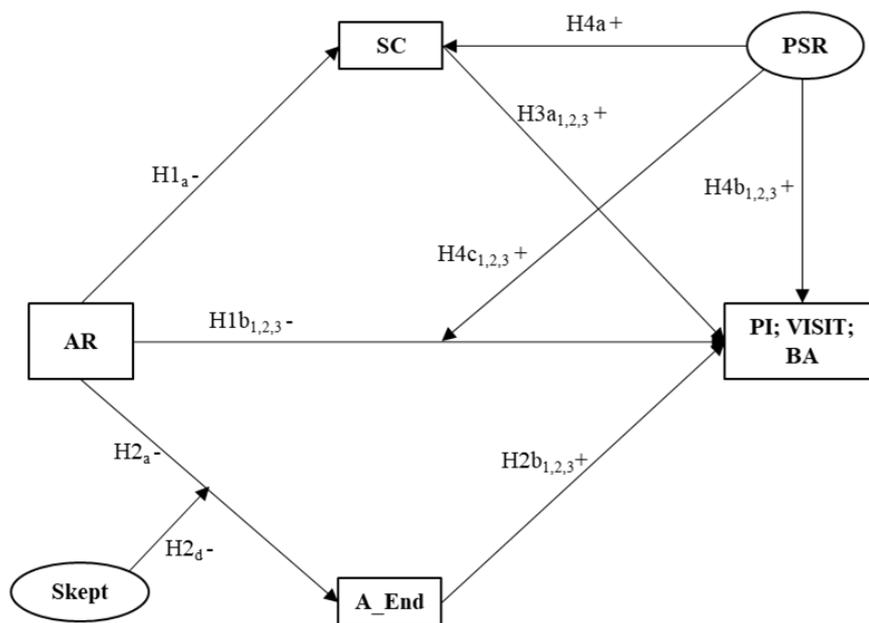


Figure 1. Conceptual model of advertising recognition in influencer marketing.

*AR: advertising recognition; A\_End: attitude toward the endorsement; BA: brand attitude; PI: purchase intention; PSR: parasocial relationship; SC: source credibility; Skept: advertising skepticism; VISIT: website visit intention*

### **3. Methodology**

#### *3.1. Participants and Design*

The present study followed an experimental design with 396 usable responses. A 2 (AR: low, high) × 2 (PSR: low, high) between-subjects design was constructed. The respondents were allocated randomly to one of four experimental conditions, which were constructed based on an Instagram channel in which an SMI presented a product (low AR/low PSR, n = 97; low AR/high PSR, n = 97; high AR/low PSR, n = 102; high AR/high PSR, n = 100).

Instagram was selected as the social media platform, since it was assessed as having suitable characteristics for testing the constructed hypotheses. As a highly visually focused platform, Instagram enables testing of sponsorship disclosure and advertising recognition through pictures and short text elements. Thus, the interference of other content was viewed as more controllable than in other social media platforms. In addition, Instagram is currently the most used platform for companies' influencer marketing campaigns (Mediakix, 2020). After a careful shortlisting, a German female SMI with approximately 145,000 followers was selected for this study. Her Instagram channel can be categorized as lifestyle and fashion, targeting primarily female Instagram users. As this SMI regularly cooperates with brands and companies in this sector, it was easy to find a suitable branded post, which was adjusted for the present study. We decided to choose a post in which the SMI cooperated with a German mid-priced watch brand. As the blog and the watch brand are the best known in Europe, although the text is in English, the respondents' previous knowledge of the brand or the blogger was highly consistent.

The experimental conditions and measures were generated using SoSci Survey (Leiner, 2019), whereas the data were collected through Amazon's Mechanical Turk (MTurk). Before the main data collection, a pre-test was conducted (62 responses) to test the manipulations, survey design, and experimental conditions' design. After the pre-test, some changes to the manipulation of the PSR and

AR were made before the main data collection. The respondents received compensation in exchange for their participation in the study following MTurk compensation rates.

### *3.2. Stimulus*

The manipulation of the PSR was performed by priming respondents with written scenarios and screenshots representing authentic SMI content. Respondents were asked to read the presented scenario carefully. If a respondent proceeded through the page too fast, the survey software automatically asked the respondent to spend more time reading the scenario and watching the posted content. In the low-PSR condition, the respondents were presented with only a short scenario with a neutral tone describing the SMI as an ordinary SMI whom they had never seen before (see Appendix A, Table 3). In the high-PSR condition, a detailed and clearly positive description of the SMI was provided, and in this scenario, the respondents received the information toward which they felt a feeling of belonging regarding the SMI and were following her actively for a long time (see Appendix A, Table 3).

The manipulation of AR was done by priming respondents with screenshots of the posting, which demonstrated that the product and sponsorship cooperation were disclosed or not disclosed in the description sections next to the postings. In the low-AR condition, one picture was shown with the product, and no disclosure was presented (see Appendix A, Table 4). In the high-AR condition, two pictures with the product were shown. In this condition, the product was shown more closely (indicating the post's commercial nature), and a clear disclosure was presented: “#advertisement” and “paid partnership with brand x” (see Appendix A, Table 4). We adopted this approach from previous research that applied these textual advertising disclosures as an indicator of AR (Boerman, 2020; de Veirman & Hudders, 2019).

### 3.3. Data Collection and Sample

The respondents were directed from MTurk to the introduction page, which contained with brief instructions, a description of the survey, and a link to the privacy notice. Several questions probing the respondents' Instagram user behavior were provided before the research stimuli were presented. Next, the respondents were asked to respond to qualifier questions related to the post to assess whether they had paid sufficient attention to the content and the scenario. Following the qualification quiz, the respondents were directed to the measurement scales. Just before the end of the survey, the respondents were provided with a web link to the online store of the advertised brand in the Instagram post and were asked to visit the online store voluntarily. At the end of the survey, the respondents were thanked for their participation and asked whether they had visited the online store (possible answers: *yes; no, but I will after I complete the study; or no*).

During the 12 hours that the survey link was active on Amazon MTurk, the questionnaire was opened 535 times, and 396 valid responses were amassed. The respondents in the final sample were all female, as the survey was targeted to female consumers who are the target audience of the SMI, whose content was used as the stimulus. The respondents' median age was 37; 25% were younger than 31, and 25% were older than 47. The average monthly household income was between \$3,001 and \$4,000. The respondents' Instagram usage was high, as 57% used Instagram daily and 22% several times a week. The average daily usage time was 26 minutes (SD = 22 minutes), and 64% reported that they followed at least one SMI on Instagram. In addition, 31% of the respondents stated that they had purchased a product or service based on an SMI's recommendation. For the respondents, the most important motive for using Instagram was for relaxation and entertainment (M = 5.82, SD = 1.27), to keep in contact with friends (M = 5.47, SD = 1.60), and to get inspiration (M = 5.23, SD = 1.66). The motives for following an SMI were entertainment (M = 5.67, SD = 1.20), provision of enjoyable content (M = 5.63, SD = 1.25), inspiration (M = 5.37, SD = 1.52), and provision of recommendations about brands and products (M = 4.72, SD = 1.84). The answers to these questions were assessed on a Likert scale from 1 (*strongly disagree*) to 7 (*strongly agree*). As described, just

before the end of the survey, the respondents were provided with a link to the brand's online store advertised in the experiment's stimulus. Of the respondents, 28% visited the online store; 34% did not but intended to visit after completing the survey; and 39% did not visit the store.

### *3.4. Measures*

All constructs in the study were measured with seven-point Likert-type or semantic differential scales based on existing validated studies, which were adjusted slightly to the presented context. To measure parasocial relationships, we applied a scale from Lee and Watkins (2016). Source credibility (with the dimensions of trustworthiness, expertise, and similarity) was specified in the model as a second-order reflective-formative higher component model and was measured with 11 items taken from previous studies (Morimoto & La Ferle, 2008; Ohanian, 1990). To measure advertising recognition and purchase intention, we applied van Reijmersdal et al.'s (2016) scales, Spears and Singh's (2004) scale for measuring brand attitude (semantic differential), de Gregorio and Sung's (2010) scale for measuring attitude toward endorsements on Instagram (semantic differential), and Gaski and Etzel's (1986) scale for measuring consumers' skepticism toward influencer marketing. Website visit intention was evaluated by asking the respondents whether they visited the online store (*yes; no; no, but I will after I complete the study*). For the study's analysis, we transformed this categorical variable into a dichotomous variable (0 = *no*, 1 = *yes + no, but I will after I complete the study*). In addition, age, involvement, brand familiarity, and Instagram usage were included as control variables in the study. We applied Mittal's (1995) scale to measure consumers' involvement and Kent and Allen's (1994) scale to measure brand familiarity. To evaluate consumers' Instagram usage behavior, we asked the respondents to state how many minutes they used the Instagram app daily, ranging from 1 to 180 minutes. Table 5 in Appendix B provides a comprehensive overview of the measures and items used in this study.

### *3.5. Data Analysis*

To test the hypothesized relationships, we adopted a partial least squares structural equation modeling

(PLS-SEM) approach. PLS-SEM was chosen because of the study's partially explanatory design (e.g., to understand the causal relationships between AR and the dependent variables), the study's relatively complex model with many constructs, and the study's use of reflective and formative latent constructs (Benitez et al., 2020; Hair et al., 2019; Henseler, 2018; Rigdon et al., 2017). In the present study, all but one construct (SC) were measured reflectively. SC was specified further as a reflective-formative, higher-order construct. For this purpose, we applied the embedded two-stage approach, as recommended by Sarstedt et al. (2019). Consistent with the conceptual part and our research model (see Figure 1), we developed three research models that differed in their respective outcome variables (i.e., website visit intention, purchase intention, and brand attitude). To evaluate the PLS-SEM results, following the assessment of the measurement model's validity and reliability, we analyzed the structural models (i.e., the relationship between the latent constructs) by applying a bootstrap re-sampling procedure with 5,000 subsamples (Hair et al., 2017). To test the research models' moderating effects, we applied the two-stage approach to model the moderator's influence on the relationships between two constructs, as recommended by Becker et al. (2018). All analyses were run using SmartPLS 3.3.2 (Ringle et al., 2015).

## **4. Results**

### *4.1. Manipulation Check*

Before assessing the validation of the measurement and the structural model, we performed a manipulation check on the two scenarios. The results indicate that the respondents felt higher levels of parasocial relationship in the high-PSR scenario ( $M = 5.29$ ,  $SD = 1.45$ ,  $p < 0.01$ ) compared with the low-PSR scenario ( $M = 3.34$ ,  $SD = 1.68$ ,  $t = 12.36$ ,  $p < 0.01$ ). The respondents also demonstrated statistically significant differences with the low-AR scenario ( $M = 5.95$ ,  $SD = 1.07$ ) and the high-AR scenario ( $M = 6.32$ ,  $SD = 0.90$ ,  $t = 3.675$ ,  $p < 0.01$ ). Therefore, we can conclude that the manipulation of the stimuli was successful. However, the AR scores were relatively high in both groups, indicating that the respondents felt quite strongly that the post was sponsored. This result might be explained by

the presence of the sponsored brand in both scenarios, which Grigsby and Mellema (2020) also demonstrated.

#### *4.2. Measurement Model Validation*

To assess the measurement model's validity, the criteria for reflective and formative constructs differ (Hair et al., 2017). We operationalized all but one construct (SC) reflectively. The measurement model's assessment results are presented in Table 1 (below) and Tables 5, 6, and 7 (see Appendix B). For the reflective constructs, we evaluated the measurement model by investigating internal consistency reliability, convergent validity, and discriminant validity. All constructs fulfilled the requirements for internal consistency, in which the values for composite reliability (CR) were higher than 0.70. Convergent validity was sustained; the values for the average variance extracted (AVE) were higher than 0.5, and the loadings were above the threshold of 0.70 (Hair et al., 2017). Finally, we assessed discriminant validity by using the Fornell-Larcker criteria and the heterotrait-monotrait (HTMT) ratio of the correlations. The square root of each item's AVE values was higher than the correlations to the other latent variables (Table 1), and the upper bound of the 95% confidence interval of the HTMT values was above the conservative threshold of 0.85 (see Appendix B, Table 7) (Hair et al., 2017; Sarstedt et al., 2019). We also performed robustness tests to validate the dichotomous coding of the website visit intention construct. We compared the current coding with two competing coding options from the construct to detect whether they would result in significant but different results: (i) randomly assigned coding and (ii) excluding respondents who stated that they will visit the website in the future. The robustness testing's results validated the dichotomous coding, as the first coding option led to insignificant effects, and the second demonstrated similar effects compared with the applied coding.

The formative construct's validity (SC) was assessed by applying convergent validity, investigating multicollinearity, and assessing the indicator weights' statistical significance. Convergent validity was assessed by applying a redundancy analysis, which was satisfactory (Chin, 1998). Furthermore, the

source credibility dimensions indicated variance inflation factor (VIF) values of less than 5; thus, multicollinearity was not an issue. Furthermore, all weights of the indicators (similarity, trustworthiness, and expertise) were statistically significant, but their respective relevance (i.e., size) differed between the models (Hair et al., 2017; Hair et al., 2019).

Table 1. Correlations between all independent, mediating, moderating, and dependent latent variables and covariates.

	CR (AVE)	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
<b>1. AGE</b>	SI/ N.A.	<b>1.000</b>											
<b>2. AR</b>	0.89 (0.74)	0.066	<b>0.862</b>										
<b>3. A_END</b>	0.96 (0.83)	0.004	-0.273	<b>0.914</b>									
<b>4. BA</b>	0.97 (0.88)	0.035	-0.220	0.708	<b>0.939</b>								
<b>5. B_FAM</b>	0.98 (0.95)	-0.048	-0.299	0.366	0.361	<b>0.978</b>							
<b>6. FREQ</b>	SI/ N.A.	-0.155	-0.151	0.270	0.217	0.380	<b>1.000</b>						
<b>7. INV</b>	0.97 (0.88)	0.099	-0.159	0.422	0.497	0.419	0.231	<b>0.941</b>					
<b>8. PI</b>	0.96 (0.88)	-0.011	-0.272	0.611	0.746	0.413	0.287	0.517	<b>0.941</b>				
<b>9. PSR</b>	SI/ N.A.	0.001	-0.006	0.067	0.125	-0.019	-0.028	0.003	0.173	<b>1.000</b>			
<b>10. SC</b>	FC/ N.A.	-0.016	-0.171	0.581	0.602	0.266	0.215	0.365	0.676	0.417	<b>N.A.</b>		
<b>11. SKEPT</b>	0.92 (0.69)	-0.022	0.203	-0.722	-0.511	-0.074	-0.079	-0.233	-0.457	-0.065	-0.462	<b>0.829</b>	
<b>12. VISIT</b>	SI/ N.A.	-0.031	-0.214	0.422	0.452	0.300	0.219	0.325	0.447	0.110	0.399	-0.287	<b>1.000</b>
<b>MEAN (STD)</b>		39.62 (11.67)	6.14 (1.01)	4.733 (1.51)	5.03 (1.33)	2.09 (1.79)	26.21 (21.9)	4.19 (1.76)	3.69 (1.82)	0.5 (0.5)	4.84 (1.29)	4.08 (1.48)	0.616 (0.49)

CR: composite reliability, AVE: average variance extracted, AVEs, and square roots of AVEs (in bold). SI: single item; FC: formative construct; MEAN (of the observed indicators); N.A.: not applicable; A\_End: attitude toward the endorsement; AR: advertising recognition; BA: brand attitude; B\_Fam: brand familiarity; Freq: Instagram usage; Inv: involvement; PI: purchase intention; PSR: parasocial relationship; SC: source credibility; Skept: skepticism toward influencer marketing; VISIT: website visit intention

### 4.3. PLS Path Modeling and Hypotheses Testing

Before we assessed the structural model, we examined collinearity among the latent constructs to ascertain whether the regression results were biased. All VIF values were lower than 5, indicating that collinearity was not a problem in the study (Hair et al., 2019). To assess the path coefficients and hypotheses' statistical significance, we applied bootstrap re-sampling (5,000 re-samples). Table 2 provides the results from the three structural models, which differ in respective outcome variables. Of the 11 hypotheses, nine were supported, one was partially supported, and one was not supported.

The results from Model A (website visit intention [VISIT] as the outcome variable) indicate that AR exerts a statistically significant negative impact on SC (SC;  $\beta = -0.173$ ,  $p < 0.01$ ) and attitude toward the endorsement (A\_End;  $\beta = -0.161$ ,  $p < 0.01$ ), thereby supporting H1a and H2a. AR also indicated a statistically significant total negative effect on VISIT ( $\beta = -0.119$ ,  $p < 0.01$ ), thereby supporting H1b<sub>1</sub>. The direct effect from A\_End ( $\beta = 0.218$ ,  $p < 0.01$ ) and SC ( $\beta = 0.152$ ,  $p < 0.05$ ) on VISIT was positive and statistically significant, thereby supporting H2b<sub>1</sub> and H3a<sub>1</sub>. Considering that AR's indirect effects on VISIT (AR→A\_End→VISIT; AR→SC→VISIT) were negative and statistically significant ( $\beta = -0.035$ ,  $p < 0.05$ ;  $\beta = -0.026$ ,  $p < 0.05$ ) and that the direct effect from AR on VISIT was insignificant, a full mediation effect was indicated (total indirect effect:  $\beta = -0.061$ ,  $p < 0.01$ ; (Nitzl et al., 2016), thereby supporting H2c<sub>1</sub> and H3b<sub>1</sub>. H4a and H4b<sub>1</sub> posited that the PSR between the SMI and a follower exerts a positive direct effect on SC and VISIT. Although the PSR exerts a positive statistically significant effect on SC ( $\beta = 0.424$ ,  $p < 0.01$ ), supporting H4a, H4b<sub>1</sub> was not supported because no significant direct relationship between a PSR and VISIT was detected ( $\beta = 0.034$ ,  $p > 0.1$ ). Regarding a PSR's moderating effects and skepticism toward influencer marketing (Skept), the results from Model A indicate a positive statistically significant moderating effect from a PSR on the relationship between AR and VISIT ( $\beta = 0.133$ ,  $p < 0.01$ ), thereby supporting H4c<sub>1</sub>. That demonstrates that in the higher PSR condition, the effect of AR on VISIT is less negative than in the opposite case. Moreover, the results indicate a negative statistically significant moderating effect from Skept on the relationship between AR and A\_End ( $\beta = -0.130$ ,  $p < 0.01$ ), thereby supporting H2d. The results suggest that for respondents who reported lower skepticism levels toward influencer marketing, AR leads to less-negative attitude changes than for respondents with higher reported skepticism levels.

Table 2. Structural model estimates and results.

		Model A DV = VISIT	Model B DV = PI	Model C DV = BA	Result
<b>Hypothesis</b>	<b>Path coefficients</b>	<i>Std. beta (<math>\beta</math>)</i>	<i>Std. beta (<math>\beta</math>)</i>	<i>Std. beta (<math>\beta</math>)</i>	
H1a	AR→SC	-0.173***	-0.172***	-0.174***	Supported
H1b <sub>1,2,3</sub>	AR→DV; total effect	-0.119***	-0.183***	-0.131***	Supported
H2a	AR→A_End	-0.161***	-0.162***	-0.160***	Supported
H2b <sub>1,2,3</sub>	A_End →DV	0.218***	0.198***	0.465***	Supported

H3a <sub>1,2,3</sub>	SC→DV	0.152**	0.453***	0.259***	Supported
H4a	PSR→SC	0.424***	0.420***	0.417***	Supported
H4b <sub>1,2,3</sub>	PSR→DV	0.034	-0.029	-0.019	Rejected
<b>Mediating effects</b>					
H2c <sub>1,2,3</sub>	AR→A_End→DV	-0.035**	-0.032**	-0.074***	Supported
H3b <sub>1,2,3</sub>	AR→SC→DV	-0.026**	-0.078**	-0.045**	Supported
<b>Moderating effects</b>					
H2d	Skept*AR→A_End	-0.130***	-0.131***	-0.128***	Supported
H4c <sub>1,2,3</sub>	PSR*AR→DV	0.133***	-0.014	-0.013	Partially supported
Total indirect effect	AR→DV	-0.061***	-0.110***	-0.119***	
Direct effect	AR→DV	-0.058	-0.073**	-0.011	
<b>Control variables</b>					
	Inv	0.124**	0.211***	0.188***	
	B_Fam	0.101**	0.090**	0.046	
	Age	-0.015	-0.009	0.018	
	Instagram_usage	0.051	0.035	-0.027	
<b>R<sup>2</sup> adj.</b>					
	<b>Lat. Variable</b>	<b>R<sup>2</sup></b>	<b>R<sup>2</sup></b>	<b>R<sup>2</sup></b>	<b>Explanatory power</b>
	Att_Coop	0.546***	0.547***	0.546***	Moderate
	DV	0.208***	0.590***	0.581***	Moderate/weak
	SC	0.250***	0.204***	0.202***	weak
<b>Q<sup>2</sup></b>					
	<b>Lat. Variable</b>	<b>Q<sup>2</sup></b>	<b>Q<sup>2</sup></b>	<b>Q<sup>2</sup></b>	<b>Predictive accuracy</b>
	Att_Coop	0.452	0.452	0.452	Large
	DV	0.234	0.523	0.513	Medium/large
	SC	0.159	0.169	0.160	Small

DV: dependent variable; A\_End: attitude toward the endorsement; AR: advertising recognition; BA: brand attitude; B\_Fam: brand familiarity; VISIT: website visit intention; Inv: involvement; PI: purchase intention; PSR: parasocial relationship; SC: source credibility; Skept: skepticism. \*, \*\*, and \*\*\* represent significance at the 10%, 5%, and 1% levels, respectively.

According to the results from Model B (PI as the outcome variable), AR exerts a statistically significant negative effect on SC ( $\beta = -0.172$ ,  $p < 0.01$ ) and A\_End ( $\beta = -0.162$ ,  $p < 0.01$ ), thereby supporting H1a and H2a. In addition, AR's total effect on PI was negative and significant ( $\beta = -0.183$ ,  $p < 0.01$ ), thereby supporting H1b<sub>2</sub>. Furthermore, A\_End ( $\beta = 0.198$ ,  $p < 0.01$ ) and SC ( $\beta = 0.453$ ,  $p < 0.01$ ) exert statistically significant positive effects on PI, thereby supporting H2b<sub>2</sub> and H3a<sub>2</sub>. As the indirect effects from AR on PI (AR→A\_End→VISIT; AR→SC→VISIT) were negative and statistically significant ( $\beta = -0.032$ ,  $p < 0.05$ ;  $\beta = -0.078$ ,  $p < 0.05$ ), H2c<sub>2</sub> and H3b<sub>2</sub> were supported. Considering that AR's direct effect on PI was statistically significant and negative, the results indicate complementary partial mediation (Nitzl et al., 2016), with a total statistically significant indirect effect ( $\beta = -0.110$ ,  $p < 0.01$ ). In addition, the results demonstrate that a PSR exerts a positive and significant effect on SC ( $\beta = 0.420$ ,  $p < 0.01$ ) but not on PI ( $\beta = -0.029$ ,  $p > 0.1$ ). Thus, H4a was supported, and

H4b<sub>2</sub> was not supported. PSR had no significant moderating effect on the relationship between AR and PI ( $\beta = -0.014$ ,  $p > 0.1$ ), while a negative and statistically significant moderating effect from Skept on the relation between AR and A\_End was detected ( $\beta = -0.131$ ,  $p < 0.01$ ). Thus, H4c<sub>2</sub> was not supported, and H2d was supported.

The results from Model C (brand attitude (BA) as the outcome variable) indicate that AR exerts a statistically significant negative effect on SC ( $\beta = -0.160$ ,  $p < 0.01$ ) and A\_End ( $\beta = -0.174$ ,  $p < 0.01$ ), thereby supporting H1a and H2a. Furthermore, AR's total effect on BA was negative and statistically significant ( $\beta = -0.131$ ,  $p > 0.01$ ), thereby supporting H1b<sub>3</sub>. As in the other models, the effects from SC and A\_End on the outcome variable were positive and significant, thereby supporting H3a<sub>3</sub> ( $\beta = 0.259$ ,  $p < 0.01$ ) and H2b<sub>3</sub> ( $\beta = 0.465$ ,  $p < 0.01$ ). Regarding the mediating effects of AR on BA via A\_End and SC, the results indicate full mediation (Nitzl et al., 2016), with a significant total indirect effect ( $\beta = -0.061$ ,  $p < 0.01$ ) and an insignificant direct effect of AR on BA ( $\beta = -0.011$ ,  $p > 0.1$ ). Both separate indirect effects were negative and significant (AR→A\_End→BA:  $\beta = -0.074$ ,  $p < 0.01$ ; AR→SC→BA:  $\beta = -0.045$ ,  $p < 0.01$ ), thereby supporting H2c<sub>3</sub> and H3b<sub>3</sub>. The results also indicate a significant positive direct effect of a PSR on SC ( $\beta = 0.424$ ,  $p < 0.01$ ), while no such effect was detected between a PSR and BA ( $\beta = -0.019$ ,  $p > 0.05$ ). Thus, H4a was supported, and H4b<sub>3</sub> was not supported. Finally, a significant negative moderating effect from Skept on the relationship between AR and A\_End was found ( $\beta = -0.1285$ ,  $p < 0.01$ ), as in the case of other models (supporting H2d). In the case of a PSR, no expected moderating effect was detected for the relationship between AR and BA ( $\beta = -0.013$ ,  $p > 0.05$ ); thus, H4c<sub>3</sub> was not supported.

In addition to the assessment of the path coefficients' significance and relevance, the model's explanatory power and its predictive accuracy were assessed. To evaluate the explanatory power, the R<sup>2</sup> values were extracted. Ranging from 0.202 (R<sup>2</sup> value for SC in Model C) to 0.590 (R<sup>2</sup> value of PI in Model B), the explanatory power varied from weak to moderate (Hair et al., 2017; Hair et al., 2019). For predictive accuracy, the blindfolding-based Stone-Geisser's Q<sup>2</sup> values were calculated; all

values were above zero, ranging between 0.159 for SC in Model A and 0.523 for PI in Model B, indicating small and respectively large predictive accuracy (Hair et al., 2017; Hair et al., 2019). Furthermore, assessing formative source credibility constructs demonstrates differences in the indicators' strength (see Appendix B, Table 6). The similarity indicator, followed by trustworthiness and expertise, exerts the strongest effects on the source credibility construct (the effect size differs between models). Regarding the control variables, consumers' product involvement exerts a significant positive effect on VISIT ( $\beta = 0.124$ ,  $p < 0.01$ ), PI ( $\beta = 0.211$ ,  $p < 0.01$ ), and BA ( $\beta = 0.188$ ,  $p < 0.01$ ). Brand familiarity's corresponding effect significantly affects only VISIT ( $\beta = 0.101$ ,  $p < 0.05$ ) and PI ( $\beta = 0.090$ ,  $p < 0.01$ ). The other control variables (age and Instagram usage behavior) have no significant effect.

## **5. Discussion and Contributions**

This study's main objective was to contribute to our understanding of how sponsorship disclosure and subsequent advertising recognition of SMIs' brand-related content lead to consumer responses in the context of influencer marketing on social media. The results supported most of the hypotheses that asserted a negative effect from advertising recognition on SMIs' credibility (H1a), attitude toward endorsements (H2a), and a negative total effect from advertising recognition on website visit intention (H1b<sub>1</sub>), purchase intention (H1b<sub>2</sub>), and brand attitude (H1b<sub>3</sub>). Furthermore, the hypothesized mediating effects from consumer attitude toward endorsements (H2c<sub>1,2,3</sub>) and SMIs' credibility (H3b<sub>1,2,3</sub>) were supported. Thus, both mediating variables explained the process of how advertising recognition is related negatively to consumer responses. The moderating role of parasocial relationships (H4c<sub>1</sub>) and skepticism toward endorsements (H2d) was also confirmed. A strong parasocial relationship was found to lessen the negative impact from sponsorship disclosure on website visit intention, while skepticism toward influencer marketing strengthened the negative effect from advertising recognition on attitude toward endorsements.

### *5.1. Theoretical Contributions*

The present study contributes to influencer marketing literature in three ways. First, the results provide evidence of advertising recognition's impact on consumer responses. Advertising recognition's overall negative impact corresponds with previous evidence indicating similar overall negative attitudinal responses to advertising recognition (Amazeen & Wojdyski, 2019; Boerman & van Reijmersdal, 2019; de Veirman & Hudders, 2019; Eisend et al., 2020). The findings add to current understanding by providing evidence of the negative outcomes of advertising recognition on website visit intention in the SMI marketing context.

Furthermore, this study adds to current knowledge by illustrating the process through which advertising recognition affects consumers' responses to SMIs' product recommendations. The results indicate that for website visit intention and brand attitude, the negative effect is mediated fully via an SMI's credibility and consumer attitude toward endorsements on Instagram and for purchase intention, partially mediated. Thus, in the influence process of advertising recognition, an SMI's credibility and attitude toward endorsements are attenuated, which is reflected in consumers' negative responses to the branded endorsement. Thus, the findings support the conceptually proposed change-of-meaning process of advertising recognition (e.g., Wojdyski & Evans, 2020).

Nevertheless, the results indicate that although advertising recognition exerts negative overall effects on attitude toward the endorsed brand, purchase intention, and website visit intention, the overall effect size was relatively low. This result was somewhat counterintuitive and might be grounded in Instagram's commercial nature. When consumers recognize a persuasive attempt, the likelihood of counteractions is particularly high when the disclosed sponsorship is unexpected and unwanted (Wojdyski & Evans, 2020). In the present study, it was observed that SMIs generally were expected to cooperate with brands and companies, indicated by the relatively high overall mean value of respondents' advertising recognition ( $M = 6.14$ ,  $SD = 1.01$ ), independent of whether or not the disclosure was made in the post. Furthermore, the respondents also stated that one of the reasons for

following SMIs is the provision of brand and product recommendations. Thus, existing community norms, as well as users' expectations for Instagram, were found to be supportive to a certain degree of commercialism and consumerism, which can also be explained by the increase in SMIs' professionalism and efforts to monetize their Instagram accounts (van Driel & Dumitrica, 2020). Accordingly, even if Instagram users understand that an SMI's post is sponsored, they do not seem to care too much about the commercial influence, as indicated by the relatively low negative effects. These effects decreased further when consumers perceived a strong parasocial relationship with the SMI and were less skeptical toward influencer marketing as an advertising practice.

Second, this study adds to the understanding of the role of underlying attitudes toward endorsements and skepticism in the effectiveness of SMI-company collaboration. As we pointed out, the results indicate that advertisement recognition leads to more negative general attitudes toward endorsements on Instagram, thereby decreasing overall endorsement effectiveness. This corresponds with findings from Boerman et al. (2017) that suggest a change-of-meaning process in which advertising recognition was found to cause negative attitudinal responses, resulting in less intention to engage in eWOM. The results further indicate that consumers' skepticism toward influencer marketing moderates the effects from advertising recognition so that consumers who consider influencer marketing annoying, irritating, and unwanted (Brackett & Carr, 2001; Ducoffe, 1996) were found to experience stronger negative attitude changes than those with less skepticism. However, when consumers view an SMI's content as enjoyable overall and desirable, the attitude change resulting from advertising recognition is attenuated (Kirmani & Campbell, 2004). Thus, the present results emphasize the importance of skepticism toward influencer marketing by examining general attitudes toward endorsements on Instagram to better understand influencer marketing's effectiveness.

Third, this present study provides, to the best of our knowledge, the first experimentally verified evidence of a parasocial relationship's moderating role in consumer responses to advertising recognition in the context of influencer marketing. The results indicate that although the parasocial

relationship moderated consumers' response to advertising recognition in terms of website visit intention, no such moderating effect was detected in the case of brand attitude or purchase intention. Consumers' intention to website visit was found to be higher when they had a stronger parasocial relationship with the SMI than when the relationship was weaker. In addition, only the direct effect from a parasocial relationship on perceived credibility was positive. This result highlights the PSR's importance in the formation of the SMI-consumer relationship yet simultaneously raises questions concerning the PSR's importance in explaining influencer marketing's effectiveness. One reason for the mixed results might be grounded in this study's empirical design. Considering that we used scenarios to create differences in perceived PSRs and to ensure internal validity, the PSR's effect might be stronger for consumers who are followers of an SMI, as Breves et al. (2021) demonstrated. Finally, the study confirms established findings (e.g., Munnukka et al., 2019; Sokolova & Kefi, 2020; Wiedmann & von Mettenheim, 2020) that show how source credibility attributes are positively related to influencer marketing's outcomes.

### *5.2. Managerial Implications*

For practitioners, this study highlights how negative effects from advertising recognition following an SMI's disclosure of sponsored content on Instagram are subdued in terms of their effect size on consumer responses. Therefore, the results indicate that sponsorship disclosure does not jeopardize an influencer campaign's overall success and that any negative effects can be reduced effectively by decreasing consumer skepticism toward influencer marketing as well as by strengthening the SMI-consumer relationship. A parasocial relationship was also found to be important in improving SMIs' perceived credibility. In addition, a strong parasocial relationship and low skepticism levels effectively mitigate the negative effects from sponsorship disclosure and, thus, improve influencer campaigns' effectiveness. Providing entertaining, enjoyable, and inspirational content and presenting brand and product recommendations were found to be the main reasons for following SMIs. This finding reflects the balancing act that SMIs face: followers demand community-oriented, authentic content, yet they seek orientation and the SMI's product-related expertise in their respective areas

(e.g., fashion and lifestyle). Balancing and integrating commercial content in the overall narrative of being an attainable and genuine online persona is key to SMIs' long-term success (van Driel & Dumitrica, 2020). Considering that increased skepticism toward influencer marketing may be related to a lack of information about the reasons and motives for the collaboration, companies, and SMIs should inform consumers transparently about collaborations and ensure that a good fit exists between the SMI and the collaborating brand. A storytelling strategy in which SMIs explain why they like and collaborate with a specific company or brand (incorporating a normative reason to justify the endorsement) was found to strengthen the relationship between SMIs and their followers (Jorge, 2018; Stubb et al., 2019). Therefore, the present study's results emphasize that SMIs should build strong relationships with their followers and reduce skepticism as a way to secure their ability to operate as credible and effective brand endorsers.

In addition, companies and brands searching for suitable partners for their influencer campaigns should pay attention to potential SMI activities and content that aim to build and maintain parasocial relationships with followers as well as monitor consumers' perceptions of SMIs. Indicators of strong parasocial relationships between SMIs and followers, as demonstrated in previous research (Jorge, 2018; Munnukka et al., 2019; Raun, 2018), can be seen in SMIs who stimulate communication by addressing their followers directly (e.g., via Instagram Stories), responding to their questions and comments, as well as providing glimpses into their private lives, thereby appearing to be relatable and authentic online personas. Furthermore, marketers should recruit SMIs whom their target audiences would view as similar to themselves and perceive as trustworthy and competent, especially when companies aim to achieve higher purchase intention. However, it might be difficult to reach certain consumer segments that are highly skeptical about any commercial influence on their SMIs' narratives. Against such a backdrop, influencer marketing might not be the panacea for reaching these consumer segments when choosing a marketing communication strategy. Thus, especially in these circumstances, companies should not rely on influencer marketing as their sole communication approach.

### *5.3. Limitations and Suggestions for Future Research*

The present study includes a few limitations, which provide opportunities for future research directions. The first limitation concerns the research design, which focused on one specific SMI who presented one branded product on Instagram. The SMI was German and is the best known in Europe; therefore, the content that she publishes may be a better fit for a European audience, although the content is in English. Thus, the findings may be specific to the product category, brand, the SMI's and respondents' characteristics, country, and/or content. Furthermore, the study concerned only brand content on Instagram. As norms and narratives regarding, for example, the acceptance of commercialism as well as user groups and their respective usage motives, differ across social network platforms (e.g., Hudders et al., 2020; Hughes et al., 2019; Kozinets et al., 2010), future studies should test the constructed model in the context of other social media platforms (e.g., YouTube, Twitch, and TikTok). In addition, and as already stated, in this study, a parasocial relationship was created with the help of scenarios. Thus, we propose taking Breves et al.'s (2021) approach and testing our conceptual model for external validity and differences between followers vs. social media users who do not follow a specific SMI. Furthermore, we focused only on three possible outcome variables of influencer marketing. Other important marketing performance indicators—such as sharing, commenting, or the number of views of SMI posts—have been excluded from this study but are of great interest for research and practice. Moreover, we used a self-response scale as a measure of website visit intention, which leaves uncertainty as to whether the respondents truly clicked the provided link and visited the endorsed brand's website. Future studies should test behavioral responses with actual, verifiable behavioral data to confirm the present study's results.

In addition, consumers' skepticism toward influencer marketing was not manipulated experimentally; thus, its moderating effect is only correlation based. Therefore, future studies should test skepticism's role in the constructed advertising recognition model experimentally. In this context, it would be interesting to examine what drives skepticism toward influencer marketing and whether certain

differences in the degree of skepticism exist among user groups, platforms, and product groups (e.g., experience vs. search goods). Furthermore, from a managerial perspective, questions related to how to target and address consumer segments with different skepticism levels toward influencer marketing remain unanswered. Moreover, this study integrated only variables that reflect the relationship between SMIs and followers (e.g., PSR), perceptions of the SMI (e.g., source credibility), and followers' attitudinal variables (e.g., skepticism). However, advertising recognition's impact also might be affected by variables that reflect the relationship between followers. Thus, it might be enlightening to analyze how the strength of relationship with other followers and identification with an SMI's community affect influencer marketing's effectiveness. Finally, the idea that SMIs should maintain a balance between commercialism and authenticity was emphasized in the discussion section, but important questions regarding when SMIs are perceived as overly commercial (e.g., a critical cooperation threshold that affects the influencer marketing's effectiveness) as well as how authenticity can be restructured and deconstructed by SMIs remain unanswered and offer researchers potential for further qualitative and quantitative studies.

#### *5.4. Conclusions*

The present study focuses on elucidating the process of how advertising recognition affects influencer marketing's effectiveness on social media. The study's results contribute to the existing literature on influencer marketing and advertising recognition, with most hypotheses supported. The findings confirm that advertising recognition leads to overall negative consumer responses that are mediated by source credibility and consumers' overall attitude toward endorsements. Thus, the study demonstrates that consumers' advertising recognition evokes a change-of-meaning process that reduces an SMI's credibility and consumers' attitude toward endorsements, translating in overall negative consumer responses. Further, advertising recognition's overall effect proved to be partially conditional on the degree of the SMI-consumer parasocial relationship as well as on the level of consumers' skepticism toward influencer marketing. The total effect of consumers' responses to

advertising recognition was found to be relatively weak on average, which has been viewed as a reflection of increasing consumerism and acceptance of commercialism on social media.

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## Appendix A

Table 3. The anonymized stimulus for manipulating low and high parasocial relationships.

Low PSR
<p>Imagine you are using the Instagram app on your smartphone, and you see a new post (on the next page) from “anonymized” in your feed. She is an ordinary social media influencer among many others whom you don’t know at all, and it seems that you have nothing in common with her.</p>
High PSR
<p>Imagine you are using the Instagram app on your smartphone, and you see a new post from “anonymized” in your feed (on the next page).</p>
<p>The SMI is highly likeable and authentic, and easy to approach—almost like a close friend whom you would one day like to meet in person.</p>
<p>You have been following the SMI for a long time and witnessed how she has developed over time. You were one of her first followers, and you are happy for the SMI to see her popularity growing. She shares a variety of content related to her private life, fashion, and lifestyle. You share her taste in fashion and always find joy in watching and reading the content she publishes. In addition, you try to read all the content published by or about her on other social media channels. The SMI always responds to your and other followers’ comments and questions. You feel you belong to one community with her and her other followers with whom you share similar thoughts and interests. You have learned that as you relate to her thoughts and values, you also like and appreciate similar products and brands. If you saw someone criticizing or even personally attacking the SMI on her Instagram account, you would defend her and stand up for her.</p>



Table 4. The anonymized stimulus for manipulating low and high advertising recognition

High AR

Please read the following post (picture/caption and comments!) carefully.



Instagram post interface showing a woman sitting by a window, holding a cup. The woman's face is pixelated. The post includes a caption, a comment from 'alexandra\_47', and interaction icons (likes, comments, shares, bookmark). The post has 2,801 likes and was posted 4 hours ago.

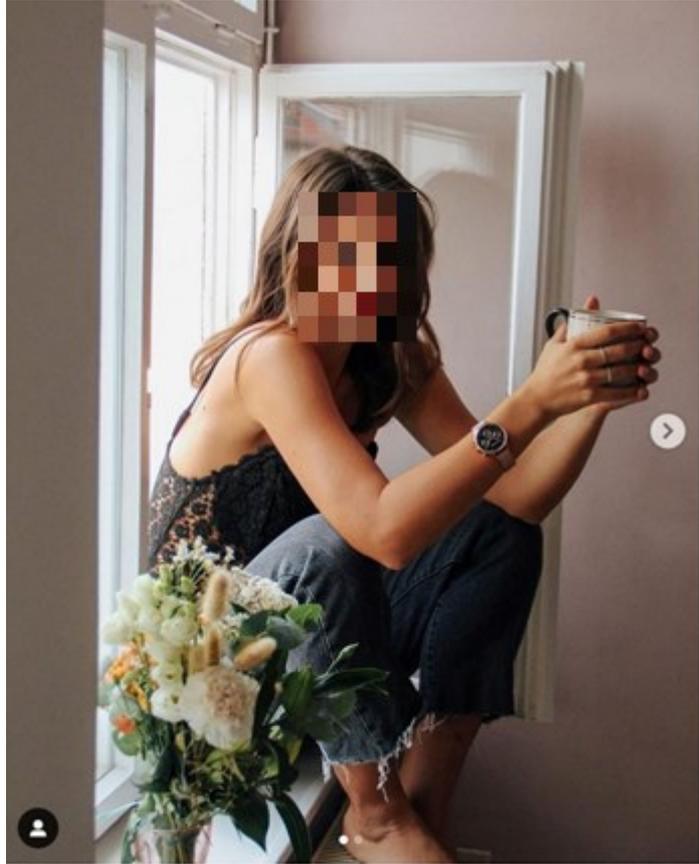
Instagram post interface showing a woman sitting by a window, holding a cup. The woman's face is pixelated. The post includes a caption, a comment from 'alexandra\_47', and interaction icons (likes, comments, shares, bookmark). The post has 2,801 likes and was posted 4 hours ago.



Close-up Instagram post showing the woman's hands holding a cup. Her face is pixelated. The post includes a caption, a comment from 'maschapnke', and a reply from the poster. The post has 2,801 likes and was posted 4 hours ago.

Close-up Instagram post showing the woman's hands holding a cup. Her face is pixelated. The post includes a caption, a comment from 'maschapnke', and a reply from the poster. The post has 2,801 likes and was posted 4 hours ago.

Please read the following post (picture/caption and comments!) carefully.



The image shows a woman sitting on a windowsill, holding a mug. She is wearing a black lace top and denim shorts. A large bouquet of white and yellow flowers is in the foreground. The woman's face is obscured by a pixelated redaction box. She is wearing a watch on her left wrist. The background shows a window with white frames and a doorway leading to another room.

[Redacted] • Following ...

[Redacted] Sitting in the window, sun on my face, dreaming of the ocean. 🌊 What's the place you miss most right now? I'm wearing the new Everpulse watch from @ [Redacted] and the anchor details always remind me of the good times at the seaside. Nothing like the sound of waves and the smell of salt. # [Redacted] #getAnchored to things you love. ❤️

4h

alexandra\_47 You are such an incredible person ❤️❤️

3h 1 like Reply

2,801 likes  
4 HOURS AGO

Add a comment... Post

## Appendix B

Table 5. Measurement items and loadings.

Measures and items	Loading (STD)			Mean (STD)	CR (AVE)
	Model A: DV = VISIT	Model B: DV = PI	Model C: DV = BA		
<b>1. Advertising recognition; <math>\alpha</math> (0.82)</b>					0.90 (0.75)
The Instagram post of the SMI is advertising	0.917*** (0.013)	0.923*** (0.012)	0.917*** (0.015)	6.26 (1.05)	
The Instagram post of the SMI is commercial.	0.820*** (0.033)	0.802*** (0.037)	0.820*** (0.035)	5.76 (1.45)	
The Instagram post of the SMI contains advertising.	0.844*** (0.026)	0.857*** (0.030)	0.844*** (0.033)	6.40 (1.01)	
<b>2. Attitude toward endorsement; <math>\alpha</math> (0.95)</b>					0.96 (0.84)
Bad—good	0.944*** (0.006)	0.944*** (0.006)	0.944*** (0.006)	4.75 (1.54)	
Negative—positive	0.937*** (0.008)	0.936*** (0.008)	0.935*** (0.008)	4.76 (1.61)	
Uninteresting—interesting	0.868*** (0.016)	0.870*** (0.015)	0.872*** (0.015)	4.66 (1.85)	
Inappropriate—appropriate	0.882*** (0.015)	0.881*** (0.016)	0.879*** (0.015)	4.91 (1.55)	
Unfavorable—favorable	0.934*** (0.008)	0.935*** (0.007)	0.935*** (0.008)	4.57 (1.72)	
<b>3. Skepticism toward influencer marketing; <math>\alpha</math> (0.90)</b>					0.93 (0.69)
Most cooperation between social media influencers and companies are very annoying.	0.898*** (0.010)	0.898*** (0.010)	0.898*** (0.010)	4.31 (1.88)	
Most cooperation between social media influencers and companies make false claims.	0.830*** (0.018)	0.830*** (0.018)	0.830*** (0.018)	4.28 (1.62)	
If most cooperation between social media influencers and companies were eliminated, consumers would be better off.	0.886*** (0.012)	0.886*** (0.012)	0.886*** (0.012)	4.08 (1.82)	
I enjoy most of the cooperation between social media influencers and companies. ( <i>reverse coded</i> ).	0.706*** (0.032)	0.707*** (0.034)	0.707*** (0.032)	4.05 (1.78)	
Most cooperation between social media influencers and companies are intended to deceive rather than inform.	0.787*** (0.030)	0.787*** (0.029)	0.786*** (0.029)	3.94 (1.68)	
It bothers me when social media influencers cooperate with companies.	0.851*** (0.020)	0.850*** (0.020)	0.850*** (0.021)	3.77 (1.91)	
<b>4. Attitude toward the brand; <math>\alpha</math> (0.96)</b>					0.97 (0.88)
Unappealing—appealing			0.929*** (0.008)	4.96 (1.42)	
Bad—good			0.937*** (0.009)	4.98 (1.33)	
Unpleasant—pleasant			0.944*** (0.008)	5.11 (1.37)	
Unfavorable—favorable			0.935*** (0.009)	4.97 (1.47)	
Unlikable—likable			0.948*** (0.007)	5.13 (1.45)	
<b>5. Purchase intention; <math>\alpha</math> (0.95)</b>					0.97 (0.88)
I would like to try a product from the brand.		0.914*** (0.009)		4.13 (1.87)	
I intend to buy a product from the brand.		0.945*** (0.006)		3.36 (1.90)	
I want to buy a product from the brand.		0.962*** (0.004)		3.58 (1.94)	
I will look for the brand's watches in an online or offline store.		0.941*** (0.010)		3.67 (2.02)	
<b>1. Involvement; <math>\alpha</math> (0.96)</b>					0.97 (0.88)
Unimportant—important	0.933*** (0.009)	0.936*** (0.008)	0.937*** (0.008)	4.41 (1.82)	
Of no concern—of concern to me	0.937*** (0.009)	0.935*** (0.009)	0.935*** (0.009)	4.02 (1.88)	
Irrelevant—relevant	0.922*** (0.011)	0.926*** (0.010)	0.928*** (0.009)	4.40 (1.90)	
Means nothing to me—means a lot to me	0.949*** (0.005)	0.947*** (0.005)	0.945*** (0.005)	4.02 (1.81)	
Does not matter to me—matters to me	0.963*** (0.005)	0.963*** (0.004)	0.961*** (0.005)	4.09 (1.92)	
<b>2. Brand familiarity; <math>\alpha</math> (0.97)</b>					0.98 (0.95)

Unfamiliar—familiar	0.973*** (0.006)	0.973*** (0.005)	0.973*** (0.006)	2.13 (1.86)
Inexperienced—experienced	0.976*** (0.005)	0.976*** (0.005)	0.976*** (0.005)	2.07 (1.79)
Unknowledgeable—knowledgeable	0.984*** (0.003)	0.984*** (0.003)	0.984*** (0.003)	2.07 (1.82)
<b>Source credibility (higher-order construct)</b>				
<b>Trustworthiness; <math>\alpha</math> (0.97)</b>				0.97 (0.91)
I feel that the SMI is honest.	0.961*** (0.005)		4.81 (1.58)	
I consider the SMI to be trustworthy.	0.964*** (0.005)		4.78 (1.67)	
I feel that the SMI is earnest.	0.943*** (0.011)		4.86 (1.62)	
I feel that the SMI is truthful.	0.964*** (0.005)		4.81 (1.65)	
<b>Expertism; <math>\alpha</math> (0.94)</b>				0.96 (0.85)
I feel that the SMI knows a lot about the product presented.	0.935*** (0.007)		4.57 (1.72)	
I feel that the SMI is competent to make assertions about the product presented.	0.926*** (0.010)		4.79 (1.59)	
I consider the SMI an expert on the product presented.	0.920*** (0.010)		4.05 (1.85)	
I consider the SMI sufficiently experienced to make assertions about the product presented.	0.937*** (0.010)		4.50 (1.72)	
<b>Similarity; <math>\alpha</math> (0.97)</b>				0.97 (0.93)
The SMI and I have a lot in common.	0.974*** (0.003)		3.95 (1.87)	
The SMI and I are a lot alike.	0.965*** (0.008)		3.87 (1.89)	
I can easily identify with the SMI.	0.962*** (0.005)		4.13 (1.95)	
<b>Parasocial relationship, scale; <math>\alpha</math> (0.97)</b> (for manipulation of a PSR)				0.97 (0.85)
I would like to meet the SMI in person.	0.911*** (0.013)		4.30 (1.91)	
I think the SMI is like an old friend.	0.884*** (0.016)		3.74 (2.08)	
I look forward to seeing more of the SMI's content on her Instagram account.	0.943*** (0.007)		4.52 (2.04)	
If I found content published by or about the SMI on other social media channels/platforms, I would consume it.	0.943*** (0.007)		4.30 (2.02)	
The SMI makes me feel comfortable, as though I am with my friends.	0.921*** (0.010)		4.58 (1.90)	
When the SMI tells me how she feels about a brand, it helps me make up my own mind about the brand.	0.911*** (0.012)		4.19 (2.03)	
While looking at the post, I feel like I am part of the SMI's Instagram community.	0.931*** (0.008)		4.55 (2.04)	

*$\alpha$ : Cronbach's alpha; CR: composite reliability; AVE: average variance extracted; \*, \*\*, and \*\*\* represent significance at the 10%, 5%, and 1% levels, respectively.*

Table 6. Outer weights and loadings for the formative measure source credibility.

	Model A	Model B	Model C
	DV = Visit	DV = PI	DV = BA
simil -> SC	0.670*** (0.969***)	0.634*** (0.964***)	0.637*** (0.964***)
exp -> SC	0.095 (0.849***)	0.190* (0.873***)	0.235** (0.881***)
trust -> SC	0.306** (0.883***)	0.253** (0.881***)	0.205** (0.873***)

*Simil: similarity; exp: expertism; trust: trustworthiness. The second number (in parentheses) refers to the outer loadings. \*, \*\*, and \*\*\* represent significance at the 10%, 5%, and 1% levels, respectively.*

Table 7. Discriminant validity using the heterotrait-monotrait (HTMT) criterion for reflective items.

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1. AGE											
2. AR	0.076										
3. A_End	0.044	0.307									
4. BA	0.037	0.245	0.737								
5. B_Fam	0.048	0.331	0.379	0.371							
6. Freq	0.155	0.167	0.277	0.221	0.384						
7. Inv	0.103	0.173	0.437	0.512	0.427	0.232					
8. PI	0.023	0.302	0.640	0.777	0.427	0.293	0.535				
9. PSR	0.001	0.024	0.069	0.127	0.019	0.028	0.015	0.177			
10. Skept	0.030	0.226	0.748	0.526	0.144	0.080	0.230	0.464	0.066		
11. VISIT	0.031	0.235	0.432	0.460	0.304	0.219	0.328	0.457	0.110	0.282	

*AR: advertising recognition; A\_End: attitude toward the endorsement; BA: brand attitude; B\_Fam: brand familiarity; Freq: Instagram usage; Inv: involvement; PI: purchase intention; PSR: parasocial relationship; Skept: skepticism toward influencer marketing; VISIT: website visit intention*