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Young consumers' responses to suspected covert and overt blog marketing

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610

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Abstract

Purpose – The purpose of this paper is to study the responses of young consumers to suspected covert and overt product-brand recommendations in a blog.

Design/methodology/approach – Experimental design was applied to investigate the effect of covert and overt marketing on young consumers' perceptions of blogger credibility and their behavioural intentions.

Findings – Overt marketing had a negative effect on behavioural intentions, such as future interest in the blogger, intention to engage in word-of-mouth, and purchase intention. Covert marketing did not affect the intended behaviour. Neither covert nor overt marketing influenced the blogger's credibility.

Research limitations/implications – The study was delimited to a small sample; one blog, one type of product recommendation, and a well-known brand. Young, well-educated consumers with experience in reading blogs may be able to filter the brand recommendations and focus on the content of the blog.

Practical implications – This study has implications for bloggers, companies, and policy makers. Although overt marketing is the most open and the recommended form of blog marketing, the study showed that overt marketing has negative effects. Therefore, bloggers need to carefully consider how they present a sponsorship.

Originality/value – The study makes three important contributions. First, it answers the call for research on consumer reactions to covert (deceptive) and overt marketing tactics. Second, it contributes to blog marketing research by studying a case of suspected covert marketing where consumers do not know whether the blog is sponsored or not. Third, the study contributes to knowledge around young consumers, demonstrating that covert and overt tactics do not affect blogger credibility.

Keywords Blog marketing, Blogger credibility, Brand recommendation, Covert marketing,

Overt marketing

Paper type Research paper

1. Introduction

The ever-present clutter of advertising messages and increased consumer cynicism towards advertising (Ashley and Leonard, 2009; Rotfeld, 2008) have induced companies to look for alternative ways to reach consumers. Firms have been encouraged to turn their attention to social media, where consumers spend increasing amounts of time (Barger and Labrecque, 2013; Pring, 2012; von Duivenvoorde, 2012), particularly blogs, because firms can reach a large audience efficiently through them (Jones *et al.*, 2009; Wu *et al.*, 2013).

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Social media, including blogs, are important sources of consumer decision making and measuring the exact effects of these new media, particularly negative effects (Hoffman and Fodor, 2010), is a research priority (Kalampokis *et al.*, 2013; Schoen *et al.*, 2013).

The use of social media for commercial purposes by companies is less straightforward than using traditional media. It contradicts the primary reasons for consumers to interact with the media, which are seldom commercial (Heinonen, 2011; Kietzmann *et al.*, 2010; Lee *et al.*, 2006; Shao, 2008). Furthermore, blogs represent a new sphere of communication which combines an online community platform with the marketer and consumers (Palmer and Koenig-Lewis, 2009). Hence, successful blog marketing requires balancing the needs of the blogger, the firm, and the blog reader. First, bloggers need to create interesting content continuously for readers, and might therefore welcome company-created content that fits the blogger's interests. Bloggers may also be interested in monetising their work through sponsorship deals. However, bloggers are also affected by reader feedback (McQuarrie *et al.*, 2013; Miura and Yamashita, 2007), and their choice of whether or not to co-operate with firms is dependent on readers' reactions to blog marketing. Second, firms that engage in marketing through bloggers seek positive blog reader responses, such as increased sales and positive e-WOM. Magnini (2011) suggests that blog marketing attracts firms because of reader numbers, the influence of bloggers' recommendations on readers, and the opportunity to communicate experience-related qualities. Third, blog readers presumably appreciate the authenticity of bloggers' opinions, because of their independence from corporate interests (Johnson and Kaye, 2004). Previous research has shown that the credibility of the information in online recommendations has a positive effect on consumer product attitude (Pan and Chiou, 2011). Consequently, both bloggers and firms need to understand how readers react to marketing in blogs.

Blog marketing typically takes place through product recommendations. The power of recommendations on purchase behaviour has been well documented in past research (Fong and Burton, 2006; Hsiao *et al.*, 2013; Ko *et al.*, 2008). However, the intent of many recommendations is commercial, which is not necessarily revealed to consumers (Ashley and Leonard, 2009). Sparse attention has been paid to situations in which a blogger has a hidden motive for a seemingly genuine recommendation, even though Magnini (2011) warns that such hidden marketing may have a deteriorating effect on consumer commitment and trust. Researchers have only recently started to investigate how blog readers react to recommendations that are revealed to be sponsored by a company (Campbell *et al.*, 2013; Colliander and Erlandsson, 2015).

In the case of covert marketing, or masked marketing (Petty and Andrews, 2008), the commercial sponsor is not revealed. Covert marketing is defined as occurring when consumers do not recognise that a recommendation is sponsored by a firm (Spratt, 2008). In contrast, overt marketing informs the reader directly of a company's involvement in the creation of content and is the recommended mode of conduct. There is a paucity of research on consumer reactions to covert vs overt marketing in social media as well as in other marketing channels (Ashley and Leonard, 2009; Martin and Smith, 2008; Milne *et al.*, 2009; Swanepoel *et al.*, 2009; Wei *et al.*, 2008). Existing research has studied how consumers react to the disclosed covert marketing of a favourite brand on a web site (Ashley and Leonard, 2009), disclosed product placements on TV and in a blog (Campbell *et al.*, 2013), and a disclosed brand recommendation in a blog (Colliander and Erlandsson, 2015).

However, in many instances, readers may only suspect covert marketing in blogs, instead of knowing whether firms are actually involved or not. Previous studies have not recognised that consumers may suspect covert marketing whenever the blogger

does not reveal how the product was procured and with whose resources. Social-media savvy consumers in particular may be conscious of the fact that many bloggers co-operate with companies. Previous research has not addressed the possibility of suspected covert marketing, although it is an important issue in social media.

The proliferation of consumer-generated content, combined with the demonstrated impact of non-regulated online recommendations, strongly suggests that there is a need to study how consumers react to the hidden and open commercial intent of online recommendations. Too little attention has been paid to consumer perceptions of deception and dishonesty on the internet and in online retailing (Gajendra and Wang, 2014; Grazioli, 2004; Riquelme and Román, 2014). Previous studies indicate that the consumer's knowledge of deceptive tactics leads to decreased image, negative word-of-mouth, and decreased buying behaviour (Milne *et al.*, 2009). However, contrary to expectations, deceptive tactics in blogs do not always negatively affect the brand or the consumer's intention to purchase (Campbell *et al.*, 2013; Colliander and Erlandsson, 2015). In the past, researchers have been suspected of exaggerating the negative effects of covert marketing (Rotfeld, 2008), which has led to the call for studies on various media and products (Wei *et al.*, 2008). The contradictory results of past studies also highlight the need for further research.

In this study, we answer the calls for further research by focusing on how Generation Y responds to suspected covert and overt blog marketing. Young consumers are interesting for two reasons. First, these consumers, who were born between 1981 and 1999, have grown up with technology and rely on it for information, entertainment, and social contacts (Bolton *et al.*, 2013). Second, previous research reports that young consumers seem to avoid ads actively and instead rely on online product reviews and recommendations (Kelly *et al.*, 2010), which demonstrates that blogs are an important source of information in their decision making. Hence, the aim of this paper is to study the effects of suspected covert and overt brand recommendations on young consumers' perceptions of blogger credibility and on their behavioural responses.

2. Theoretical background and hypotheses

Blogs are a popular form of user-generated social media. Consumers blog to keep in contact with family and friends, share hobbies, promote causes, and interact with blog readers (Sepp *et al.*, 2011). McQuarrie *et al.* (2013) suggest that through blogs, regular consumers can become powerful influencers of tastes and acquire an audience with which they maintain relationships. Many blogs are intended for leisure (Cox and Blake, 2010), but these become interesting for marketers when their following increases. Although consumers react differently to recommendations by experts and novices (Chiou *et al.*, 2014), amateurs can also become quite influential. Although little research has studied the effectiveness of blog marketing, the results so far are encouraging for marketers (Hsu *et al.*, 2013; Kalampokis *et al.*, 2013; Onishi and Manchanda, 2012). For example, it has been shown that blogs are an effective marketing channel when compared with online magazines (Colliander and Dahlén, 2011), that opinion-leader blogs add to the effectiveness of traditional media (Ko *et al.*, 2008), that blogs increase the sales of movies (Onishi and Manchanda, 2012), and that travel stories in blogs affect consumers' travel decisions (Hsiao *et al.*, 2013).

2.1 Blogs and marketing tactics

Five main blogger-mediated marketing tactics can be distinguished. First, using their own money and resources, bloggers can recommend a product without receiving any

compensation for the promotion. A reason for this may be to attract future sponsorship. Second, bloggers receive products for free. The products can be received with or without explicit instructions for promoting them, such as in a time-specific campaign. Third, bloggers are offered money or gift cards for recommending products. Depending on the size of the market, the compensation typically varies from gift cards of \$20 to promises of earnings of up to \$500 a day for product recommendations in blogs and other social media (e.g. Patterson, 2012). Fourth, bloggers can get paid for steering traffic to a web site or sales points. Fifth, bloggers can earn money on banners and other ads in connection with the blog text. This fifth tactic is the only one clearly visible to consumers as a marketing message from a company. Interestingly, it is also the only tactic that can be automatically filtered out of view, which is considered an innovative function of blogs (Wu *et al.*, 2013). The other tactics can be realised as either covert or overt marketing.

In many cases, it is difficult for consumers to differentiate a blogger's own word-of-mouth recommendations from sponsored activities (De Bruyn and Lilien, 2008; King *et al.*, 2014). Although bloggers are requested to reveal their sponsorship, not everyone complies (Walter, 2008). Unless a blogger has a full disclosure policy, the difference between sponsored and non-sponsored content is difficult for consumers to detect. For example Kulmala *et al.* (2013) reported that both blogger-initiated and marketer-initiated content in fashion blogs were similarly presented. In a seminal article, Kozinets *et al.* (2010) found that some bloggers concealed their participation in a word-of-mouth marketing campaign, whereas others disclosed the information openly.

2.2 Genuine word-of-mouth and covert vs overt product recommendations

Product recommendations in blogs can be divided into genuine word-of-mouth recommendations and word-of-mouth marketing messages (Kozinets *et al.*, 2010), which may be either covert or overt.

Genuine word-of-mouth is the personal and non-commercial communication of a brand, good, service, or other item between private consumers in a social network (Arndt, 1967; Wilson, 1991). A premise for the traditional definition of word-of-mouth is that the communicator does not receive economic support for referring the product to others (Dichter, 1966). Consumers generally react positively to word-of-mouth recommendations by friends and acquaintances and perceive them as more reliable and trustworthy than advertising messages.

However, during the past decade, word-of-mouth has moved online (Vilpponen *et al.*, 2006), where the large number of weak ties in social networks helps to spread the information (Barger and Labrecque, 2013; Brown and Reingen, 1987). In blogs, word-of-mouth marketing messages often take place through product recommendations and can be either overt or covert. In overt marketing, the consumer is aware of the commercial interest of the communicator. In blogs, covert marketing means that the blogger promotes companies and brands without revealing that he or she receives compensation for the promotion (Cwanepoel *et al.*, 2009). This is considered deceptive (Rotfeld, 2008).

A limited number of previous studies on blogging have investigated covert marketing, which emphasises the need for further studies. Campbell *et al.* (2013) found that product placement in a blog increased the recall of the brand and led to a higher brand attitude than in the control group. Moreover, a disclosure before the placement (i.e. overt marketing) did not significantly lower the brand attitude, whereas disclosure after the placement resulted in a significantly lower attitude brand. Inferences of

product placement were found to make consumers correct their evaluation of the brand in the post-disclosure condition.

In one experiment with real fashion blogs and existing readers, Colliander and Erlandsson (2015) found that revealing that the blogger was paid for promoting the product led to lower perceived credibility of and attitude towards the blog as a medium, but surprisingly it also led to higher brand attitude and purchase intentions for the recommended product. This means that there need not be a direct relationship between blogger credibility and purchase intentions. The authors reasoned that the blog readers might, despite the deception, trust the sincerity of the blogger's endorsement. In this case, it must be considered that real readers were sampled and that many of them were likely to have an established relationship with the blog and therefore trusted the blogger's recommendations.

In another experiment, Colliander (2012b) investigated how the upfront revelation of sponsorship (overt marketing) affected blog readers. The results showed that the revelation had no effect on blogger credibility, consumer attitude towards the blog, brand attitude, or purchase intentions.

To summarise, in the extant studies on brand recommendations, sponsorship has been revealed to the participants by stating that an outside publisher had uncovered the sponsorship, by disclosing it in the blog, or by inserting warnings of sponsorship before or after exposure to the blog. However, even if blog marketing is not directly revealed, blog readers may suspect covert marketing. Consumers will become suspicious of the communicator's argument if they suspect there are external reasons for it (Wiener and Mowen, 1986). Thus, our empirical study differs from previous studies in that it also investigates consumers' suspicion of sponsorship.

2.3 Suspected sponsorship (covert marketing) and blogger credibility

In general, many young consumers consider the independence of a blogger as crucial (Kelly *et al.*, 2010; O'Reilly and Marx, 2011). Moreover, consumers in general are becoming more aware and critical of product placements (Karrh *et al.*, 2003; Lee *et al.*, 2011). They may even suspect sponsored content in the case of genuine word-of-mouth, such as when a celebrity mentions a brand (Rotfeld, 2008). The consequences of the suspicion need further investigation because consumer reactions may differ from those in openly revealed sponsorship. This is particularly important because consumers read blogs in order to reduce transaction uncertainty (Hsu *et al.*, 2013), but this cannot occur if consumers perceive that a blogger is deceptive.

The perceived credibility of the source is believed to be a primary determinant of subsequent behaviour (Cwanepoel *et al.*, 2009) and has been linked to positive consequences, such as behavioural compliance and positive brand attitude (Chu and Kamal, 2008). Credibility is a perceived characteristic (Rieh and Danielson, 2007) and is situation specific (Francke *et al.*, 2011). For example, the credibility of tweets has been linked to the propensity to pass them on (Castillo *et al.*, 2013). Thus a blogger who makes a recommendation needs to be perceived as credible by his or her readers in the chosen context. Showing expertise is one way to assert credibility in online reviews and recommendations (Chiou *et al.*, 2014; Mackiewicz, 2010). In addition, bloggers can describe their persona and competence through the type of blog that they choose to write, such as on photography, food, gardening, or fashion.

Trust is an essential component of credibility (Rieh and Danielson, 2007; Rubin and Liddy, 2006), so covert marketing decreases consumer trust in the brand (Ashley and Leonard, 2009). Furthermore, trust has been shown to influence the usefulness

of blogger recommendations (Hsu *et al.*, 2013). Compared with online product reviews, bloggers reveal more about themselves. This means that unless they write under a pseudonym (Qian and Scott, 2007), bloggers are likely to care about their trustworthiness when writing recommendations. In general, blogs are perceived as trustworthy. For example, a study by Hostway (Armstrong, 2006) showed that 77 per cent of online consumers perceived blogs as good sources of information on products that they intended to buy.

Although preliminary studies have been undertaken to determine the effect of covert marketing on blogger and blog credibility (Chu and Kamal, 2008; Colliander and Erlandsson, 2015), further studies are needed because of previous counterintuitive results. The relationship between deception and consumer evaluation is not straightforward. Olson and Dover (1978) found that consumer evaluations of the taste of coffee in a trial were the same regardless of whether the consumer had been exposed to deceptive advertising or not. Furthermore, in a blog marketing context, it was suggested that Generation Y consumers would not be negatively affected regardless of whether the source of the promotion was disclosed or not (Cwanepoel *et al.*, 2009).

In fact, Colliander (2012b) found that disclaiming sponsorship had no effect on trust, brand attitude, or purchase intentions. Moreover, Campbell *et al.* (2013) found that a disclosure before the product placement had no negative effect on brand attitude, whereas disclosure afterwards lowered the attitude. The study included a covert condition without disclosure but did not measure whether the participants suspected firm sponsorship in this case. A measure of purchase intentions was also not included. In addition, another study showed a negative effect on blog credibility when deception was revealed (Colliander and Erlandsson, 2015). Since revelations of sponsorship seem to have a negative effect on consumers, it may be deduced that consumer suspicion of covert marketing will also have negative consequences for the credibility of a blogger, as well as for behavioural intentions, because it will be perceived as deceptive. Hence, we propose the following hypotheses:

- H1. When consumers suspect that a blogger is rewarded for recommending a brand (covert marketing), blogger credibility will be lower than when no brand is mentioned.
- H2. When consumers suspect that a blogger is rewarded for recommending a brand (covert marketing), behavioural intentions will be lower than when no brand is mentioned.

2.4 Overt sponsorship

Studies on the effects of overt company support have found a mixed but mainly negative effect on brand evaluations. Within the promotion knowledge framework, it has been shown that consumers who are aware of company support evaluate the brand more negatively than consumers who are not aware of the support (Wei *et al.*, 2008). In particular, the knowledge of support reduces the likelihood of purchasing less-known brands (Milne *et al.*, 2009) when consumers do not accept the support (Wei *et al.*, 2008).

Nevertheless, studies have also reported that knowledge of support need not have a negative effect on consumers, and it may depend on when the support is revealed. Support that is revealed before a brand is presented, instead of after, is viewed more positively (Campbell *et al.*, 2013). In addition, Colliander and Erlandsson (2015) found that the revelation by an outsider that a top-rank blogger had been paid to promote a brand had no effect on brand attitude or purchase intentions although it did have

a negative effect on credibility. A reason for these counterintuitive results may be that receiving company support is a sign of popularity and prestige. Hence, some blog readers may perceive covert support positively as boosting the image of the blogger, whereas others may perceive it as manipulative, thus causing perceptions of the blogger as biased and untrustworthy. Despite the mixed findings, based on the results of most studies, we expect that the effect of overt marketing on blogger credibility and consumer behavioural intentions will be negative in relation to a text with no brand recommendation:

- H3.* Overtly revealed sponsorship of a brand recommendation leads to lower blogger credibility than when no brand is mentioned.
- H4.* Overtly revealed sponsorship leads to lower behavioural intentions than when no brand is mentioned.

In addition, we propose acceptance of sponsorship as a moderating variable.

2.5 Acceptance of sponsorship

Importantly, consumers hold different opinions about the appropriateness of bloggers being rewarded, which affects consumer evaluation and behaviour (Wei *et al.*, 2008). Believing that it is acceptable for bloggers to receive company support can mitigate the negative effect of the brand recommendation on perceived credibility and behavioural intentions. We therefore propose the following moderating effects:

- H5.* Acceptance of blogger support reduces the negative effect of suspected covert marketing on blogger credibility and behavioural intentions.
- H6.* Acceptance of blogger support reduces the negative effect of overt marketing on blogger credibility and behavioural intentions.

3. Methods and results

An experiment was deemed appropriate for studying the causal effects of covert and overt marketing on consumer perceptions of blogger credibility and behavioural intentions. A food blog was chosen because they are among the most highly read (www.blogger.com, 2012), and similar to fashion blogs, they are often targeted by marketers (Cox and Blake, 2010). To increase the realism of the experiment, an authentic food blog text and recipe by a female student blogger in a neighbouring European country was chosen as the text to be manipulated in the experiment. The recipe for a Mediterranean-style pie was selected because it was easy to make and because the ingredients could be manipulated to reflect overt or covert marketing. Dairy products were chosen because all consumers are familiar with the product group. One of the two major manufacturers in the country was chosen for the manipulation. The chosen brand can be found in all national and local food retailers, with the exception of a bargain retail chain, which sells mainly private labels and is estimated to have a 6 per cent share of the market. Thus, the participants in the experiment were well acquainted with the “sponsoring” brand. The blog text resembled a direct printout from the blog.

Two conditions were created (described in Appendix 1). A between-subjects design was used for the experimental treatments of covert and overt marketing. A scale of blogger credibility was constructed, based on several sources (Haigh and Brubaker, 2010; Ohanian, 1990; Rubin and Liddy, 2006; Wu and Wang, 2011), and behavioural measures (adapted from Söderlund and Öhman, 2005) were created to fit the context of blogging (Appendix 2). The behavioural measures entailed both content-related

intentions, such as purchasing the ingredients, as well as blog-related intentions, such as revisiting intentions.

Under the covert marketing condition, the dairy ingredients (cheese, crème fraîche, and butter) were branded by adding a major dairy brand to the list of ingredients (e.g. “Brand” butter). However, the addition of the brand was only an indication of possible covert marketing because no mention of a sponsor was included in the blog text, which would presumably lead to the suspicion of covert marketing. In the overt condition, a manufacturer’s sponsorship text was added to the blogger’s introductory text, which stated that the blogger had received the ingredients from the manufacturer and been asked to use them. Consequently, the sponsorship was disclosed within the text, instead of exposing participants to a general warning before or after reading the text (Campbell *et al.*, 2013). A control group was included, in which the participants received only the original text and recipe without mentioning brands or including the manufacturer’s sponsorship text.

Pen-and-paper questionnaires, including the blog text, were randomly distributed to first- and second-year business students at a university. Students were considered an appropriate sample (Petty and Cacioppo, 1996; Webster and Kervin, 1971) because they form part of Generation Y, and, according to statistics, they are avid social media users and likely to read blogs. However, the regular reading of blogs was not a pre-requisite for participating in the study because anyone who searches for a recipe online might land on a food blog and encounter blog marketing. A manipulation check was used for the overt marketing condition: participants had to tick “yes” for a specific question if the blogger had received the manufacturer’s support. Six participants that ticked “no” were removed from the study. Seven respondents were removed because of incomplete answers. Thus, out of 141 distributed questionnaires, 128 were retained as complete.

3.1 Background statistics

Of the respondents, 48 per cent were women and 52 per cent men. The mean age was 21 years (range 19-30, SD = 2,153). Of them, 74 per cent read blogs at least sometimes and 45 per cent read food blogs. Because liking or not liking the recipe might affect the intended behaviour of making the pie and buying the ingredients, a control question about whether they liked the recipe was included, resulting in 71 per cent liking the recipe and 29 per cent not liking it. In the open space provided for an explanation of why they did not like the recipe, most wrote that they did not like olives or that they preferred a pie with meat. In both the experimental conditions and the control group, tests were performed to ascertain that there were no significant differences between the participants regarding the above variables. No relationship was found between the experimental conditions and liking the recipe (Pearson $\chi^2 = 2.566$, $p = 0.277$), reading blogs (Pearson $\chi^2 = 3.530$, $p = 0.740$), or gender (Pearson $\chi^2 = 0.150$, $p = 0.928$).

Factor analyses were performed on blogger credibility and intended behaviour. Credibility comprised two factors: competence (competent, qualified, and knowledgeable, $\alpha = 0.900$) and trustworthiness (honest, reliable, trustworthy, inspires trust, honourable, ethical, moral, sincere, integrity, believable, $\alpha = 0.969$). The item “expert” failed to load on any factor, which can be explained by the blogger not being portrayed as a culinary expert, but as a student for whom cooking is a hobby.

Intended behaviour was split into two factors: blog-directed action (would save the link, would want to read more of the blogger’s writings, and would like to know more about the blogger, $\alpha = 0.851$) and content-directed action (would recommend the recipe to

others, would talk about it, would save the recipe, would make the pie, would buy the ingredients, and would use the same ingredients, $\alpha = 0.880$).

Table I shows the number of participants in the treatment group who believed that the blogger was sponsored and the number of participants that accepted sponsorship. No relationship was found between believing the blogger to be sponsored and accepting that the blogger was sponsored (Pearson $\chi^2 = 0.011$, $p = 0.915$). For example, 58 per cent of those who believed that the blogger was sponsored and 59 per cent of those who believed that the blogger was not sponsored thought that bloggers need to say if they receive support from companies.

The table shows that 77 per cent of the participants in the covert marketing treatment with branded ingredients believed that the blogger was sponsored although no sponsorship was mentioned. In addition, 11 per cent of the participants in the control group, where no brand was mentioned, believed that the blogger was sponsored. This result is plausible because consumers may suspect that all blogs in a certain genre are sponsored in some way. Consequently, 39 participants, or 44 per cent of those who did not receive any explicit information on sponsorship, believed that the blog was sponsored. Based on this result, two options are available for studying the effect of covert marketing in this study. The first option would be to include only the participants in the covert marketing treatment (with branded ingredients) that suspected the blogger was sponsored, and placing those participants who did not suspect sponsorship ($n = 6$, 13 per cent) in the control group. The second option would be to add the six participants in the control group who suspected covert marketing although no ingredients were branded in the blog. To control for possible differences in the results, we studied both.

3.2 Hypothesis testing

First, the main effect of the experimental conditions on blogger credibility and intended behaviour were tested with one-way ANOVA, without considering the participants' suspicions that it was covert marketing. In other words, we tested, all else being equal, the effect that mentioning brands (potential covert marketing) or mentioning brands and declaring sponsorship (overt marketing) has on consumers. Homogeneity of variance was ascertained between the conditions for all four dependent variables (two dimensions each of credibility and behavioural intentions). The results are displayed in Table II.

No main effect of the treatments was found against perceived blogger credibility (competence and trustworthiness), which meant that $H3$ was rejected. However, there was a main effect on consumers' behavioural intentions towards the blog (blog-directed action, $F(df\ 2) = 4.600$, $p = 0.012$), and on the behavioural intentions related to the

Treatment	<i>n</i>	Belief of sponsorship: believes that the blogger is sponsored	Acceptance of sponsorship: thinks that bloggers need not reveal being sponsored
Control group	45	5 (11%)	18 (40%)
Covert marketing (branded ingredients)	44	34 (77%)	21 (48%)
Overt marketing (branded ingredients and firm support)	39	39 (100%)	14 (36%)
Total	128	79 (62%)	53 (41%)

Note: All percentages are calculated from the total number of observations in each treatment group

Table I.
Belief and
acceptance of
sponsorship in the
treatment groups

Table II.
Univariate analyses
of the effects
of suspected covert
marketing and
overt marketing on
blogger credibility
and behavioural
intentions

	Control group $n = 45$	Covert marketing ^a Branded ingredients $n = 44$	Overt marketing Branded ingredients and firm support $n = 39$	F -value (p -value)
<i>Credibility</i>				
Competence	4.07	3.98	3.73	0.702 (0.497)
Trustworthiness	4.23	3.91	4.10	0.541 (0.583)
<i>Behavioural intention</i>				
Blog-directed	3.42	3.14	2.47	4.600 (0.012)
Content-directed	3.90	3.66	3.06	4.221 (0.017)

Note: ^aIncludes all the participants in the covert marketing condition, both those who suspected and did not suspect that the recommendation was, in fact, sponsored by a firm

content in terms of spreading word-of-mouth and purchase intentions (content-directed action, $F(df\ 2) = 4.221, p = 0.017$). The behavioural means showed a downward trend from the control group ($M_{blog-directed} = 3.42, M_{content-directed} = 3.90$) to the covert ($M_{blog-directed} = 3.14, M_{content-directed} = 3.66$), and the overt marketing conditions. ($M_{blog-directed} = 2.47, M_{content-directed} = 3.06$). *Post hoc* tests using the Bonferroni adjustment revealed that the only significant differences which existed between the control group and the overt marketing condition were for blog-directed action ($p = 0.011$) and content-directed action ($p = 0.017$), which supported *H4*.

The second analysis aimed to test whether consumers react negatively to suspected covert marketing (*H1* and *H2*). Because some participants in the control group believed that the blog was sponsored, and some participants in the covert marketing group believed that the blog was not sponsored, the observations were reallocated according to sponsoring beliefs. Thus, the new control group included only the study participants who believed that the blog was not sponsored, and the new covert marketing group included all participants who suspected the blog was sponsored. A one-way ANOVA was performed on the data set ($n = 113$) and the results were significant only for the behaviour variables: blog-directed action ($F(df\ 2) = 4.681, p = 0.011$) and content-directed action ($F(df\ 2) = 4.044, p = 0.020$).

A test of individual differences using the Bonferroni adjustment showed significant differences only between the overt condition ($M_{blog-directed} = 2.47, M_{content-directed} = 3.60$) and those who suspected covert marketing ($M_{blog-directed} = 3.34, M_{content-directed} = 3.67$), as well as the control group ($M_{blog-directed} = 3.37, M_{content-directed} = 3.86$). Thus, *H1* and *H2* were rejected. The means are displayed in Table III.

Combined, the results showed that there was no effect from covert marketing on the credibility of the blogger (*H1*) or on the intended behaviour (*H2*). Furthermore, there was no effect from overt marketing on blogger credibility (*H3*), whereas overt marketing did show a negative effect on behavioural intentions (*H4*). In addition, although it was not hypothesised, the results showed that overt marketing has a more negative effect on behaviour than suspected covert marketing.

Because the behaviour of blog readers may be affected by the acceptance of blogger sponsorship, a MANOVA was performed to study the interaction effect between the

treatments and the acceptance of support, regarding the dimensions of credibility and behaviour. The reduced data set ($n = 113$) was used for the analysis, which separated a control group with no sponsorship belief, a covert marketing belief group, and the overt marketing group. The results showed that 43 per cent of the reduced set accepted that bloggers get support and thought that bloggers do not need to relay this information to readers. The number of observations in each category (treatment \times acceptance) varied between 14 and 25. Equality of the covariance matrices was ascertained with BoxM for credibility ($F = 1.236, p = 0.236$) and behaviour ($F = 1.281, p = 0.204$). No interaction effects were found; thus, *H5* and *H6* were rejected. The results are summarised in Table IV. As previously reported, the between-subject treatment effects were significant for both blog-directed action ($F = 4.138, p = 0.019$) and content-directed action ($F = 5.356, p = 0.006$).

3.3 Additional tests

Because consumer perceptions of credibility increase with the usage of a medium (Johnson and Kaye, 2004), consumers who are familiar with blogs may find them more credible than do consumers who do not read blogs. This was tested in an additional analysis by adding the participants' readings of blogs (yes/no) as a covariate to the equation, including treatment, acceptance of support, and the interaction between these. Blog reading, in general, had no effect on perceived blogger credibility, but it did affect intended behaviour. In the model explaining content-directed action ($F(df\ 6) = 4.901, p = 0.000$), blog reading was the only significant determinant ($p = 0.000$, observed power = 0.975), whereas the other variables were rendered insignificant. For blog-directed action ($F(df\ 6) = 3.835, p = 0.002$) the main effect of the treatments remained marginally significant ($p = 0.080$), whereas blog reading was highly significant ($p = 0.003$, observed power = 0.859). In addition, a one-way ANOVA was performed on a single statement concerning the perceived ethicality of the blogger. No difference in perceived ethicality was detected between the treatments ($F = 0.473, p = 0.701$).

Table III.
Univariate analysis of the effect of suspected covert marketing (only those who expressed belief that it was firm-sponsored) and overt marketing on blogger credibility and behavioural intentions

	No suspicion of firm sponsorship $n = 39$	Suspicion of covert marketing $n = 34$	Overt marketing $n = 39$
<i>Credibility</i>			
Competence	4.07	4.04	3.73
Trustworthiness	4.26	3.94	4.10
<i>Behavioural intention</i>			
Blog-directed	3.37	3.34	2.47 ^a
Content-directed	3.86	3.67	3.06 ^b

Notes: ^aDifferent from the control group at $p = 0.037$ and from covert marketing at $p = 0.023$; ^bdifferent from the control group at $p = 0.022$

Table IV.
The moderating effect of acceptance of support on behavioural intentions

Dependent	Multivariate F Wilks' λ	p -Value	Observed power
<i>Behaviour</i>			
Treatments	2.890	0.023	0.775
Acceptance of support	1.465	0.236	0.307
Treatment \times acceptance	1.050	0.382	0.328

4. Discussion

Because the results of previous studies were contradictory, in this study we investigated young consumers' reactions to overt and suspected covert brand marketing in food blogs.

4.1 Theoretical implications

The study makes three important contributions. First, it answers the general call for research on consumer reactions to covert and overt marketing tactics. Second, it contributes to the research on blog marketing by studying a case of suspected covert marketing where a blogger recommends a brand in their blog. In other words, the blog readers are not certain whether the blog is sponsored or not. This is the most common situation in real life, whereas previous research has revealed that the blog marketing was covert to the study participants. Third, the study adds knowledge about young consumers' reactions to recommendations in blogs.

The results showed that overt blog marketing, that is, blog postings that revealed the sponsorship of the recommended brand, had negative effects on young consumers' purchasing behaviour and intentions. Surprisingly, neither covert nor suspected covert marketing led to negative behavioural intentions. In fact, suspected covert marketing had the same effect on consumers' intentions as no brand recommendation did. Similarly, suspected covert or overt marketing did not influence blogger credibility. Furthermore, young consumers' acceptance of blogger sponsorship had no moderating effect on the relationship between covert or overt blog marketing and perceived blogger credibility or intended behaviour. Our results showed that neither covert nor overt marketing affected the blogger's credibility (*H1* and *H3*), which is in line with Colliander (2012a, b), who found no effect from disclaiming sponsorship on blog trust. However, it contradicts the results of Colliander and Erlandsson (2015), who found that when an outsider revealed the blog as sponsored, there was a negative effect on blogger credibility, measured as trust. Thus, the relationship between brand recommendations and blogger credibility seems complex. Because no study has exactly replicated a blog, including the type of blog, product, and disclosure, as well as the demographics of the participants and their relationship with the blogger, it is difficult to determine the extent to which each of these factors affected the results. Although covert marketing is misleading, it is more harmful before consumers make the first purchase than when it is directed at consumers who have previous experience of the product (Milne *et al.*, 2008). Hence, recommending mundane products, such as dairy ingredients, may not have the same effect as recommending fashions, where consumer engagement with brands could be expected to be higher.

Nevertheless, it would be surprising if blogger credibility in general were not affected by suspected covert marketing or other deceptive behaviours. Source credibility has been deemed important in all media communication, not only in journalism. Moreover, within marketing, trust is desirable because it influences customer satisfaction and loyalty to online services (Grabner-Kräuter and Kaluscha, 2003; Gummerus *et al.*, 2004; Harris and Goode, 2004; Papadopoulou *et al.*, 2001; Ribbink *et al.*, 2004; Urban *et al.*, 2000), and it strengthens customer relationships (Johnson and Grayson, 2000; Liljander and Roos, 2002). Much less research has been conducted on consumer distrust (Darke and Ritchie, 2007), and it is possible that only the perception of being deceived and losing trust in a previously trusted blogger would affect blogger credibility. Parallels can be drawn with the findings of Lawrence *et al.* (2013), who found that the trustworthiness of consumer-generated ads was not diluted by the eventual profit seeking of the creator.

The results of the present study revealed that young consumers are fairly suspicious of online brand recommendations, and they suspect bloggers of being sponsored even when no recommendation is made. This may indicate that these consumers are well informed about many covert marketing tactics and may well know that popular bloggers in some genres, such as food blogs, often attract sponsors. Well-publicised online deceptions may also make covert brand recommendations seem a mild form of deception that does not affect blogger credibility but does affect the consequent intended behaviour. Many consumers have been deceived by internet marketing (Joinson and Dietz-Uhler, 2002), and research is needed on how online consumer behaviour changes, based on types of deceptions other than covert marketing. For example, recent incidents have exposed people who seek monetary rewards and emotional support by creating a fictive personal tragedy in a blog (e.g. Pfeiffer, 2012) or by writing dubious online book reviews of their own and other authors' works (Hough, 2012; Jamieson, 2010). Typically, such deceptions have been exposed by people close to the blogger, instead of by readers of the blog.

Suspected covert marketing did not show a negative effect on behaviour. This effect did not differ from the control group. This finding indicates that young consumers are used to brand recommendations online and are able to filter information, especially if no deception is apparent or if the products are of little value. Overt marketing, however, was found to reduce the consumers' interest in the blog as well as their intentions to respond to the content in terms of making word-of-mouth recommendations or using the recipe with the suggested ingredients. The results can be interpreted to show that consumers oppose blogger sponsorship, or they protest at the recommendation not being genuine. In light of the other results, particularly the non-significance of the acceptance of support as a moderator, we believe that the consumers reacted against the brand recommendation as not being genuine word-of-mouth, instead of against sponsorship. When young consumers look for recommendations online (Kelly *et al.*, 2010), they seek genuine recommendations, based on the content generator's own choice. Hsu *et al.* (2013) also reported that consumer trust in the truthfulness of blogger recommendations influenced the perceived usefulness of the produce and the behavioural intentions of the consumer.

Importantly, overt marketing could also be genuine if a blogger has sought out relationships with companies that produce exactly the products that the blogger admires and prefers. However, if the blog marketing text reveals only who sponsored the recommendation, without revealing if it is also the blogger's choice, the readers' reaction might be negative. A similar interpretation was provided by Colliander and Erlandsson (2015) who speculated that if the consumers believed the recommendation was genuine, a subsequent revelation of covert marketing would not negatively affect brand attitude or behavioural intentions. Hence, we suggest that in future studies of covert and overt marketing, a measure of the perceived genuineness of the blogger's recommendation should be added as an explanatory factor.

Generation Y consumers are experienced online media users, and many of them regularly read blogs. The additional analysis showed that reading blogs was a strong explanatory variable of intended behaviour. As blog readers, they are likely to be familiar with blog marketing in its different forms, including product recommendations. Thus, reading blogs, *per se*, might provide consumers with blog marketing experience, which helps them filter the relevance of brand recommendations from other blog content. In the case of food blogs, the readers may have learned to differentiate the main message of the blog – successfully preparing the food – from the recommended brand ingredients. Future studies could determine whether the results are moderated by factors, such as the

consumers' cooking experience, self-assurance, perceived risk, or risk avoidance. The fact that many supermarket chains market their privately labelled brands as the ingredients of recipes may have led consumers to ignore overt brand suggestions. Hence, another useful topic of research would be to study the extent to which consumers' perceptions of variations in brand quality affect their responses to covert and overt brand recommendations.

Finally, it was interesting that we found no relationship between the treatments and the perceived ethicality of the blogger, which indicates that young consumers indeed accept brand recommendations in blogs, whether covert or overt. This finding also indicates that further studies are needed to investigate the ethicality and acceptability of covert marketing in blogs and other social media, from the perspectives of both policy (Martin and Smith, 2008; Sprott, 2008) and consumers. Comparative studies might detect cultural differences in the perceived ethicality of bloggers and blog marketing activities since factors such as individualism and collectivism affect consumers' awareness of and responses to ethics in commercial contexts (Gajendra and Wang, 2014). However, other cultural factors may affect blog marketing content as well as consumer perceptions of content credibility and deception. Hence we concur with King *et al.* (2014), who call for studies on consumers' e-WOM information processing in different cultures. Consumers' perception of the ethicality of a brand recommendation should be studied for all online forums where such messages are widely available.

4.2 Managerial implications

The results of the present study showed that young, well-educated consumers are only weakly affected by blog marketing and that they react negatively only to overt revelations of sponsorship as the reason for recommending a brand. However, the results were encouraging for firms in that consumers who read blogs were more influenced by blog marketing than those who did not read blogs, both with regard to content-related behaviours, such as buying the ingredients mentioned in the recipe and recommending the recipe to others. Hence, our findings have implications for bloggers and their sponsoring companies, as well as for policy makers.

The results suggest that blog readers are open-minded regarding product recommendations and that a blogger's credibility would not be affected by revealed or suspected sponsorship. Overt marketing, however, led to lower interest in the blog and to lower intentions to purchase and make word-of-mouth recommendations. Despite our findings of the negative effect of overt marketing on behaviour, we recommend that bloggers always reveal sponsorship, because it allows consumers to decide how it affects their evaluation of the recommendation and their consequent behaviour. A blogger who accepts sponsorship should be willing to reveal it, not intentionally hide it and not risk the consequences of perceived deception. Instead, attention should be paid to how the sponsorship is revealed, and the blogger should aim to present sponsorship in a positive light so that it does not detract from the blogger's integrity or from the sincerity of the recommendation.

From a company perspective, the results indicate that the behavioural effects directed towards the recommended brand may be minimal or at least require close inspection. It also must be noted that the possible effects of marketing on brand awareness were not investigated in our study. Therefore, further studies are needed to investigate the unique and additive effects of blogs on consumer behaviour (cf. Ko *et al.*, 2008; Onishi and Manchanda, 2012).

With the decrease in traditional TV and print advertising and the increase in online marketing, policy makers have started to take an interest in blogs. However, covert marketing disguised as user-generated content has been perceived as particularly problematic. Examples include bloggers that display pictures of branded products (e.g. clothes, accessories, and cosmetics) as if they were the blogger's own possessions, whereas in reality the products were chosen by a sponsoring company. Because there has been a downturn in the revenue of traditional media, traditional media have called for restrictions to the growth of marketing through social media. For example, journalists have repeatedly pointed out negative aspects of blog marketing. In Finland, the association for marketing has proposed new guidelines for marketing in blogs. These guidelines led to an immediate outcry from bloggers, who wondered why they needed to insert tobacco-like warnings into their blogs, while traditional magazines could include an increasing amount of covert marketing disguised as journalistic content. Examples of the proposed guidelines state that product presents should be declared as follows: "the espresso maker in the picture was received from business partner Z". Another example of competitions requires that the blogger state the following at the end of the text: "Pictures and food ingredients were received from X and Y. Product presents were received from X", instead of "This competition was realized together with sponsors". These are examples of overt marketing, which vary only in the degree of openness regarding the name of the sponsor(s). Moreover, the sponsor can often be deduced from the recommended brand. Based on the results of our study and related studies, we conclude that the effect on blog readers of mentioning or not mentioning the company may be negligible, if sponsorship is otherwise declared. However, further studies might find other results. Before regulators declare new policies and guidelines, it would be wise to conduct further studies with additional experiments to ascertain whether the suggested differences in declarations of sponsorship would truly lead to the intended effects.

4.3 Limitations and further research directions

In addition to the research suggestions posed in the above discussion section, in this section we summarise the limitations of our study and provide some additional recommendations for research.

The present study has some limitations that may have affected the results. First, only one study was conducted on one type of blog, and the study included only Generation Y consumers. It must be recognised that the sample was small and does not represent a random selection of young consumers in the market. Therefore, more extensive studies are needed to generalise the results to a larger population. Our study was cross-sectional and the participants were university students, whose behaviour may differ from consumers with other educational backgrounds. University students have been deemed suitable participants in studies of blogs also because a large part of blogs are upheld by people aged 20-24 (Yang *et al.*, 2014). Like other young consumers, they have grown up using the internet and social media and thus may not react to blog marketing in the same way as older generations do. It is possible that important differences in reactions to blog marketing could also be found between different groups of young consumers. To detect the boundaries where covert and overt blog marketing have positive or negative effects on blog readers, more information is needed regarding the effects of demographics, social media experience, the type of blog, the type of product, the type of blog sponsorship and recommendation, as well as the effects of psychological factors, such as attitudes towards the blogger, attitudes towards blog sponsorship, consumer engagement in the blog, and involvement with the

product. Furthermore, consumer reactions to covert and overt recommendations may vary for products with low vs high perceived economic, physical, or psychosocial risks.

We cannot say whether the lack of effects of covert and overt marketing on blogger credibility and the lack of effects of suspected covert marketing on behavioural intentions are characteristic of Generation Y only, or whether they would be found in other generations. Growing up with technology may have made young consumers more trusting of user-generated media. Alternatively, they could be equally distrusting of it and display the same levels of trust/distrust across all online product recommendations. To investigate this possibility, different age cohorts should be compared in the same study. Since distrust was not measured as a separate dimension, future studies could investigate differences in trust and distrust between consumer groups, taking into account several factors, such as age, technology, and social media experience. Trust may be a characteristic that develops in either direction, according to age and experience.

Second, the results may have been affected by the participating consumers not having a previous relationship with the blogger. A recent study (Hsu *et al.*, 2014) demonstrates that blog readers' satisfaction with the information and social exchange in the blog directly affects their attitudinal loyalty to the blog, which has a positive impact on behavioural loyalty. Satisfaction with the information was directly related to the expert knowledge and experience of the blogger (cf. Chiou *et al.*, 2014). We know of no studies in which the length and strength of the reader-blogger relationship was taken into account when investigating the effects of blog marketing on perceived credibility or deception. An established relationship may lead to forgiving the blogger for not being entirely honest or lead to suspicion of the blogger's honesty. Previous research showed that customer relationships foster trust, which can mitigate consumers' responses (Tax *et al.*, 1998). Since most blogs allow commenting and contact, consumers can interact directly with the blogger and thereby are able to question the blogger's marketing activities if they are suspicious. In fact, blog readers often question blogger's recommendations in posted comments, and such postings may lead to the discontinuation of the blogger's relationship with the sponsor. This possibility of interacting with the blogger might mitigate the negative effects of a suspected deception.

Third, our study investigated the covert and overt marketing of a well-known brand. Previous studies have shown that consumers react differently to the covert online marketing of weak vs strong brands when tactics are openly revealed (Milne *et al.*, 2009). Hence, in blogs, the differences in perceived credibility and behavioural intentions between covert and overt marketing may be larger if the brand is unknown. Nevertheless, factors other than the brand are likely to affect the results. Influential bloggers, such as A-list bloggers (Ko, 2012), can market an unknown brand and make it a coveted product. Thus, the popularity of a blogger and consumer involvement in the product, or product category, could likely affect the intended behaviour. This factor also needs further investigation.

Fourth, the study included low-risk, low-involvement dairy products, which may have reduced the influence of covert vs overt marketing on credibility and behavioural intentions. With particular regard to high-involvement products that are important for a consumer's self-image, such as fashion, covert marketing might be far less accepted than our results showed. Researchers have suggested that consumers may particularly value electronic word-of-mouth service experiences (Reichelt *et al.*, 2014), which should be studied further. It is also possible that links to other sources corroborating or conflicting the marketing message influence consumer responses. For example Wang *et al.* (2014) identified blog linkage quality as one dimension of user satisfaction. In addition companies

are increasingly using mashups that link different internal and external sources to create relevant and timely content (He and Zha, 2014), and similarly, bloggers could co-operate with companies by offering their readers marketing content pooled from other parties. However, it would be necessary to study how consumers react to such activities.

Finally, the current study did not include different ways of declaring sponsorship. It is possible that the negative effects of overt marketing could be mitigated by the presentation of the brand or product. Future studies could test consumers' reactions to different kinds of sponsorship, as well as to its presentation. It would be worthwhile to investigate how a blogger's general declaration of a sponsorship policy, in addition to specific recommendations, would affect readers.

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Appendix 1. Description of the treatments

The blog text is freely translated from the original.

Control condition: plain text

I have always been a periodic eater. When I stick to something I'm truly stuck. I have had periods when I have principally eaten the same porridge for breakfast every morning for more than one year, eaten one sort of bread, or spread, and eaten salmon with everything. Now I am into pies. Yesterday, I made this pie with wonderful Mediterranean influences. It was spot on! It became so delicious and creamy, one of the best pies I have eaten – and then I have to add that it is, in fact, completely vegetarian! I'm otherwise a real meat eater, who usually thinks that something is missing when there is no meat/fish/bird in it. But not this one ... If you like the combination of feta cheese, sundried tomatoes and olives, I really think that you should test this pie. I promise that you will not be disappointed!

(Suspected) covert marketing condition: branded ingredients

In the branded ingredients condition, the text was the same as above, but the following ingredients were clearly branded: "Brand" butter, "Brand" feta cheese, "Brand" mixed cheese, and "Brand" crème fraiche.

Overt marketing condition: manufacturer sponsorship mentioned

All were the same as above, except for this addition to the text: "Yesterday, I made this pie with wonderful Mediterranean influences, which [Manufacturer inserted] gave me the ingredients for".

Final constructs based on principal component and scale reliability analysis

Semantic differential scale 1-7

Competence
 $\alpha = 0.900$

My perception of the blogger is that she is:

Not an expert/expert^a

Not experienced/experienced^a

Incompetent/competent

Unqualified/qualified

Not knowledgeable/knowledgeable

Dishonest/honest

Unreliable/reliable

Untrustworthy/trustworthy

Does not inspire trust/inspires trust

Not honourable/honourable

Unethical/ethical

Immoral/moral

Insincere/sincere

Low integrity-high integrity

Not believable/believable

Trustworthiness
 $\alpha = 0.969$

I would (1-7 point Likert like scale):

Likely make the pie

Likely buy the ingredients mentioned in the recipe

Use exactly the same ingredients as mentioned in the recipe

Talk about the recipe with other people

Recommend the recipe to others

Save the information from the recipe

Save a link to the blog

Like to read more recipes from the same blogger

Like to know more about the blogger

Behavioural intentions
Content-directed
($\alpha = 0.880$)

Blog-directed
($\alpha = 0.851$)

Table A1.
Dependent measures
and final constructs

Note: ^aRemoved after factor analysis

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