Abstract

The growing scholarship on native advertising indicates that advertising recognition often leads to audience resistance of the persuasive messages. The current research conducts two national online experiments examining the impact of advertising relevance and brand relationship strength on native advertising outcomes on Twitter at low and high disclosure levels. Study findings indicate that both perceived relevance and brand relationship strength have the potential to limit audience resistance to the native advertisement.
Introduction

As advertisers look to cut through the clutter of traditional and other digital advertising formats, native advertising gained considerable traction in recent years. Native advertising is “the practice by which a marketer borrows from the credibility of a content publisher by presenting paid content with a format and location that matches the publisher’s original content” (Wojdynski and Golan 2016, p. 1403). eMarketer (2017) projects native ad spending to reach $28.2 billion in the U.S. in 2018 accounting for over half of all digital display ad spending and up 75% from 2016 levels. Native ads offer publishers higher-value, more mobile-friendly inventory to boost diminishing ad revenues while providing brands with more engaging, less intrusive ads (Benton 2014; eMarketer 2017).

The rise of native advertising, however, has concurrently been met with concerns over the extent to which the format’s effectiveness is owed to a lack of recognition by consumers that the content is indeed advertising (e.g. Wojdynski and Evans 2016). Indeed, the Federal Trade Commission (FTC; 2015) addressed its own concerns about the potential deceptive and unfair nature of native ads by releasing a guide for businesses outlining when and how to disclose that native content is advertising. It is not surprising, then, that the bulk of early native advertising research has focused on ad recognition through disclosure language and positioning and effects on resulting attitudes and behaviors (Evans et al. 2017; Nelson, Wood, and Paek 2009; van Reijmersdal et al. 2016; Wojdynski and Evans 2016; Wojdynski et al. 2017).

To date, research sparsely examines other variables associated with native ads that likely influence effectiveness alongside advertising disclosures. Specifically, advertising relevance, content authorship, and the brand featured in the ad could strongly impact native advertising outcomes. Sweetser et al. (2016) report that perceive utility may lead to more positive attitudes toward native ads. Viral advertising studies have shown that the referrer of the branded content as well as the brand itself can also influence
assessments of the content and decision making (Hayes and King 2014; Hayes, King, and Ramirez 2016; Shan and King 2015). As each of these variables exhibit the potential to reduce consumer resistance to native ads’ persuasive intent, it is important to understand how these factors may interact with one another and disclosure effects to influence native advertising appraisals and outcomes.

Another area in need of attention is the potential use of native ads to market otherwise restricted products such as over-the-counter drugs (OTCs). According to the Consumer Healthcare Products Association, for example, 14 states have banned the sale of OTC cold and cough medications (e.g., Nyquil) to minors due to widespread abuse of the drugs for reasons other than intended by the Food and Drug Administration (Consumer Healthcare Products Association 2018). While Twitter ad policies restrict content across a variety of areas including prescription pharmaceuticals, over-the-counter drug ads are permitted in the U.S.; further, Twitter allows marketers to specify age targets but does not monitor the ages of promoted tweet recipients (Twitter 2018). Concurrently, pharmaceutical companies are increasingly employing social media advertising to promote products due to increased pressure on sales margins and lower cost of online ads (Pejic Bach et al. 2013; Roblek 2015). The ability of products such as OTCs to harm users when not properly used exacerbates the possible negative impact of native ad deception.

Present research begins to address these gaps by examining the effects of disclosure, content authorship, advertising relevance, and brand relationship strength on attitudinal and behavioral native advertising outcomes in the context of OTC cough medicine ads on Twitter. Two online experiments are conducted using national samples of active Twitter users ages 18-34. Theoretical and practical implications are discussed.
OTC Advertising & Native Advertising

OTC medications are those that have been approved as safe for use by consumers without the need for a physician’s prescription. OTCs most often treat “self-limiting” conditions in consumers, meaning that there is an ailment present that can run a limited and definitive course (DeLorme et al. 2010). The OTC industry’s regulation is within the purview of the Federal Trade Commission (FTC). The primary tenant of the FTC’s position on OTC advertising is that such ads should be truthful, not misleading to consumers, and all claims must be substantiated (Federal Trade Commission 2001).

As advertising serves as a source of information for consumers in making purchasing decisions, the investigation of ad effectiveness for the OTC product category presents an important area for inquiry, as the ads can have multiple outcomes for consumers (Farris and Albion 1980). The advertisement of nonprescription medicines may have positive outcomes such as educating consumers on new health conditions and treatment options, but can also pose risk in that they may influence the use of inappropriate remedies, increased overall drug costs, or position medication treatment regimens as superior to simpler, more cost-effective lifestyle changes (Hunt 1998; Faerber and Kreling 2012; Applequist 2016).

Over past decades, advertising has served as a key marketing tactic for OTC medications in their engagement of current and potential customers. While the lucrative nature of the pharmaceutical industry has merited heavy research focus, it is important that OTC advertising research be given the same credence, as OTC medications are often the preferred first line of treatment for both health care providers and consumers. One Nielsen study found that 3 out of 4 primary care physicians reported recommending an OTC treatment before a prescription, and two thirds of consumers reported preferring an OTC medication when available instead of a prescription (Nielsen and IMS 2013). As such, the OTC industry is one that can stand on its own in terms of revenue and consumer desire. OTC advertising spending
toted $514 million for television alone in 2015, with individual products such as Aleve spending as much as $75 million in one year (Snyder Bulik 2016).

Due to pressure on sales margins and the lower cost associated with online ads, the healthcare industry shifted advertising budgets toward social media platforms in recent years (Roblek 2015) leading advertising scholars to expand their focus to include digital media (Greene and Kesselheim 2010; Kim 2015; Mackey, Cuomo, and Liang 2015; Liang and Mackey 2016; Fogel and Adnan 2018). Yet, despite this shift, research on OTCs is scant when compared to DTC advertising (DeLorme et al. 2010).

Whereas most other advertised products pose relatively little risk upon use (e.g. body washes, beauty products, packaged foods), the area of advertised medicinal intervention, particularly that which is controlled solely by the consumer without the need for a doctor’s prescription, should be investigated as there an increased risk for negative impact on consumers when considering OTC medications.

**Native Advertising**

Recognizing the overabundance of marketing content, along with diminished audience attention to traditional advertising, marketers are now turning to native advertising as a key tactic. Native advertising tactics go beyond the long-standing formats such as advertorials, to also include sponsored social media posts on Facebook, Twitter, and Instagram, along with sponsored links. Due to native ads’ similarity in format to that of the publisher’s organic content, many critics raised concern about audience ability to discern the two apart (Wojdynski and Evans 2014; Wojdynski 2016).

Particularly in the domain of native advertising, when what can be viewed as deceptive practices toward the consumer are concerned, OTC medications present a unique opportunity for analysis. While the FTC requires that OTC ads be truthful and not misleading for consumers, there are no further restrictions on OTC ads in the context of native advertising, making such ads permissible. However, while certain OTC medications are kept behind the pharmacist’s counter and require that a consumer be
18 or older to purchase (e.g. Nyquil, Sudafed, etc.), the native advertisements for such products have no age restriction. Thus, research is needed to determine the ways in which native advertisement of such “restricted” OTC medications impacts a consumer’s attitude toward the brand and intent to purchase.

Early studies on native advertising focused on the advertorial section of the newspaper (e.g, Brown and Waltzer 2004). Many of the early studies found that despite clear labeling as advertorials, readers did not differentiate between these paid sections and the newspaper editorial content (Kim et al. 2001). A review of early literature on native research from past decades indicates that this line of scholarship received limited attention from mass communication scholars (Cooper and Nownes 2004). However, the diffusion of social media platforms created a renewed interest in this once limited research as scholars aim to not only define native advertising as a phenomenon but also understand audience recognition and processing, along with the ethical and practical consequences of using native advertising for both brands and organizations (Carlson 2015; Schauster et al. 2016; Sweetser et al. 2016).

**Native Advertising Disclosure**

Key to the very definition and function of native advertising is the innate similarity between the advertisement and the publisher’s organic content. To this end, the FTC requires marketers to clearly identify native ads as such. However, scholarship points to a persistent disclosure problem where audiences continuously mistake native ads as publisher content (Amazeen and Muddiman 2018; Wojdynski 2016). A potential shortcoming of FTC guidelines is the lack of a clear standard for native ad disclosure. Across social media and publisher platforms native advertisements are labeled in many different ways using such language as “Advertising section”, “Advertorial”, “promoted”, “paid for by”, “sponsored”, and “partner content”. As such, audiences who are continuously exposed to an ever-changing disclosure standard in both terms of disclosure language (Einstein 2016; Evans et al. 2017) and visual presentation (Kim and Hancock 2017; Wojdynski and Evans 2016) are often left confused and
unable to correctly discern native content from organic content (Lazauskas 2014; Amazeen and Wojdynski 2018).

Audiences’ ability to differentiate between native and non-native content is significant not only due to the ethical, social, and democratic consequences of media literacy, but also due to the potential negative consequences that perceived non-disclosure may have on audience evaluations of brands and consequential outcomes. A review of recent native advertising scholarship points to the persuasion knowledge model (PKM; Friestad and Wright, 1994) as a salient theoretical framework for contextualizing the native advertising disclosure debate. As predicted by PKM, individuals’ previous exposure or collective perceptions of advertising will moderate their interpretation, evaluation and response to the persuasive content. As such, scholars found that recognition of persuasive content can lead to diminished advertising credibility (Friestad and Wright 1994; Moore and Rogers 2005), and lead to overall negative advertising and brand consequences (Nelson, Keum and Yaros 2004; Boerman, Reijmersdal and Neijens 2012).

Building upon the PKM literature, several native advertising scholars predicted and supported a relationship between the recognition of native advertisements (in high disclosure formats) and negative advertising consequences (e.g., Tutaj and van Reijmersdal 2012). Wojdynski and Evans (2016) found that recognition disclosure language of native content on new websites negatively impacted attitude toward the company (brand), perceptions of the native content, and reshare intention. Other studies report similar findings in the context of native advertising via blogs (van Reijmersdal et al. 2016), Instagram (Evans et al. 2017), and Facebook (Boerman, Willemsen, and Van Der Aa 2017). While no research to date has examined native advertising in the Twitter setting, we expect similar results; hypothesis 1 is proposed:

HI: Exposure to an advertising disclosure will negatively impact advertising outcomes.
Advertising Relevance and Brand Relationship Strength
Limits Disclosure Effects of Native Ads on Twitter

Advertising Relevance in Native Ads

Despite the fact that individuals tend to assess advertisements as socially undesirable due to their persuasive nature (Gunther and Thorson, 1992), ad recognition does not automatically lead to total and complete rejection of its content. A wide body of research points to perceive advertisement involvement, value, utility and/or relevance as significant predictors of positive ad evaluations (Park and Young 1986; Zaichkowsky 1994; Houston and Walker 1996). As argued by Aaker and Stayman (1990), the informative nature of advertising is the most meaningful predictor of overall ad likeability and brand attitudes. As made evident by several studies, personal relevance (or involvement) of message content is an important determinant of persuasion outcomes (e.g., Petty and Cacioppo 1981).

While media scholars continued to examine the role of personal relevance in subsequent decades, relevance would emerge as one of the primary factors shaping the advertising industry during the past decade. The diffusion of social media platforms along with location-based marketing brought the issue of perceived relevance to the forefront of advertising. As programmatic media buying allows marketers the ability to deliver advertising to consumers based on search and web traffic history, relevance has now become the key currency in the advertising industry (Pearson 2016). As such, those who perceive advertising information to be of high personal relevance or value will likely reduce their resistance to the ad’s persuasive intent (Jung 2017) and yield more favorable evaluations of the brand (Ducoffee and Curlo 2000; Campbell and Wright 2008).

In an ever-evolving, and often self-regulated social media ecology, the lines between editorial and marketing content can seem at times indistinguishable, allowing a fertile space for native advertising practices. Sponsored content platforms such as BuzzFeed provided an industry proof of concept that would later lead to native advertising divisions within more established media publishers as the Huffington Post, Forbes Magazine, and even Time. Despite clear labeling and disclosures indicating that
articles are written by corporations, audiences regularly consume native advertising. One reason for such audience interest may be the lack of ad recognition as widely supported in the literature (e.g., Evans et al. 2017). Another explanation is that audiences do not mind the consumption of sponsored content when they perceive the information in the native advertisement to be of high relevance to their lives.

This hypothesis was tested in a recent study by Sweetser et al. (2016). The authors argued that native advertisements that contain high content utility (relevance) can lead to favorable relational outcomes. Their experiment indeed found support for an indirect relationship between perceived utility of a Netflix native advertisement led to favorable attitudes toward the ad which led to favorable attitude toward the brand. Based on the wide body of literature that supports the centrality of perceived relevance as a key predictor of advertising outcomes, we predict:

H2: More relevant ads will lead to more positive advertising outcomes regardless of the presence or absence of an ad disclosure.

Study 1

A 2 (disclosure: tweet v. promoted tweet) X 2 (high v. low ad relevance) online experiment was conducted to test hypotheses. Disclosure was manipulated via mock tweet stimuli to make the experiment as realistic as possible. Advertising relevance was a measured variable. A national Qualtrics panel of U.S. active Twitter users ages 18-34 (M= 27.0; N= 147; 76% white) who had used cold and flu medication in the past 6 months was recruited to participate. Participants opted in through third-party lists and vendor homepages and were paid the cash equivalent of $5.00 based upon questionnaire length and sample characteristics. Sessions lasted approximately 15 minutes.

Stimulus Materials and Pretest

Stimuli were developed based on actual tweet and promoted tweet Twitter formats. Tweet text, the accompanying hashtag, and tweet statistics (e.g., number of comments, likes, and retweets) were held constant across stimuli. A fictitious brand, Cold & Flu, was used in order to avoid brand effects. The
brand served as the tweet author across all conditions.

An online survey pretest was conducted among undergraduates (N= 80) at a large southeastern university to identify appropriate high and low relevance advertising stimuli. High relevance (M= 5.13) and low relevance (M= 3.40) were successfully identified (t (79) = 7.346, p < .001). Figure 1 depicts the ad stimuli employed.

Panelists were directed to secure online Qualtrics-based questionnaire after opting into the study. Participants were next randomly and evenly distributed into one of the four ad relevance-disclosure conditions. Within respective cells, participants were shown a tweet stimulus corresponding to the cell condition and asked to answer questions regarding the stimuli.

**Measures**

**Attitude toward the ad (Aₐd).** Following Bergkvist and Rossiter (2007), a single-item measure asking “Please rate your attitude towards the tweet above.” (dislike-like) was used to measure attitude toward the ad. The item was a 7-point semantic differential scale (M= 4.98, SD = 1.50).

**Advertising Relevance.** Advertising relevance was measured by asking them to rate their feelings toward the tweet on three, 7-point semantic differential descriptions: Uninformative/Informative, Uninteresting/Interesting, and Not Useful/Useful (Sohn 2014; M= 4.81, SD = 1.45, α= .825).

**Reshare Intention.** Intention to reshare the tweet (Sohn 2009) was measured by asking participants to respond to four statements: “I am interested in retweeting this tweet”; I am interested in sharing my experience with this brand with my followers on Twitter”; I am willing to spread word of mouth about this brand through tweeting”; and “I am willing to retweet this brand’s post on Twitter.” Item choices employed 7-point, Likert-type scales (1 = Strongly disagree, 7 = Strongly agree) (M= 4.03, SD = 1.69, α= .943).

**Attitude toward the brand (Aₐ).** Attitude toward the brand was measured via a single-item: “Please rate
your attitude towards the Cold & Flu brand.” Item response choices used a 7-point, semantic differential scale: Good/Bad (Bergkvist and Rossiter 2007; M= 5.04, SD = 1.55).

**Purchase Intention.** Gefen and Straub’s (2004) 3-item purchase intention scale was employed: “I am very likely to buy the product from this company”; “I would consider buying the product from the company in the future”; and “I intend to buy the product from the company.” Item choices again employed 7-point, Likert-type scales (1 = Strongly disagree, 7 = Strongly agree) (M= 4.61, SD = 1.18, α= .882).

**Advertising Recognition.** Participants were asked to “indicate the extent to which you thought the tweet was advertising” on a 7-point, Likert-type scale (1 = Strongly disagree, 7 = Strongly agree) (Boerman, van Reijmersdal, and Neijens 2012; M= 5.63, SD = 1.50).

**Confounding Variables.** Prior research indicates that the product involvement impacts the influence of advertising messages on attitudes and behaviors (e.g., Petty, Cacioppo, and Schumann 1983); thus, Zaichkowsky’s (1986) 10-item scale measured product involvement (M= 4.74, SD = 0.97, α= .844). Further, consumers with higher levels of product knowledge tend to be more skeptical of advertising claims and employ more brand information when making decisions, evaluate word-of-mouth credibility differently, and disseminate product-related information (do Paco and Reis 2012; Hennig-Thurau and Walsh 2003; Mitchell and Dacin 1996; Yilmaz et al. 2011). Therefore, product knowledge was tested and controlled using Flynn and Goldsmith’s (1999) 9-item scale (M= 3.05, SD = 0.92, α= .832).

**Results**

**Confound & Manipulation Checks**

Multivariate analyses of variance (MANOVAs) were performed to test possible confounding effects of product involvement and product knowledge on dependent variables. Product involvement exhibited significant effects on A\textsubscript{Ad} (F (1, 146) = 6.611, p = .011), A\textsubscript{b} (F (1, 146) = 6.105, p = .015), purchase
intention \((F (1, 146) = 20.054, p < .001)\), and reshare intention \((F (1, 146) = 20.649, p < .001)\) and, therefore, was controlled for in subsequent analyses. No significant effects on ad recognition were found \((F (1, 146) = .882, p = .349)\).

Product knowledge significantly impacted each of the dependent variables: \(A_{Ad} (F (1, 146) = 5.654, p = .019)\), \(A_b (F (1, 146) = 6.066, p = .015)\), ad recognition \((F (1, 146) = 7.327, p = .008)\), purchase intention \((F (1, 146) = 12.610, p = .001)\), and reshare intention \((F (1, 146) = 25.595, p < .001)\).

Subsequent analyses accounted for product knowledge.

An independent-samples t-test confirmed that stimuli in the high \((M= 5.52)\) ad relevance condition were perceived as more relevant than those in the low ad relevance condition \((M= 3.94, t(145) = 7.839, p < .001)\). The manipulation was successful.

**The Effect of Disclosure Presence on Advertising Outcomes**

After centering all continuous variables, a series of multiple regression analyses were implemented to test disclosure effects on dependent variables. The presence of disclosure exhibited no significant effects on advertising outcomes: \(A_{Ad} (\beta = -.041, t(146) = .509, p = .611)\), ad recognition \((\beta = .107, t(146) = 1.311, p = .192)\), \(A_b (\beta = .031, t(146) = .384, p = .702)\), purchase intention \((\beta = -.015, t(146) = -.198, p = .844)\), and reshare intention \((\beta = -.075, t(146) = -1.014, p = .312)\). H1 is rejected.

Considering that previous research reports ad recognition moderating the effects of disclosure on advertising outcomes (e.g., Boerman et al. 2017). A post hoc MANOVA was employed to investigate whether a lack of ad recognition led to insignificant H1 results. Contrary to previous literature, however, ad recognition exhibited significant positive effects with \(A_{Ad} (F (6, 339) = 2.828, p = .011)\), \(A_b (F (6, 339) = 5.053, p < .001)\) and purchase intention \((F (6, 339) = 4.986, p < .001)\); no main effects emerged for reshare intention \((F (6, 339) = 1.796, p < .099)\). Further, the ad recognition mean across cells was 5.96 (on a 7-point scale).
The Effect of Advertising Relevance on Advertising Outcomes

Multiple regression analyses illustrated significant strong positive relationships between advertising relevance and each of the advertising outcomes: $A_{Ad}$ ($R^2 = .351, \beta = .618, t(146) = 8.663, p < .001$), ad recognition ($R^2 = .106, \beta = .325, t(146) = 3.799, p < .001$), $A_b$ ($R^2 = .155, \beta = .425, t(146) = 5.158, p < .001$), purchase intention ($R^2 = .356, \beta = .626, t(146) = 9.611, p < .001$), and reshare intention ($R^2 = .245, \beta = .476, t(146) = 6.917, p < .001$). H2 is supported.

Further, significant interactions emerged between advertising relevance and product involvement on two dependent variables: $A_{Ad}$ ($\beta = .180, t(146) = 2.030, p = .044$) and reshare intention ($\beta = .191, t(146) = 2.227, p = .028$). Following Aiken, West, and Reno (1991), interactions were probed by examining regression models at -1 standard deviation and +1 standard deviation from the moderator mean. For each dependent variable, findings show that product involvement moderates ad relevance relationships such that higher product involvement bolsters the positive relationship between ad relevance and the dependent variables.

Discussion

Study 1 produced striking findings. First, advertising relevance illustrated significant influence on advertising outcomes. Ad relevance significantly increased positive attitude toward the ad, attitude toward the brand, ad recognition, purchase intention, and reshare intention. Relationships were particularly strong for $A_{Ad}$ and purchase intention wherein relevance accounted respectively for 35% and 36% of variance.

Further, it was predicted that native advertising disclosure would negatively impact advertising outcomes. No disclosure effects, however, emerged in the study. Since previous research indicated that ad recognition can moderate effects of disclosure (e.g., Boerman et al. 2017), post hoc analysis examined whether a lack of ad recognition influenced the results. Not only was ad recognition high across cell conditions ($M = 5.96$), but ad recognition was actually found to positively affect attitude toward the ad,
attitude toward the brand, and purchase intention.

These results contradict previous findings from other native advertising contexts and spur the need for further examination. In Study 1, the object brand of the advertising was the author of the tweet stimuli simulating the difference between a tweet sent by a followed brand versus a promoted tweet by the brand (native advertising) appearing in the user’s feed. Considering that the ad recognition mean was high across experimental conditions, it seems likely that the tweet authorship led to perceiving the stimulus as an ad though it was not promoted. Further, if the presence of the brand as the tweet author indeed did influence outcomes, then the brand impact on the native advertising outcomes must also be parsed out. Study 2 seeks to address these issues.

**Study 2**

In response to the lack of disclosure influence and possible brand effects in Study 1, a second experiment was conducted to (1) examine whether native content authorship influences advertising outcomes and (2) what, if any, effect the brand has on advertising outcomes in native advertising. Advertising relevance was kept constant using the same pretested tagline across conditions (“85% of people ages 18-34 felt better within 24 hours”). As in Study 1, disclosures were made using standard Twitter disclosure language. Content authorship and brand relationships strength were manipulated.

*Authorship Influence of Native Ads*

While early native advertising research has focused attention on native advertising disclosure effects (e.g., Evans et al. 2017), authorship of native content may be a key factor in disguising the commercial intent of the content. Prior studies note that persuasive intent is less recognizable in social media advertising formats (van Reijmersdal, Smit, and Neijens 2010; van Noort, Antheunis, and van Reijmersdal 2012). Routing messages through peers and non-brand influencers in consumers’ networks lessens ad recognition, which triggers persuasion knowledge effects such as resistance and skepticism (Lee, Kim,
and Ham 2016). This deceptive nature of has drawn concern from the FTC (FTC 2015).

Native content on Twitter takes the form of promoted tweets. Brands can pay to promote tweets about their brand targeting consumers based across a variety of criteria. Brands may choose to promote their own tweets but can also choose to promote content originating from other users about their brand with the user’s permission (Cohen 2016). Brand-related tweets by ordinary users or accounts influential in applicable topics areas are promoted to spread positive brand content (see Figure 2 for examples).

Both approaches mask the persuasive intent of the content. Research to date has found mixed results in terms of authorship effects and disclosure. van Noort, Antheunis, and van Reijmersdal (2012) argue that peer recommendations within social network sites produce more positive attitudes toward ads, attitudes toward brands, and behavioral intention; however, other studies have found that users get irritated when persuasive intent in detected. Similarly, brand information from topical influencers have also been shown to elicit more positive attitudes and behaviors (Lee and Watkins 2016); van Reijmersdal et al. (2016), on the other hand, reports that attitudes and behaviors are negatively affected when brand sponsorship is revealed. Moreover, native advertising authorships and disclosure effects have yet to be examined to our knowledge. As such, RQ1 is posed:

RQ1: What effect does native advertising content authorship have on advertising outcomes?

Brand Relationships & Native Advertising

Native advertising seeks to mitigate negative effects of recognized persuasive intent by borrowing credibility from the publisher through mimicking its format (Wojdynski and Golan 2016). However, Study 1 indicated that native advertising can be effective in delivering positive advertising outcomes for brands even when the content is recognized as an ad if the content is perceived as relevant. Considering that all stimuli in Study 1 were seen as ads regardless of disclosure condition, it seems possible that the
presence of a brand triggers ad recognition. As such, it is necessary to understand how the brand affects advertising outcomes.

Strong brands likely counteract negative effects triggered by ad recognition. The consumer-brand relationship perspective views brands as social actors that take on human characteristics and foster relationships with consumers (Fournier 1998). Through continuous net positive interactions, consumers build trust and even emotional attachment to brands. Consumers often use trusted brands as sources of self-expression and to mitigate risk by avoiding uncertainty (Hess and Story 2005; Morgan and Hunt 1994). Trusted brands tend to lead to greater attitudinal and behavioral outcomes (Chaudhuri and Holbrook 2001). Limited research on brand effects in covert marketing contexts suggests that these effects extend to the native advertising context. Covertly integrating brands into radio shows, Wei, Fischer, and Main (2008) showed that high-familiarity brands diminished the effects of resistance due to persuasion knowledge activation; in fact, attitudes became more favorable toward the brand with stronger persuasion knowledge activation.

Additionally, digital engagement literature has consistently shown that brand relationships drive engagement which, in turn, enhances satisfaction, trust, affect towards the brand, and behavioral intentions (Brodie et al. 2013; van Doorn et al. 2010). Bhandari and Rodgers (2018) found that trusted brands increased purchase intentions of consumers reading online product reviews. Moreover, Hayes and his colleagues have consistently illustrated that strong brand relationships factor heavily into assessment of and subsequent decisions regarding shared brand advertising (Hayes and King 2014; Hayes, King, and Ramirez 2016; Hayes, Shan, and King 2018). Indeed, Kim, Sung, and Kang (2014) found that brand relationships facilitate retweeting of brand content on Twitter.

It is reasonable, then, that brand relationship strength may counteract negative effects associated with disclosing persuasive intent of native ads. Consistent with the literature, we expect that native brands
How Advertising Relevance and Brand Relationship Strength Limits Disclosure Effects of Native Ads on Twitter

from stronger brands will produce more positive outcomes. Thus,

H3: Stronger brand relationships will lead to more positive advertising outcomes regardless of the presence or absence of an ad disclosure.

Methods

Stimulus Materials and Pretest

An appropriate stronger-weaker brand relationship strength pairing was identified via an online survey pretest of 80 undergraduates at a large university in the southeastern US. NyQuil (M = 4.37) exhibited a significantly stronger brand relationship than the fictitious Cold & Flu brand (M = 3.57, t(79) = 5.495, p < .001).

As in Study 1, stimuli were developed based on actual tweet and promoted tweet Twitter formats. To manipulate brand relationship strength, NyQuil and Cold & Flu brand names, Twitter handles, and Twitter logos were inserted as appropriate for the cell condition. Following Hess and Story (2005), brand relationship strength was measured as a composite of brand satisfaction (Hess and Story 2005) and brand trust (Delgado-Ballester and Munera-Aleman 2001). To manipulate tweet author, names, Twitter handles, and Twitter logos for the brands, the influencer, and the user were inserted as appropriate for the cell condition. The influencer name (Twitter handle) Know Your Dose (@KnowYourDose) was used for the influencer authored conditions. The androgynous user name (Twitter handle) JSmith (@JSmith) was employed in user authored conditions. Remaining consistent with Twitter, promoted tweets authored by the influencer featured “Promoted by (insert brand)” at the bottom of the tweet rather than “Promoted.” Tweet text, the accompanying hashtag, and tweet statistics (e.g., number of comments, likes, and retweets) were held constant across stimuli. Figure 3 shows all stimuli.

Design and Participants
A 2 (brand relationship strength: weaker v. stronger) X 2 (message type: tweet v. promoted tweet) X 3 (tweet author: brand v. influencer v. user) online experiment was conducted to test hypotheses. Brand relationship strength was manipulated and subsequently measured to ensure successful manipulation. A real brand (NyQuil) was employed versus a fictitious brand (Cold & Flu) to produce the necessary stronger-weaker brand pairing. Similar to Study 1, message type and tweet author were manipulated via mock tweet stimuli to make the experiment as realistic as possible. Dependent variables (A_{Ad}, ad recognition, A_{b}, purchase intention, and reshare intention) and control variables (product involvement, product knowledge, and ad relevance) were measured.

The experiment was administered via Amazon Mechanical Turk (MTurk: www.MTurk.com), a human intelligence platform whose participant compensation system streamlines online study design, participant recruitment, and data collection (Buhrmester, Kwang, and Gosling 2011). MTurk samples have been shown to outperform standard Internet and convenience samples in terms of demographic diversity and representativeness of the US population (Berinsky, Huber, and Lenz 2012). As such, usage in academic research has recently increased (Hayes, Shan, and King 2018). A national sample of U.S. active Twitter users ages 18-34 (M= 28.6, N= 363, 49% male) who had used cold and flu medication in the past 6 months were recruited to participate. Session lasted approximately 9 minutes.

**Results**

MANOVAs tested effects of product involvement, product knowledge, and advertising relevance on dependent variables. Consistent with Study 1, a significant, positive product involvement relationship was present with all dependent variables except ad recognition: A_{Ad} (F (1, 361) = 40.380, p < .001), A_{b} (F (1, 361) = 28.923, p < .001), purchase intention (F (1, 361) = 38.192, p < .001), and reshare intention (F (1, 361) = 44.266, p < .001).
Product knowledge also again exhibited significant impact on each dependent variable: $A_{Ad} (F (1, 361) = 6.832, p < .001)$, ad recognition ($F (1, 361) = 4.137, p = .043$), $A_b (F (1, 361) = 13.322, p < .001)$, purchase intention ($F (1, 361) = 42.727, p < .001$), and reshare intention ($F (1, 361) = 11.731, p = .001$).

Significant advertising relevance effects were found for dependent variables excluding ad recognition: $A_{Ad} (F (1, 361) = 482.983, p < .001)$, $A_b (F (1, 361) = 378.879, p < .001)$, purchase intention ($F (1, 361) = 328.348, p < .001$), and reshare intention ($F (1, 361) = 361.364, p < .001$). These variables were controlled for appropriately in subsequent analyses.

### The Effects of Native Ad Authorship on Advertising Outcomes

A series of univariate analyses of variance (ANOVAs) were employed to test native advertising authorship effects on advertising outcomes. No significant authorship effects were shown for any dependent variables (RQ1): $A_{Ad} (F (1, 358) = 1.228, p = .294)$, ad recognition ($F (1, 359) = 1.409, p = .246$), $A_b (F (1, 358) = 0.597, p = .551)$, purchase intention ($F (1, 358) = 0.815, p = .443$), and reshare intention ($F (1, 358) = 0.328, p = .720$).

### The Effects of Brand Relationships on Advertising Outcomes

Multiple regression analyses on centered variables were conducted to investigate brand relationship influence on advertising and brand outcomes. Brand relationship strength exhibited strong positive relationships with $A_{Ad} (R^2 = .161, \beta = .414, t(356) = 8.622, p < .001)$, $A_b (R^2 = .291, \beta = .414, t(356) = 11.654, p < .001)$, purchase intention ($R^2 = .320, \beta = .569, t(356) = 13.892, p < .001$), and reshare intention ($R^2 = .190, \beta = .446, t(356) = 9.498, p < .001$). Once again, however, no significant relationship was found between BRS and ad recognition ($\beta = .044, t(359) = 0.787, p = .432$). H4 was partially accepted.

An interaction effect emerged between BRS and product involvement on $A_b (\beta = -.096, t(356) = -2.200, p = .028$). Product involvement moderated the BRS-$A_b$ relationship such that higher product
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involvement significantly lessened the brand relationship’s influence on post native advertising exposure $A_b$. This suggests that native advertising is a more effective tool for increasing brand attitude amongst less involved consumers or in categories in which that consumers tend to be less involved.

As advertising relevance exhibited strong effects on dependent variables in Study 1 and BRS showed similar effects in the current study. A post hoc regression analysis explored the extent to which the brand relationship might enhance advertising relevance. Results indicate a strong positive relationship between BRS and ad relevance such that BRS explains 28 percent of relevance variance ($R^2 = .281, \beta = .531, t(361) = 11.892, p < .001$).

**Discussion**

Study 2 sought to further explicate authorship and brand relationship effects on native advertising outcomes. Specifically, we hypothesized differences in outcomes based on native ads being authored by the brand versus an influencer versus an ordinary Twitter user. Authorship showed no main effects on any of the advertising outcomes. Conversely, brand relationship strength exhibited strong positive relationships with all advertising outcomes excepting ad recognition. Further, post hoc analysis indicates that brand relationship strength greatly increased advertising relevance.

**General Discussion**

Native advertising has drawn increased attention from industry and academia for its ability to cut through clutter with minimal interruption of user’s social media use (Lee, Kim, and Ham 2016). Much research to date has focused on disclosure of native ads, ad recognition, and the ability of audiences to process native content (Wojdynksi and Evans 2016). The current research features two studies examining variables that could influence the impact of disclosure on native advertising outcomes for brands: advertising relevance, content authorship, and brand relationship strength of the feature brand. In a Twitter setting, the results of two experiments definitively illustrate that advertising relevance and strong consumer-brand relationships
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significantly and positively influence attitudinal and behavioral advertising outcomes; further, brand relationships lend relevance to native ads. Moreover, though ad recognition was high, native advertising disclosure and tweet authorship affected outcomes.

Study 1 examined the effects of disclosure and advertising relevance on native advertising outcomes. No disclosure effects on advertising outcomes emerged. Though extant literature has pointed to disclosure of persuasive intent of native advertising triggering persuasion knowledge effects negatively impacting advertising outcomes (e.g., Wojdynski and Evans 2016), the lack of significant influence was not surprising considering the considerable research illustrating that adults often fail to recognize sponsored content due to consumer avoidance of disclosures (Wojdynski and Evans 2016) or disclosure language deficiencies (e.g., Wojdynski et al. 2016). Surprisingly though, post hoc analysis indicated that ad recognition was high across experimental conditions suggesting that all of branded stimuli were seen as advertising regardless of the presence or absence of disclosure.

Study 2 sought to further explicate Study 1 findings by examining the potential role of content authorship in influencing disclosure effects. Whereas in study 1 each tweet stimulus originated from the brand’s account, study 2 provided three authorship conditions: brand, ordinary Twitter user, and a topic-related influencer account. Consistent with study 1, no disclosure effects emerged nor did authorship exhibit any significant effects on advertising outcomes. Seemingly for Twitter users, any tweet containing brand content is viewed as an advertisement; further, each of the advertising outcome measures exhibited relatively high ratings: attitude toward the ad (M = 5.36), attitude toward the brand (M = 5.50), purchase intention (M = 5.20), and sharing intention (M = 4.32). One explanation for the findings is that, due to the bottom placement of disclosures in promoted tweets, users process the native content prior to activation of persuasion knowledge; thus, negative impact is avoided. Wojdynski and Evans (2016) reported such an effect examining native content in online news stories. Future research should investigate disclosure
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language placement effects for promoted tweets.

Another explanation is that content-related variables diminished persuasion knowledge effects. Advertising relevance emerged as a powerful predictor of positive native advertising outcomes: attitude toward the ad, attitude toward the brand, ad recognition, purchase intention, and sharing intention. Jung (2017) found that perceived ad relevance was negatively associated with ad avoidance and positively associated with attention to ads in a general social media advertising context. Campbell and Wright (2008) note that advertising relevance produced more favorable advertising and brand evaluations; Sweetser et al. (2016) similarly report native content utility was directly related to $A_{Ad}$ and indirectly related to $A_b$ in a print context. Current findings go beyond these findings suggesting that, even when persuasion knowledge is triggered via disclosure, relevant native content reduces resistance facilitating favorable attitudinal and behavioral outcomes in the Twitter context.

The potential of content relevance to lessen audience resistance to native advertising has been noticed by professionals. The basic premise of sponsored content is that the marketing information offers readers great value and is therefore beneficial. Our findings along with those of Sweetser et al. (2016) confirm this assumption. Furthermore, the support for a positive relationship between perceived relevance and intention to share highlights the potential impact that native advertising may have not only on their audiences but on their engagement in social media (Kim, Lee, and Chung 2017).

Study 2 illustrates the considerable influence strong brand relationships can have on native advertising as a relevance cue. Central to the concept of native advertising is the delivery of brand content without interrupting target audiences’ social media use causing irritation and triggering ad resistance strategies (van Reijmersdal et al. 2016). Brands leverage digital engagement to foster relationships with consumers via continuous interactions. Through these interactions, consumers develop trust in brands, emotion attachment, and comes to treat brands as humanlike social actors (Delbaere et al. 2011; Hess and
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Story 2005). Present findings support the notion that, as a result, native ads from strong brands are perceived as less intrusive and more relevant to the consumer, which limits persuasion knowledge effects. Wei et al.’s (2008) findings regarding brand familiarity and resistance are extended by illustrating to influence of the totality of the brand relationship and how strong brand relationships can be leveraged in native advertising.

Further, our findings highlight the importance of the consumer-brand relationship in consumer assessment of content relevance for his/her online social network. Advertising relevance and brand relationship strength exhibited significant relationships with sharing intention. Kim, Sung, and Kang’s (2014) examination of brand content sharing in Twitter showed that users share content of brand with which a strong relationship exists. Further, multiple studies have reported that content from trusted brands tend to be assessed more favorably and more widely shared in other eWOM settings (e.g., Bhandari and Rodgers; Hayes, Shan, and King 2018). Specifically, Hayes and King (2014) argued that brands should produces and seed content that has value for their target audience and their target’s networks. For practitioners, this means that native advertising targeting should (1) consider employing viral advertising seeding strategies when placing native ads and (2) develop native content that has value to the target audience’s network as well as the initial target consumer.

Concerns are raised regarding the use of native advertising to market potentially harmful products. Over-the-counter cold and flu medicines were chosen as the product category for the current research. Selling of these drugs to minors is, increasingly, banned or restricted due to widespread abuse, yet Twitter allows advertising of the products with no age restriction (Twitter 2018). Since Twitter disclosures fail to initiate ad avoidance while ad relevance and brand relationships facilitate positive ad and brand response and the spreading of eWOM, current Twitter policy creates an environment wherein state policies are undermined and the potential abuse epidemic could instead be exacerbated. Future research should
explore ethical and policy implications.

The growing body of literature on native advertising clearly identifies disclosure as a key predictor of advertising resistance based on the PKM (e.g. Wojdynski and Evans 2016). The current study aims to advance the literature by highlighting the potential variable that may mitigate audience responses to persuasive intent. Examining native advertising in the Twitter context, findings indicate that disclosure had little impact on advertising outcomes though ad recognition was high; rather, ad relevance and brand relationship strength strongly predicted more positive attitudes toward the ad and the brand as well as intentions to purchase the product and share the brand content. Further, trusted brands enhance ad relevance.

When viewed holistically, the results of the current study indicate that while individuals may resist advertising as predicted by the persuasion knowledge model, this resistance may be moderated by both advertising relevance and brand relationships. These are significant findings with both theoretical and practical implications. Theoretically, our study highlights the complexity of audience response to persuasive media. Practically, our results can guide industry in the construction of more effective native ads through the incorporation of relevant content and emphasis on brand attributes.

Future studies should further examine the interaction between brand relationship and relevance across product categories and social media platforms. The findings of our study provide some guidance for the advertising industry and, in our case, the OTC marketing world. As audiences become savvier in recognizing native advertisements for what they are, those brands who foster strong long-term relationships with its consumer base and will provide valuable information via their ads will be more likely to capture audience attention than those who do not.
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**Figures**

**Figure 1: Study 1 Ad Stimuli**

**Tweet – High Ad Relevance**

**Promoted Tweet – High Ad Relevance**

**Tweet – Low Ad Relevance**

**Promoted Tweet – Low Ad Relevance**

**Figure 2: Promoted Tweet Examples**
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Figure 3: Study 2 Native Advertising Stimuli

Promoted Tweet – Ordinary User

Promoted Tweet – Influencer

User – High Ad Relevance

Promoted User – High Ad Relevance

Influencer – High Ad Relevance

Promoted Influencer – High Ad Relevance