How to Make Digital Advertising More Influential

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Abstract

This article investigates how the type of contents in content curation sites affects the effectiveness of branded contents as a digital advertising tool. Underlying the widespread views of the effectiveness of a content curation site is the assumption that building relationships with other like-minded consumers who share common interest in the product or brand will be influential in forming bonds of the consumers to the brand as well. The study argues that such effectiveness of branded contents is influenced by consumers’ perceived credibility of the contents. The present study used attribution theory and source credibility theory to explain how consumers interpret the motive of companies or brands using curation commerce sites. 173 undergraduate students who enrolled at a Midwestern university participated in the online experiment. The findings of a 2 x 2 x 2 mixed factorial experiment indicate that a significant three-way interaction effect of sponsored result, product knowledge, and product involvement on expertise. The implications of the study are discussed with regard to the design of marketing contents in content curation sites.

Keywords : Digital Advertising, Contents Advertising, Curation Commerce, Branded Contents

1. Introduction

Content curation sites is one of the fastest-growing arenas of the social media. Contents curation is simply described as the act of searching great content and then distributing it across appropriate channels [1]. Content curation sites like Pinterest, Polyvore, and Slideshare, and Feedly are considered an important element of the distribution channel. They can distribute information about products and services and narrow buyers’ choices to a selected assortment through specific items targeted to particular customers. Marketers are particularly interested in better understand content curation sites because the sites encourage consumers to create, organize, and share information. Underlying the widespread views of the effectiveness of a content curation site is the assumption that building relationships with other like-minded consumers who share common interest in the product or brand will be influential in forming bonds of the consumers to the brand as well. As a marketing tool, content curation sites like Pinterest allows brand managers to reach consumers with splashy visuals [2].
Searching for product and service information is the most general habit of smartphone users. However, in this age of information abundance, consumers tend to look for better ways to find the contents they want the most, and content curation sites is a useful tool for consumers who find relevant information. Content curation sites recommend a list of contents based on keywords that consumers enter into a content curation query. Once content curation service providers receive a search request, they check with the database of listings related to the keyword, and then recommend the proper listings. The listings related to the consumer’s entered keywords can provide benefits to brand managers or advertisers, because consumers are much more likely to take an action when they get to the site they have selected from a keyword-search results list. Because of the popularity of the content curation sites as the product information source, several brands distribute branded contents through the content curation sites.

Branded contents recommended by the content curation site may be considered as a type of online third-party endorsement for an e-tailer each time the e-tailer’s website name and link appear as a result of a consumer search. It is not clear if consumers completely understand the paid nature of that placement, thus raising the question of consumer perceptions of the credibility of branded contents and their use.

The present study proposes that the branded contents of content curation sites would be less effective than regular contents because consumers would attribute the motive of such brand promoted contents to financial incentives provided by the companies to the curation commerce sites. As mentioned in the above, branded content is a kind of paid advertising, which has the purpose of reaching commercial objectives. Such branded contents has the image that brand buys the section to advertise their brand. This study assumes that consumers may interpret the motive of branded contents differently than other contents. The present study will use attribution theory and source credibility theory to explain how consumers interpret the motive of companies or brands using curation commerce sites. Moreover, we investigate how product knowledge and product involvement moderate the effects of branded contents.

2. Conceptual Framework and Hypotheses

2.1 Attribution Theory

Attribution theory is employed here to understand how consumers perceived branded contents while they stay in content curation sites. Attribution theory is defined as the study of
the process by which people results causes with events or outcomes they experience[3]. Attributions are the result of consumer cognitive process by which individuals give a main cause or explanation to an observed event. As applied to consumer behavior, this means that consumers would make causal inferences and extend a reasonable explanation of why certain marketing-related actions happened. Minton’s study explained when, why and how consumers make attributions [3]. She suggested that consumers make attributions about why a product failed, why they switched brands, why a celebrity agreed to appear in an endorsement and why a firm’s employees are on strike. According to attribution theory, people always want to make sense of the available information as they try to find out its possible causes. The causal inferences that link events through causal relationships are beliefs that allow people to understand and predict the observable world. The external world is made of various effects for which the people are inclined to infer some reasons. The case of the branded contents in contents curation site is no exception. How people would respond to branded contents depends on their causal analysis of underlying reasons for results. For example, branded contents can be attributed to the information itself or to some promotional bias.

The concept of attribution theory has been applied in a variety of areas such as consumers’ reactions to sponsorship[4]. They investigated the general area of how consumers process information in order to make purchase decisions. Parallel with the consumers’ perceptions of the motives of spokesperson, consumers may attribute the sponsor company’s motive to extrinsic motives such as profit or reputation, and thus consumers can view the sponsor activity as gift-giving or self-promoting[4]. Consumers would attribute more non-product related motivation to commercially oriented third parties than independent third party websites[5]. Consistent with previous studies, the present study assumes that once consumers see the branded contents they might make attributions about the motive for information placement to some financial incentive. They might think that the brand paid to have its name posted on the content curation sites. Such results will negatively affect their perceived credibility. On the other hand, consumers exposed to information of content curation sites might attribute the motive to quality because consumer might think that content curation sites recommend a popular brand with high quality. Such attribution will positively influence the consumers’ perceived credibility and behavior.

2.2 Source Credibility

Attribution theory implies that individuals more readily believe, and are more strongly
influenced by, information about an entity when they attribute the information to the entity being explained. Many consumers may doubt whether the information was caused by actual product performance and filter information from various sources. In particular, consumers may actively filter contents on the web because the Internet currently provides such abundant and diverse contents and consumers do not know exactly who created the contents. Therefore, investigating consumers’ perceived source credibility of contents on the web is critical to developing strategies for online advertising.

Several studies noted that the main effect of source credibility is that consumers perceived source credibility would affect consumers’ evaluation of recommendation, attitude change, and behavioral intention. Messages from more credible sources have been found to produce more positive attitudes and stronger behavioral intentions than messages from less credible sources[6]. Moreover, source credibility affected the acceptance of message claims. As such, messages from a more credible source will be accepted more easily and lead to greater attitude change. Consistent with previous studies, the present study proposes that consumer perceived source credibility will be a critical factor that determines the reaction to branded contents in the content curation sites.

Source credibility has been regarded as a complex phenomenon determined by multiple factors. In the early research regarding source credibility, perceived expertise and trustworthiness have been recognized as important and enduring dimensions of source credibility[6]. Perception of expertise can refer to whether the receiver perceives the source as knowledgeable, and trustworthiness reflects the receiver’s belief that the source’s opinions are unbiased [7]. These two dimensions of expertise and trustworthiness are important variables in conceptualizing credibility, which can be applied to explain consumers’ response to promotional information. Previous research regarding endorsements conceptualized expertise as the knowledge that sources are perceived to possess about the product they are endorsing [6]. In the present study, expertise and trustworthiness are related to consumers’ perceived beliefs toward branded contents.

2.4 Interaction Effects of Product Knowledge and Product Involvement

Consumers’ knowledge about products can be a variable that moderates the different effects of online third party endorsements studied earlier. If consumers have prior knowledge, experience or other information about the products, they are less likely to rely on the information from the recommendation.
Subjective product knowledge is defined in terms of the extent of consumers’ familiarity with the product category. Consumers’ subjective knowledge is related to consumers’ self-confidence concerning their decision. Subjective knowledge is likely to be most related to the product knowledge that is conceptualized in the present study.

The present study will consider consumers’ subjective knowledge as a moderating variable that influences the effects of branded contents in content curation sites. Branded contents are not likely to provide complex information such as product attribute information. Generally, they provide the brand name and product category. Therefore, consumers’ objective knowledge regarding product attribute information might not affect their response to information; rather their objective knowledge might be the important variable when they are exposed to complex and detailed information about a product. On the other hand, consumers’ subjective knowledge can be a moderating factor that influences the effect of contents in content curation sites. If consumers are knowledgeable, they will not be influenced by the recommendations regardless of the type of contents. However, they will respond differently to different types of contents if they have little knowledge.

Consumers’ product involvement is likely to be related to their product knowledge because consumers who are more involved with a product category may be more knowledgeable about the product category. Thus, product knowledge can be closely related with the constructs of product involvement. According to previous studies, there is the correlation between product involvement variable and knowledge, and the correlation is in the .50 to .65 range [8].

Product involvement generally has been defined as an individual’s perceived relevance of a product based on his or her needs, values, and interests [8]. Researchers have identified two types of product involvement: enduring involvement and situational involvement [8]. Situational involvement is related to cues in the consumers’ immediate environment such as sales promotion or advertisements [9]. Thus, their level of involvement can change if the situation changes. On the other hand, enduring product involvement symbolizes a continuing concern with a product that consumers bring into a purchase situation [10]. When they have knowledge, experience, and values that make shopping and purchase of the products that are relevant to them, consumers would have enduring involvement. Thus, the involvement for the present study is assumed to be one of enduring involvement. Previous studies showed that consumers who have high involvement with a product process relevant information in more detail than consumers who have low involvement with a product and they would accept fewer alternatives.

Few studies have investigated the relation between enduring product involvement and
product knowledge, and these studies also have studied how both involvement and knowledge moderate the effect of information. Some researchers have noted objective product knowledge is more likely to be a factor that effect on information processing, otherwise some research pointed out that subjective product knowledge can more influence on information processing with product involvement because subject knowledge is a motivational factors like confidence in decision making. These discussions mean that consumers’ information processing will be influenced by the product involvement with their subjective knowledge such as a confidence in decision-making. Therefore, product knowledge and product enduring involvement should interactively affect the consumer response to different types of curation commerce. With this in mind, the following hypotheses are developed for this study:

H1: Consumers with greater knowledge and product involvement will be least affected by the branded contents of content curation site; consumers with little knowledge and product category involvement will be most affected by the branded contents of content curation site.

3. Method

3.1 Participants

A total of 173, male (42.4%) and female (57.6%) students participated in the study. Subjects were recruited from undergraduate courses at a major Midwestern university. Their ages range from 17 to 32 years, with an average age of 21 years.

3.2 Design

A 2 (non sponsored results vs. sponsored results) x 2 (product knowledge: more vs. less) x 2 (involvement: high vs. low) factorial design was employed. Product knowledge and involvement were measured factors. The effects of the sponsored vs. non-sponsored result were tested by creating simulated websites, one with sponsored result and the second with non-sponsored result. The main dependent variables were attributions of the website motives for producing the results, the credibility of the recommendation systems and recommended brand, and credibility and attitude toward the brand in the result, and purchase intention.

A fictitious content curation site and a fictitious brand name were created for the study. Mai was the name used for the content curation site and Xenon for the brand. The fictitious site was modeled on the content curation site given it reliance on Non-sponsored results sections.
and Sponsored Results sections. The product category used was cameras. The rationale is that the sample would likely include participants with varying levels of involvement and expertise for cameras, thus maximizing variance and ability to test for statistical significance.

3.3 Procedure

The experiment was conducted in a university classrooms. 173 subjects were asked to review the stimulus material containing the image of content curation site that has sponsored results or not sponsored results. After few minutes, subjects completed a questionnaire containing the measures in the following order: (1) credibility of recommendation, (2) product knowledge, (3) product involvement, and (4) demographics.

3.4 Dependent Measures

Web credibility ($\alpha = .858$) was measured with eight, seven-point semantic differential scales (great experience/skilled in what they do/great expertise/not much experience/trust mai/truthful claims/honest/do not believe). Product knowledge ($\alpha = .757$) was measured with items, seven-point Likert scales. The detailed items used were "I feel very knowledgeable about this product"; "If a friend asked me about this product, I could give them advice about different brands"; "If I had to purchase this product today, I would need to gather very little information in order to make a wise decision"; and "I feel very confident about my ability to tell the difference in quality among different brands of this product. Involvement ($\alpha = .927$) was measured with ten items, seven-point Likert scale (interesting /unappealing/ fascinating/not exciting/ involving/not important/relevant /not valuable/ means a lot to me/not needed).

4. Results

Hypotheses predicted that consumers with greater knowledge and product involvement will be least affected by the branded contents; consumers with little knowledge and product category involvement will be most affected by branded contents. The results indicated a significant three-way interaction effect of sponsored result, product knowledge, and product involvement on expertise [F (1, 172) = 10.64, p<.00]. Thus, H1 was supported.
5. Conclusion and Discussions

The purpose of the study was to examine consumer response to branded contents on the content curation site using a model of consumer motive attributions and subsequent the creation of source credibility. The findings of the present study clearly show that both product knowledge and product involvement significantly affect the sponsored result effect on source credibility. The results of the present study suggest that source credibility is the most important factor that online recommendation influences. This finding is consistent with the results of previous studies that have suggested the important role of source credibility in effect of advertising or marketing. Several researchers in the field of advertising and marketing have been interested in the effects of information source because the source credibility is as a critical variable that enhance the persuasive effects of advertising or marketing program. Since perceived source credibility affects message evaluation, attitudes, and behavioral intention, it has been regarded as the factor, which determines the persuasiveness of a message [11].

In particular, the result of the present study supports the importance of source expertise. Source expertise has been described as the extent to that a communicator is perceived to be able to give valid, accurate information [12]. The present study suggests that source expertise is the critical factor that consumers might consider when they are exposed to online recommendation. In endorsement advertising, source expertise is generally described as the knowledge that an endorser or spokesperson might have to support the claims made in the advertisements [13]. The finding of the present study can provide a practical implication to advertisers or marketers who may consider branded contents on the content curation site. When consumers try to find information using the content curation site, they will consider whether the content curation site has enough and accurate knowledge regarding the recommendation. If they perceive that the content curation site have enough knowledge to support recommendation, the recommendation can have positive effect.

The results of the present study also suggest that product knowledge has the function that moderates the effects of branded contents. This finding supports the results of the previous studies that examine the moderating impact of product knowledge in the effect of information. Previous researches regarding advertising or marketing program have shown that product knowledge plays a moderating role in the effect of advertising or marketing because product knowledge is an important variable that assess the information from advertising or other sources. According to previous studies, product knowledge is an important conceptual variable.
in consumer behaviors, affecting such as information processing [14][15] and information gathering[16]. The result of the present study can provide an implication to people who are in the filed of advertising or marketing. When consumers are exposed to recommendations in the content curation site, they will assess the recommendation based on their prior product knowledge. Therefore, the effectiveness of the recommendation can be affected by consumers’ product knowledge. The results of this study also find the relationship between the product knowledge and product involvement. The results of the present study also imply the moderating role of product involvement in the effects of online recommendation. This finding is consistent with the results that previous researchers in the field of advertising or consumer behavior have suggested. Several researchers have supported that product involvement has the function to moderate the effect of advertising or marketing program. The results of the present study also suggest major implication to advertisers or marketers who consider the content curation site. Different levels of involvement with product affect how consumers assess contents. Therefore, the effectiveness of the branded content is affected by not only product knowledge but also product involvement.

While the present study has some strong methodological features, there are some limitations of the research presented in this paper. First, the web site “Mai” is fictitious content curation site. Since subject does not have any familiarity with this web site, using fictitious content curation site could not provide significant effects on consumers. Second, the “Xenom”, which is the brand for this study was also fictitious camera brand, and this reduced realism. As this brand is very unfamiliar with subjects, it was difficult to generate credible image of recommendation. In the future study, using a real content curation site will more find the significantly different effect of recommendations between branded contents and regular contents.

References


