

# Consumer-Generated Ads: Does Awareness of Advertising Co-Creation Help or Hurt Persuasion?

Companies increasingly involve consumers in the process of developing advertising and other marketing actions. An important question that has not been explored is whether brands benefit from communicating to consumers who had not been involved in the co-creation process that a target ad was developed by a fellow consumer. The authors propose a skepticism–identification model of ad creator influence, which hypothesizes that disclosing to an audience that an ad was created by a consumer triggers two opposing effects: skepticism about the competence of the ad creator and identification with the ad creator. Four studies demonstrate that the effectiveness of disclosing advertising co-creation depends on factors that hinder skepticism and heighten identification with the ad creator. Specifically, attributing the ad to a consumer is shown to increase persuasion when the audience (1) has limited cognitive resources to scrutinize the message, (2) is given background information about the ad creator that enhances source similarity, and (3) has high loyalty toward the brand. The implications of these findings on marketing theory and practice are discussed.

*Keywords:* persuasion, source similarity, advertising effectiveness, persuasion knowledge, consumer-generated ads

Increasingly, companies seek to involve consumers in the creation of advertising messages. For example, in 2010 Unilever launched one of the largest consumer-generated advertising initiatives to date, a global video-making competition involving 13 of its brands, including Ben & Jerry's, Dove, Lipton, and Vaseline (McMains 2010). PepsiCo, General Mills, General Motors, and the National Football League have also been incorporating consumer-generated content into their advertising efforts. In some cases, consumers generate the concept of the ad, which an ad agency then produces; in others, the consumer is asked both to create and to produce the ad. These user-generated videos can then be broadcast on television and distributed online on the company's website and on a variety of video-hosting sites and social media outlets.

There are several reasons companies may solicit user-generated content for their advertising campaigns. Involving the customer in advertising development is expected to provide valuable insights and build a sense of collaboration and engagement with consumers. Nevertheless, user-generated advertising has some drawbacks, most notably less control

over and greater inconsistency of the brand message (Story 2007). One way to guard against these problems is the use of a co-opting strategy, in which firms solicit and encourage consumers to create ads by means of competitions, forums, and other projects but retain final say on the message that is broadcast (Berthon, Pitt, and Campbell 2008). Such contests help gain valuable customer insights, generate authentic content, and increase engagement within targeted segments (Moskowitz 2006). More important, solicited, contest-based ads enable consumers to participate in the creative process while giving firms greater control over the brand message.

Although co-creation of advertising provides marketers important benefits from the involved customers, such as authentic content and deeper customer insights, engaging customers who were not directly involved in the co-creation effort requires the commitment of additional resources. Therefore, it becomes important to examine how the benefits of engaging some customers could be transferred to the broader set of consumers who were not involved in the co-creation process. One possibility is to inform and explain to consumers at large that other consumers had actively participated in the creation of the advertising message. This raises the question whether consumers would react favorably to a message knowing that a fellow consumer had developed the advertising. Our research addresses this issue, which is important because communicating information about the ad creator to enhance ad effectiveness is a potential opportunity that marketers might be overlooking. Controlling for message content, we investigate under what conditions

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Debora V. Thompson is Associate Professor of Marketing (e-mail: [dvt@georgetown.edu](mailto:dvt@georgetown.edu)), and Prashant Malaviya is Associate Professor of Marketing (e-mail: [pm289@georgetown.edu](mailto:pm289@georgetown.edu)), McDonough School of Business, Georgetown University. The authors thank Amna Kirmani, Brian Sternthal, Luc Wathieu, and seminar participants at Georgetown University and the 2011 Marketing Science Institute's Young Scholar Conference in Park City, Utah, for their helpful comments and suggestions on this research. Cornelia Pechmann served as area editor for this article.

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informing the audience that another consumer created an ad enhances, or perhaps undermines, message persuasiveness. We focus on advertising that people believe is consumer-generated and that the firm has solicited and disseminated.

As a starting point, we review the literature on communication source effects, social influence, and persuasion knowledge. This review suggests that knowledge that a consumer created an ad could have a positive impact on persuasion if message recipients perceive the ad creator as someone who is more similar to them compared with a professional persuader. Greater perceived similarity between the self and the ad creator would increase ad persuasion through the process of identification. However, there is also reason to believe that a negative influence on persuasion might occur if message recipients are skeptical about the ability of ordinary consumers to develop effective advertising. We refer to this as the “skepticism–identification” model of ad creator influence.

A priori it is unclear which of these competing effects, skepticism or identification, would dominate. A pilot study to examine the outcome of these competing mechanisms reveals a negative effect of disclosing that a fellow consumer created an advertising message. From this pilot study, we develop hypotheses about factors that decrease skepticism and strengthen identification with the ad creator.

Overall, our findings extend the growing literature on the effectiveness of user-generated content in two ways. First, our findings challenge the view that consumer-generated ads are processed as word-of-mouth communications, suggesting that viewers realize the need for advertising to be persuasive and use their perception about the advertising competence of the ad creator to evaluate the message. This finding extends previous work on consumer–brand relationships (Fournier 1998; Muñiz and O’Guinn 2001) by showing that consumers who are observers of the advertising co-creation process (as opposed to creators) can react negatively to these co-creations. Second, our research provides initial evidence about specific factors that can attenuate consumers’ reactance toward advertising co-creation. We show that the effectiveness of disclosing advertising co-creation depends on factors that mitigate skepticism and strengthen identification with consumers as ad creators. Specifically, our research demonstrates that the consumer-generated label increases persuasion when the audience (1) has limited cognitive resources to scrutinize the message, (2) is given background information about the ad creator that enhances source similarity, and (3) has high loyalty toward the brand. We conclude with a discussion of the implications of these findings for marketing theory and practice.

## **Opposing Effects of Disclosing Consumers as Ad Creators**

Extensive research in social psychology and marketing has demonstrated the positive effect of the attractiveness of the source of a message in the persuasion process. Source attractiveness (McGuire 1985) refers to the familiarity, likability, and similarity of the source to the message recipient. Generally, sources who are known to, liked by, or similar to

the consumer are attractive and, consequently, persuasive (Wilson and Sherrell 1993). Persuasion theories such as the elaboration likelihood model (Petty and Cacioppo 1986) and the heuristic-systematic processing model (Eagly and Chaiken 1984) suggest that under low-involvement conditions when consumers do not have the ability or motivation to scrutinize the message, source variables tend to be used as a heuristic or peripheral cue to assess a persuasive message. Under low-involvement conditions, the affect related to the source is transferred to the related object (i.e., a positive direct effect), making people more likely to agree with a message that originates from an attractive source (i.e., one that is familiar, likable, or similar) than from a nonattractive one, regardless of the quality or the strength of the arguments presented (Pallak 1983). Moreover, an attractive source may increase persuasion in high-involvement conditions as well by influencing the valence of systematic processing (i.e., an indirect positive effect through consumers’ thoughts). Positive source characteristics, such as credibility or attractiveness, can produce expectancies about the strength of the arguments a persuasive message presents. For example, if a credible or attractive source delivers a message, its arguments may be perceived as stronger than if a less credible or nonattractive source delivers the message, particularly when the persuasive arguments are ambiguous (Chaiken and Maheswaran 1994).

The positive effect of source attractiveness is also consistent with findings from research on the influence of identification. As defined in Kelman (1961, p. 62):

Identification is a process of social influence in which an individual adopts a behavior derived from another person or group because this behavior is associated with a self-defining relationship to this person or group.... Accepting influence through identification, then, is a way of establishing or maintaining the desired relationship to the other, and the self-definition that is anchored in this relationship.

For identification to occur, the person’s relationship to the source must be salient in the situation. However, he or she does not have to be consciously aware of such a relationship, because it can be activated without awareness (Kelman 1961).

Any source-related characteristic that makes continued association with the source desirable is expected to foster identification. Previous research has highlighted the role of source similarity in this regard. Because people tend to like similar others (Kiesler and Corbin 1965), they perceive the attitudes held by similar others as more appropriate to them (Berger 1977) and are more interested in gaining and maintaining acceptance from similar rather than dissimilar others (Campbell and Fairey 1989). In a meta-analysis of the effects of source similarity on persuasion, Wilson and Sherrell (1993) show that members of a target audience are more likely to identify with, and therefore adopt, the opinions of similar others. For example, Brock (1965) and Busch and Wilson (1976) find that salespeople sold more of a product when customers perceived the salesperson as having similar interests than dissimilar interests. Furthermore, Tajfel and Turner (1986) show that because people are motivated by a desire for positive social identity, they tend

to overestimate the positive qualities of similar relative to dissimilar others.

In the context of our research, it seems reasonable to expect that consumers will perceive other fellow consumers as more similar to them than professional persuaders, who work on behalf of advertising agencies. Therefore, on the basis of the source effect and social influence literature, we predict that disclosing that a fellow consumer created an ad will increase message persuasiveness relative to a control condition in which no specific source information is provided. We refer to this as the identification hypothesis. Formally stated, the hypothesis is as follows:

H<sub>1</sub>: Knowledge that an ad is consumer-generated leads to more favorable ad and brand evaluations.

Although previous research points to a positive effect of disclosing consumers as ad creators, there is also reason to expect that this knowledge may trigger skepticism about the ad creator that would hinder persuasion. Ads are intended to be persuasive and are typically created by professional persuaders who are trained to design effective messages. Research shows that consumers often draw on their persuasion knowledge (i.e., naive theories about persuasion) to interpret and respond to advertising, especially on noting something unpredicted or unusual in the persuasion attempt (Friestad and Wright 1994). In their seminal article, Friestad and Wright (1994) note that an important element of consumers' persuasion knowledge is their belief about the persuasion competence of agents, that is, the extent to which agents are perceived to know how to effectively influence buying decisions. Thus, it is possible that the disclosure that a consumer created an advertisement disrupts the elaboration of message content by drawing consumers' attention to the abilities of the ad creator as a persuasion agent.

Support for these observations comes from recent research showing that awareness that an ad is consumer-generated heightens critical thoughts about the ad creator's ability to design effective communications. Ertimur and Gilly (2012) suggest that consumers tap into their beliefs about agents' competence when responding to contest ads, acting as "ad critics." Their results from in-depth interviews and online ethnographic data reveal that viewers were skeptical of the ad creator's ability to create effective messages and challenged specific ad executional elements (e.g., plot, acting, appeal). Thus, attributing an ad to a consumer could make other consumers more, rather than less, critical of a message, hindering persuasion. We refer to this as the skepticism hypothesis. Stated formally, the alternative hypothesis for the effect of disclosing that an ad is consumer-generated is as follows:

H<sub>1alt</sub>: Knowledge that an ad is consumer-generated leads to less favorable ad and brand evaluations.

A priori, it is not obvious which of these two effects, identification or skepticism, will determine persuasion outcomes. On the one hand, because the identification process is less resource demanding, it may be the default response of the unsuspecting consumer, especially under conditions of low involvement. Knowledge that a fellow consumer created an ad may decrease vigilance, making consumers

more accepting of consumer-generated advertising messages, as suggested by previous work on source effects. On the other hand, consumers today are often armed with considerable information and are healthy critics of marketing messages. These modern-day consumers openly express their views about marketers and marketing and broadcast these views in blogs and other social media (Belkin 2011). Perhaps, instead of letting their guard down when informed that an ad message is consumer-generated, consumers become more skeptical of the message. Thus, even though adopting a skeptical mind-set is more resource demanding than identifying with the ad source, the default response may be skepticism toward another consumer who created the advertising message. We conducted a pilot study to explore which of these competing mechanisms is more likely to emerge when the audience learns prior to exposure to an ad that it was consumer-generated.

## Pilot Study

### *Design and Procedures*

One hundred twenty-five undergraduate students from a private U.S. university (48% female, M<sub>age</sub> = 20 years) were randomly assigned to a 2 (control vs. consumer-generated) ad label × 2 ad replicate between-subjects design. Participants watched an ad for a target product (Doritos) and then provided their reactions to the ad and advertised brand. In a pretest, we asked consumers from the same student population (N = 83, 52% female) to report how frequently they eat Doritos using the following categories: every day, between two and six times per week, about once a week, between one and three times per month, less than once a month, or never. Ninety percent of respondents reported that they eat Doritos at least once a month.<sup>1</sup> We also measured brand familiarity (How familiar are you with the Doritos brand? ["not at all familiar/very familiar"]) and brand loyalty (How loyal are you to the Doritos brand? ["not loyal at all/very loyal"]). Respondents' familiarity with the brand was high (M = 5.0; seven-point scale), and their brand loyalty was moderate (M = 3.0; seven-point scale), which is expected for a low-involvement product category.

Before watching the ad, half the participants were given the following information:

The ad you are about to see was created by a consumer. It is the winning commercial in a contest sponsored by Doritos, which invited consumers to submit their ideas for an ad featuring the product.

Participants in the control condition were not given any specific source information prior to ad exposure. We used two consumer-created Doritos ads that were finalists in a contest sponsored by Frito-Lay. Both ads used humor and were 30 seconds long. Links to the ads we used across all studies appear in the Web Appendix ([www.marketingpower.com/jm\\_webappendix](http://www.marketingpower.com/jm_webappendix)).

<sup>1</sup>Only 2 participants (out of 83) reported having never consumed Doritos.

## Measures

Immediately after watching the ad, participants provided their ad evaluation on five scale items (“bad/good,” “unfavorable/favorable,” “unpleasant/pleasant,” “unconvincing/convincing,” and “dislike/like”;  $\alpha = .96$ ) and their brand evaluation on three scale items (“bad/good,” “low quality/high quality,” and “dislike/like”;  $\alpha = .92$ ). Responses to these measures were recorded on seven-point scales. Participants in the control condition were asked whether they were aware that the ad was created by a consumer (yes/no). Finally, all participants reported whether they had seen the ad before (yes/no).

## Results and Discussion

Nine participants assigned to the control condition (7%) identified the target ad as consumer-generated. Removing these participants from the analyses did not change the results; therefore, we report the results for the entire sample. Twelve participants indicated that they had seen the ad before, and including a dummy variable reflecting previous ad exposure as a covariate in the analyses did not reveal any significant effects ( $ps > .61$ ). The following analysis does not include prior exposure as a covariate.

A 2 (control vs. consumer-generated) ad label  $\times$  2 ad replicate analysis of variance (ANOVA) on ad evaluations revealed only a significant effect of ad label ( $F(1, 121) = 6.44, p = .01$ ). Disclosing that the target ads were consumer-generated significantly decreased ad evaluations relative to the control condition in which participants were not given specific source information ( $M_{\text{consumer}} = 4.52, M_{\text{control}} = 5.23$ ). There were no effects of ad replicate ( $ps > .36$ ). Similarly, a  $2 \times 2$  ANOVA on brand evaluations indicated only a

significant effect of ad label ( $F(1, 121) = 22.61, p < .001$ ). Disclosing to viewers that the ad was consumer-generated significantly decreased brand evaluations ( $M_{\text{consumer}} = 4.49, M_{\text{control}} = 5.67$ ).

These results reveal a negative effect of labeling a target ad as consumer-generated, which is consistent with a pattern of heightened skepticism, but not greater identification with the ad creator ( $H_{1\text{alt}}$ ). In the next section, we develop hypotheses about factors that could moderate these initial findings and increase the effectiveness of disclosing consumers as ad creators.

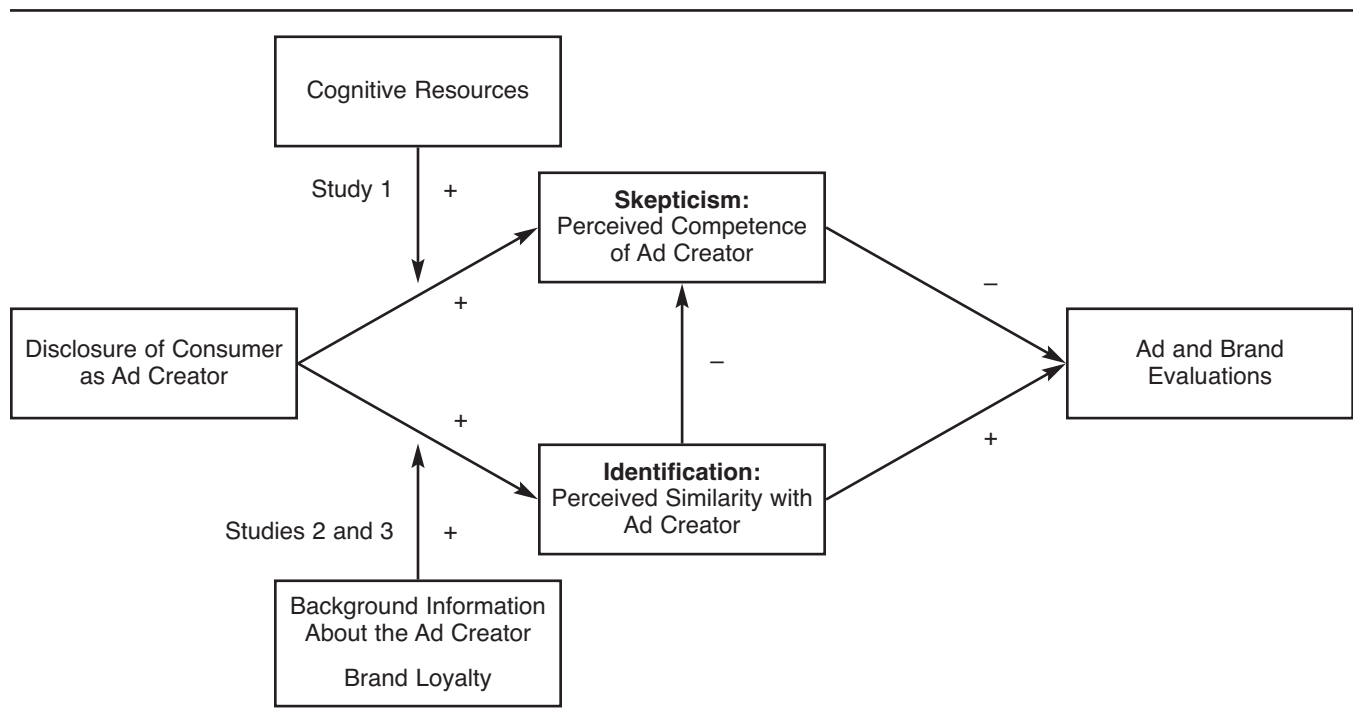
## Enhancing the Persuasiveness of Disclosing Consumers as Ad Creators

Our goal in the following studies is to uncover the underlying process by which attributing an ad to a consumer influences message persuasion. Our conceptual model, shown in Figure 1, proposes that disclosing advertising co-creation triggers two competing mechanisms: a negative response reflecting consumers’ skepticism about the advertising competence of the ad creator and a positive response reflecting identification with the ad creator. The effectiveness of attributing the ad to a consumer, therefore, depends on factors that attenuate the former and heighten the latter. We refer to this as the skepticism–identification model of ad creator influence.

### Attenuating Skepticism

Our model suggests that the negative response to the consumer-generated label is the result of a cognitively

**FIGURE 1**  
The Skepticism–Identification Model of Ad Creator Influence



effortful process of source derogation and counterarguing that requires a relatively high level of elaboration. Therefore, skepticism toward the ad creator should emerge only in the presence of adequate cognitive resources to scrutinize the message. When ability to elaborate on the ad message is high (i.e., unconstrained cognitive resources), as was found in the pilot study, the effect of skepticism toward consumers as ad creators dominates the identification effect, leading to a negative effect of co-creation disclosure. We expect skepticism to be heightened because most viewers are likely to perceive advertising co-creation as unusual. Research on selective attention has shown that when consumers encounter information that is incongruent with prior expectations, they engage in more effortful processing to resolve the incongruity (Heckler and Childers 1992; Lynch and Srull 1982). Disclosing that an ad was created by a consumer, and not by professional persuaders, as would be the expectation, heightens viewers' attention to the source of the ad, triggering critical thoughts about the competence of consumers as ad creators. We predict that the generic and nondescript "consumer-generated" label is unlikely to evoke sufficiently strong identification with the ad creator to prevent these critical thoughts, leading to a negative response to the ad.

In contrast, viewers' skepticism toward consumers as ad creators should be mitigated when their ability to elaborate on the ad message is low. Research on the elaboration likelihood model (Petty and Cacioppo 1986) shows that factors that decrease consumers' ability to elaborate on a persuasive message leads to peripheral information processing. A peripheral route to persuasion involves little thought or effort and relies on contextual cues (Kardes 2002), such as source identification. When cognitive resources are constrained, we hypothesize that disclosing that a fellow consumer created the ad activates identification because the consumer source automatically primes perceptions of shared identity and creates a favorable disposition toward the ad creator, which is transferred to the message. In summary, we predict that when viewers' ability to process information is low, the identification effect will be stronger than the skepticism effect, leading to a positive effect of attributing the ad to a consumer. More formally, we hypothesize the following interactive effect between attributing the ad to a consumer and the availability of cognitive resources:

H<sub>2a</sub>: When consumers' cognitive resources are unconstrained, disclosing that a target ad is consumer-generated decreases ad and brand evaluations.

H<sub>2b</sub>: When consumers' cognitive resources are constrained, disclosing that a target ad is consumer-generated increases ad and brand evaluations.

### **Heightening Identification**

An alternative mechanism for enhancing the persuasiveness of the consumer-generated label is to strengthen viewers' identification with the consumer creating the ad. Because persuasion through identification is based on the desire to preserve a relationship that is important to the person's self-image (Kelman 1961), increasing the perceived similarity between the ad creator and the ad recipient highlights a

shared identity and increases consumers' motivation to think of the ad creator in a positive light, thereby enhancing persuasion. In Study 2, we manipulate source similarity by giving consumers specific demographic information about the ad creator. Previous research has shown that judgments become more in line with those who share similar background characteristics. For example, Jiang et al. (2010) show that incidental similarities between a salesperson and a customer (e.g., a shared birthday or birthplace) resulted in higher intentions to purchase. In contrast, when perceived similarity to the ad creator is low and consumers have the resources to scrutinize the message, their skepticism about the ad creator is likely to be stronger than their identification with the ad creator. In summary, we hypothesize that the perceived similarity between the ad creator and the ad recipient moderates the effect of disclosing consumers as ad creators, such that when consumers have the cognitive resources to process the ad,

H<sub>3a</sub>: Attributing the ad to a nondescript consumer decreases ad and brand evaluations relative to a control condition in which no information about the ad creator is provided.

H<sub>3b</sub>: Attributing the ad to a consumer who shares a similar background characteristic with the ad recipient increases ad and brand evaluations relative to a control condition in which no information about the ad creator is provided.

In addition to manipulating the incidental similarity to the ad creator, we explore whether variations in an individual difference variable that is managerially relevant, such as consumer loyalty toward the focal brand, can foster identification between the self and the consumer creating the ad and, in turn, lead to a pattern of results that is analogous to those obtained with direct manipulation of source similarity. Research on brand communities suggests that admirers of a brand often believe that they have a better understanding of the brand than the manufacturer does (Muñiz and O'Guinn 2001). This work shows that sharing stories about an admired brand reinforces a sense of brand community by signaling to consumers that there are other like-minded admirers in the market. Muñiz and Schau (2005) also suggest that a frequent motivation for consumers to create ads is their commitment to and passion for the target brand. This is consistent with recent work in social psychology that shows that the belief that a person shares a similar subjective experience to a given stimulus with another person (e.g., musical taste) fosters feelings of closeness and liking among people who have little or no objective information about one another (Pinel et al. 2006). Building on this research, we propose that more (vs. less) loyal consumers experience greater identification with a consumer creating the ad because consumer-generated ads signal that there are other passionate consumers of the brand "out there." In summary, we expect that consumers who display higher loyalty toward a target brand will react more positively to an ad when they believe it was consumer-generated because they believe they share preferences with and perceive greater similarity to the ad creator. In contrast, we expect that consumers low in brand loyalty will not experience a heightened sense of similarity to the ad creator and will be more likely to question the competence of consumers as ad

creators. More formally, we hypothesize the following interactive effect between disclosure of consumer source and brand loyalty:

- H<sub>4a</sub>: When brand loyalty is low, disclosing that a target ad is consumer-generated decreases ad and brand evaluations.  
H<sub>4b</sub>: When brand loyalty is high, disclosing that a target ad is consumer-generated increases ad and brand evaluations.

In line with our conceptual framework, the identification effects outlined in H<sub>3</sub> and H<sub>4</sub> are driven by a favorable disposition toward the consumer creating the ad that affects persuasion not only directly, through affect transfer (a positive direct effect of increasing similarity on ad and brand evaluations), but also indirectly, by preventing the emergence of critical thoughts about the ad creator. Thus, we expect to find an indirect effect of increasing source similarity through reduced skepticism:

- H<sub>5</sub>: Increasing perceived source similarity attenuates skepticism about the competence of consumers as ad creators, which in turn enhances the persuasiveness of ads labeled as consumer-generated.

## Study 1: Reducing Skepticism by Constraining Consumers' Cognitive Resources

Study 1 tests the moderating effect of cognitive resources during message exposure on the effect of labeling ads as consumer-generated (H<sub>2</sub>). To accomplish this, we manipulate the level of attention viewers pay to the target message by varying the number of competing cognitive demands on them during message exposure. Managerially, this is relevant because it tests whether the negative effect of awareness that an ad is consumer-generated emerges under distracted viewing conditions. Unlike the pilot study, in this study, we use a target ad that an advertising agency created as opposed to a consumer-created ad. This enables us to examine whether the consumer-generated label can undermine persuasion even when professionally trained persuaders create a message.

### Design and Procedures

One hundred fifty-one undergraduate students from a private U.S. university (50% female, M<sub>age</sub> = 20 years) were randomly assigned to a 2 (control vs. consumer) ad label × 2 (unconstrained vs. constrained) cognitive resources between-subjects design. Participants were asked to view an ad for a target product (Doritos) and then provided their reactions to the ad and advertised brand. Before viewing the ad, half of the participants were given the following information:

The ad you are about to see was created by a consumer. It is the winning commercial in a contest sponsored by Doritos, which invited consumers to submit their ideas for an ad featuring the product.

The other half of the participants did not receive any specific information about the ad source. We manipulated availability of cognitive resources by the number of tasks that participants were required to perform during the study. In the resource-constrained condition, participants were

given an additional task of memorizing an eight-digit number (Gibson 2008). Specifically, after receiving ad source information but before viewing the ad itself, half of the participants were informed that the researchers were interested in testing memory capacity, and this would require them to memorize an eight-digit number. They were instructed to rehearse this number mentally during the entire task, until they are asked to recall the number. Those in the resource-unconstrained condition did not engage in this digit memorization task. All participants then viewed an ad that promoted a new flavor of Doritos ("Vending Machine").

### Measures

As in the pilot study, immediately after ad exposure, participants provided their ad evaluations on five scale items ("bad/good," "unfavorable/favorable," "unpleasant/pleasant," "unconvincing/convincing," and "dislike/like";  $\alpha = .91$ ) and their brand evaluations on three scale items ("bad/good," "low quality/high quality," and "dislike/like";  $\alpha = .92$ ), as in the pilot study. Next, participants in the resource-constrained condition were asked to recall the eight-digit number they were initially given. Finally, all participants inferred or recalled the ad source (consumer-generated, agency-generated, or unsure), reported whether they had seen the ad before (yes/no), and provided information about their gender and age. We measured all responses on seven-point scales unless otherwise noted.

### Results

The cognitive resource manipulation did not affect recall of ad source label ( $p > .29$ ). Eighty-three participants (55% of the sample) indicated that they had seen the target ad before. We included previous ad exposure (yes/no) as a factor in the statistical analyses.

*Ad evaluations.* A 2 ad label × 2 cognitive resources × 2 prior ad exposure ANOVA on ad evaluations indicated a main effect of prior ad exposure ( $F(1, 143) = 4.80, p < .05$ ) such that those who were familiar with the ad evaluated it more favorably ( $M = 4.71$ ) than those who were not familiar ( $M = 4.34$ ). More important, in support of H<sub>2</sub>, the only other effect that reached significance was a two-way interaction between ad label and cognitive resources ( $F(1, 143) = 15.78, p < .001$ ). As H<sub>2a</sub> predicted, when cognitive resources were unconstrained, labeling the ad as consumer-generated significantly decreased ad evaluations ( $M = 4.10$ ) relative to the control condition ( $M = 4.88; F(1, 143) = 8.25, p < .01$ ) in which no specific source information was provided. Conversely, in line with H<sub>2b</sub>, when cognitive resources were constrained, this effect was reversed: attributing the ad to a consumer increased ad evaluations ( $M = 4.92$ ) relative to the control condition ( $M = 4.27; F(1, 143) = 7.53, p < .01$ ). This reversal shows that under distracted viewing conditions, ad evaluations are enhanced when viewers believe that another consumer created the message and are not influenced by the skeptical mind-set that seems to be prompted when cognitive resources are unconstrained.

*Brand evaluations.* A 2 × 2 × 2 ANOVA on brand evaluations indicated only a significant two-way interaction between ad label and cognitive resources ( $F(1, 143) = 6.40,$

$p < .05$ ). No other effects were significant ( $ps > .10$ ). Replicating our pilot study and consistent with  $H_{2a}$ , when cognitive resources were unconstrained, presenting the ad as consumer-generated decreased brand evaluations relative to the control condition ( $M_{\text{control}} = 5.09$ ,  $M_{\text{consumer}} = 4.34$ ;  $F(1, 143) = 6.99$ ,  $p < .01$ ). In contrast, this negative effect was mitigated, though not reversed, when cognitive resources were taxed ( $M_{\text{control}} = 4.89$ ,  $M_{\text{consumer}} = 5.14$ ;  $F < 1$ ,  $p > .37$ ), offering partial support for  $H_{2b}$ .

Taken together, these results show that the consumer-generated label undermines advertising persuasiveness when consumers have cognitive resources to scrutinize the message. In contrast, under more distracted viewing conditions, when viewers' ability to activate their repertoire of critical thoughts is limited, attributing the ad to a consumer provides a positive cue for ad evaluations. However, although we observed a positive trend, this reversal effect did not reach statistical significance for brand evaluation. This suggests that the positive effect from disclosing a consumer ad source may have weaker downstream effects than the negative effect. In the next two studies, we explore how marketers can increase the effectiveness of disclosing advertising co-creation by strengthening consumers' identification with the ad creator.

## Study 2: Increasing Identification Through Background Information About the Ad Creator

The goal of Study 2 is to test  $H_3$  and  $H_5$ . We manipulate identification with the source by providing background information about the consumer creating the ad. We hypothesize that increasing perceived similarity to the ad creator will lower skepticism and enhance the persuasiveness of consumer-generated ads. In both the pilot study and Study 1, we used a product category that was highly familiar to and frequently consumed by the audience. To increase the generalizability of our findings across different consumption domains, in Study 2 we test our predictions using product categories (i.e., pickup trucks and crossover vehicles) that are typically not used by and relatively unfamiliar to our respondents. We expect that this would also provide a conservative test for our manipulation of similarity to the ad creator.

### Design and Procedures

Three hundred sixteen undergraduate students from a private U.S. university were randomly assigned to one of six conditions of a 3 (control, consumer-generated, student-generated) ad label  $\times$  2 ad replicate between-subjects design (50% female,  $M_{\text{age}} = 20$  years). Participants were asked to watch an ad for a target product (Chevy Colorado vs. Chevy Traverse) and then provided their reactions to the ad and the advertised brand. The two ads we selected targeted young consumers and attempted to increase their interest in pickup trucks and crossover vehicles, product categories that have low usage in our respondent sample. Unlike the usage pattern for Doritos, a pretest with consumers from the same student population ( $N = 83$ , 52% female) indicated that

71% of respondents had never driven a pickup truck and 73% had never driven a crossover vehicle. The average familiarity with ( $M_{\text{Colorado}} = 2.39$ ,  $M_{\text{Traverse}} = 1.93$ ; seven-point scale) and brand loyalty to ( $M_{\text{Colorado}} = 1.59$ ,  $M_{\text{Traverse}} = 1.40$ ; seven-point scale) both products were low.

We manipulated ad label before ad exposure. To increase viewers' identification with the ad creator, we included a condition in which the consumer creating the ad was a business school student, just like the study's participants were. In the consumer- and student-generated conditions, participants were given the following information:

The ad you are about to see was created by a consumer (business school student). It is the winning commercial in a contest sponsored by Chevrolet, which invited consumers to submit their ideas for an ad featuring Chevy Colorado.<sup>2</sup>

In the control condition, participants were not given any source information before watching the ad. Next, all participants watched either an ad for Chevy Colorado ("Man I Feel Like a Woman") or Chevy Traverse ("Shoes"). Both ads were 30-second commercials created by an advertising agency and used fantasy in their appeal.

### Measures

Following ad exposure, participants listed the thoughts that came to mind while viewing the ad and then provided overall ad and brand evaluations, using the same items from Study 1. Next, we measured perceived source similarity by asking participants to rate how similar they think they are to the person that created the ad ("very dissimilar/very similar"). Finally, participants inferred or recalled the ad source (consumer, student, ad agency, or unsure), reported whether they had previously seen the ad (yes/no), and indicated their gender and age. We measured all responses on seven-point scales unless otherwise noted.

### Results

Eighty-six participants (27%) had previously seen the target ads. We included previous ad exposure (yes/no) as a factor in the statistical analyses. Table 1 displays the results of the effect of ad label.

*Perceived similarity to the ad creator.* A 3 ad label  $\times$  2 ad replicate  $\times$  2 prior ad exposure ANOVA on perceived

<sup>2</sup>The product name changed in accordance with the ad replicate condition (Chevy Colorado vs. Chevy Traverse).

TABLE 1  
The Effect of Ad Label in Study 2

| Conditions         | Ad Evaluations          | Brand Evaluations       | Source Similarity       |
|--------------------|-------------------------|-------------------------|-------------------------|
| Control            | 4.83 <sup>a</sup> (1.2) | 4.80 <sup>a</sup> (1.1) | 3.29 <sup>a</sup> (1.7) |
| Consumer-generated | 4.45 <sup>b</sup> (1.4) | 4.35 <sup>b</sup> (1.2) | 3.16 <sup>a</sup> (1.8) |
| Student-generated  | 5.69 <sup>c</sup> (1.0) | 5.16 <sup>a</sup> (1.1) | 4.22 <sup>b</sup> (1.6) |

Notes: Marginal means controlling for previous exposure and ad replicate. Standard deviations are in parentheses. Different superscripts within a column indicate significantly different means.

similarity to the ad creator indicated main effects of prior ad exposure ( $F(1, 304) = 10.95, p < .001$ ), ad replicate ( $F(1, 304) = 7.56, p < .01$ ), and ad label ( $F(2, 304) = 8.55, p < .001$ ). There were no significant interaction effects ( $p > .10$ ). Participants perceived greater similarity to the ad creator when they had previously seen the ad ( $M = 4.08$ ) than when they had not seen it ( $M = 3.35$ ). They also perceived greater similarity to the creator of the Chevy Colorado ad ( $M = 4.02$ ) than to the creator of the Chevy Traverse ad ( $M = 3.41$ ). More importantly, as we expected, participants perceived greater similarity to the ad creator when the ad was attributed to a business school student ( $M = 4.22$ ) than to an unspecified consumer ( $M = 3.16$ ;  $F(1, 304) = 14.88, p < .001$ ). Compared with the control condition ( $M = 3.29$ ), perceived similarity was greater when a business school student created the target ad ( $F(1, 304) = 10.83, p = .001$ ) but not when an unspecified consumer created the ad ( $F < 1$ ). Thus, the source similarity manipulation was successful.

*Ad and brand evaluations.* A 3 ad label  $\times$  2 ad replicate  $\times$  2 prior ad exposure ANOVA on ad evaluations revealed a significant main effect of previous ad exposure ( $F(1, 304) = 8.87, p < .01$ ), a significant main effect of ad replicate ( $F(1, 304) = 14.35, p < .001$ ), and, as  $H_3$  predicted, a significant main effect of ad label ( $F(2, 304) = 18.15, p < .001$ ). No interaction effects were significant ( $p > .28$ ). Not surprisingly, participants were more favorable toward the ads when they reported having previously seen them ( $M = 5.29$ ) than when they had not seen them ( $M = 4.83$ ). Participants also responded more favorably to the Chevy Colorado ad ( $M = 5.36$ ) than to the Chevy Traverse ad ( $M = 4.76$ ). More important, consistent with  $H_{3a}$ , compared with the control condition ( $M = 4.83$ ), ad evaluations were significantly lower in the nondescript, consumer-generated condition ( $M = 4.45$ ;  $F(1, 304) = 6.98, p < .01$ ). Furthermore, as  $H_{3b}$  predicted, compared with the control, ad evaluations were significantly higher in the student-generated condition ( $M = 5.69$ ;  $F(1, 304) = 10.45, p < .001$ ).

Likewise, a 3 ad label  $\times$  2 ad replicate  $\times$  2 prior ad exposure ANOVA on brand evaluations revealed a main effect of ad replicate ( $F(1, 304) = 16.60, p < .001$ ) and a main effect of ad source ( $F(2, 304) = 6.75, p < .001$ ). No other effects were significant ( $p > .10$ ). Participants evaluated the Chevy Colorado brand ( $M = 5.09$ ) more favorably than the Chevy Traverse brand ( $M = 4.48$ ). Furthermore, as we expected, brand evaluations were higher in response to the ad presented as student-generated ( $M = 5.16$ ) than to the ad presented as consumer-generated ( $M = 4.35$ ;  $F(1, 304) = 12.68, p < .001$ ). In accordance with  $H_{3a}$ , relative to the control condition ( $M = 4.80$ ), informing participants that a consumer created the ad significantly lowered brand evaluations ( $F(1, 304) = 5.81, p < .02$ ). However, informing participants that a business school student created the ad directionally increased brand evaluations, though this difference did not reach statistical significance relative to the control group ( $F(1, 304) = 1.21, p > .27$ ); thus,  $H_{3b}$  is partially supported. We should note that this attenuation but nonreversal of brand evaluation is similar to what we observed in Study 1, suggesting again that the positive effect of identification with the ad creator on brand evalua-

tions is weaker compared with the negative effect due to skepticism.

*Open-ended thoughts.* To examine whether increasing identification with the ad creator influenced responses to ads labeled as consumer-generated by lowering skepticism toward the ad creator ( $H_5$ ), we conducted a content analysis of participants' open-ended thoughts about the ads. Two raters blind to the experimental conditions coded participants' open-ended protocols for the presence of empathy thoughts, reflecting the extent to which the participant related to the message (e.g., "It was funny to imagine how I would feel in that situation and what I would do," "I found myself singing along and picturing my male friends having those same reactions") and for the presence of negative thoughts toward ad execution as a measure for a skeptical mind-set (e.g., "I thought that it was stupid to have shoes falling from the sky," "Shoes falling down from the sky were not relevant to the car and the ad did not convince me to consider buying the product"). As Ertimur and Gilly (2012) suggest, viewers act as "ad critics" when they are skeptical about the competence of the ad creator. In addition, raters coded for the presence of product-related thoughts ("The car looks very sleek") and other thoughts unrelated to the ad ("I thought about going shopping for shoes"). Interrater agreement was .71, and all disagreements were resolved through discussion.

Disclosing that the ad was consumer-generated significantly increased the incidence of critical thoughts toward ad execution (43%) relative to both the control (28%,  $\chi^2 = 5.28(1), p < .05$ ) and student-generated conditions (26%,  $\chi^2 = 6.97(1), p < .01$ ), indicating that, as we expected, an unspecified consumer source attribution led respondents to be critical of the ad and its creator. Moreover, consistent with our manipulation of identification, the incidence of empathy thoughts was higher in the student-generated condition (33%) than in both the control condition (19%,  $\chi^2 = 4.80(1), p < .05$ ) and the consumer-generated condition (14%,  $\chi^2 = 10.2(1), p < .01$ ). Finally, ad label had no effects on the frequency of participants' product-related and other thoughts ( $ps > .19$ ).

*Mediation analysis.* We predicted that increasing perceived similarity to the ad creator would enhance responses to ads labeled as consumer-generated partially by reducing skepticism about the ad creator's competence ( $H_5$ ). We coded ad label using orthogonal linear contrasts (consumer-generated = -1, control = 0, student-generated = 1) and ran a sequential mediation analysis (Taylor, MacKinnon, and Tein 2008) to examine the effect of ad label through perceived similarity to the ad creator and critical thoughts about ad execution. To demonstrate sequential mediation, the joint significance test requires that  $\beta_1$ ,  $\beta_2$ , and  $\beta_3$  are all significant (ad label  $\rightarrow$  perceived similarity  $\rightarrow$  critical thoughts  $\rightarrow$  ad and brand evaluations). As we show in Table 2, perceived similarity to the ad creator significantly mediates the effect of ad label on critical thoughts, which in turn partially mediates the effect of perceived similarity on ad and brand evaluations. Thus, in support of  $H_5$ , we find that increasing perceived similarity to the ad creator enhanced



**TABLE 2**  
**Mediation Analysis for Study 2**

| Independent Variables       | Perceived Similarity<br>(Mediator 1) |               | Critical Thoughts<br>(Mediator 2) |             | Ad Evaluations<br>(DV) |              | Brand Evaluations<br>(DV) |             |
|-----------------------------|--------------------------------------|---------------|-----------------------------------|-------------|------------------------|--------------|---------------------------|-------------|
|                             | b                                    | SE            | b                                 | SE          | b                      | SE           | b                         | SE          |
| Previous exposure to the ad | .77                                  | .21***        | .16                               | .29         | .32                    | .14*         | .13                       | .14         |
| Ad replicate                | -.57                                 | .19**         | .70                               | .26**       | -.31                   | .12*         | -.34                      | .12**       |
| Ad label                    | <b>.56</b>                           | <b>.11***</b> | -.30                              | .16         | .45                    | .08***       | .26                       | .07**       |
| Perceived similarity        |                                      |               | <b>-.19</b>                       | <b>.08*</b> | .29                    | .04***       | .23                       | .04***      |
| Critical thoughts           |                                      |               |                                   |             | <b>-.39</b>            | <b>.13**</b> | <b>-.30</b>               | <b>.13*</b> |

\* $p < .05$ .

\*\* $p < .01$ .

\*\*\* $p < .001$ .

Notes: DV = dependent variable. Ad label was contrast coded: -1 (consumer-generated), 0 (control), +1 (student-generated). Beta values are unstandardized. Boldfaced values indicate the beta values that must be significant to demonstrate sequential mediation through a joint significance test (Taylor et al. 2008).

persuasion partially by attenuating skepticism toward the competence of the ad creator.

### Discussion

Replicating our initial findings, Study 2 shows that informing viewers that an unspecified consumer-generated a target ad undermines persuasion. Participants' open-ended thought protocols suggest that an unspecified consumer source makes viewers more skeptical of the ad creator, leading them to be critical of the ad's executional elements. Furthermore, we find that the negative effect of disclosing consumers as ad creators can be mitigated, but not completely reversed, when participants perceive the ad creator to be similar to them. Communicating information that increases the incidental similarity enhances the effectiveness of disclosing co-creation by inhibiting viewers' skeptical mind-set.

## Study 3: Increasing Identification Through Brand Loyalty

From both theoretical and practical perspectives, it is important to identify additional factors that may promote identification with consumers as ad creators and prevent a skeptical mind-set during exposure to consumer-generated ads. In Study 3, we test whether brand loyalty can produce results analogous to those obtained with a direct manipulation of ad creator similarity (Study 2). Building on research about brand communities, we expect that brand loyalty will increase the perceived similarity between the self and other consumers engaged in advertising co-creation, whereas it should not increase similarity when the ad creator is assumed to be a professional persuader. Thus,  $H_4$  predicts that brand loyalty enhances the effectiveness of disclosing versus not disclosing a consumer source.

In addition to testing the moderating effect of brand loyalty, in Study 3 we include specific measures of perceived ad creator competence as well as measures of alternate sources of skepticism that may contribute to the negative effect of the consumer-generated label. Specifically, we examine perceptions of ulterior motives of the sponsor brand and the ad creator and perceptions regarding advertising costs.

### Design and Procedures

The study used a two-factor design, with ad label manipulated at two levels (control vs. consumer) and brand loyalty measured as a continuous variable. One hundred twenty-three undergraduate students from a private U.S. university were randomly assigned to the two cells of the manipulated factor. We measured brand loyalty at the end of the research session. Participants were asked to watch an ad for Doritos and then reported their reactions to the ad and the target brand. We used a consumer-generated ad ("Beer") that was a finalist in a contest sponsored by Frito-Lay. The ad used humor and was 30 seconds long. Before watching the ad, half the participants were informed that the ad they were about to see was created by a consumer and that it was the winning commercial in a contest sponsored by Doritos, which invited consumers to submit their ideas for an ad featuring the product. Participants in the control condition were not given any specific source information before ad exposure.

We measured brand loyalty using Aaker, Fournier, and Brasel's (2004) scale of brand commitment ( $\alpha = .90$ ; "I am very loyal to Doritos," "I am willing to make small sacrifices in order to buy the Doritos brand," "I would be willing to postpone my purchase if the Doritos brand was temporarily unavailable," "I would stick with Doritos even if it let me down once or twice," "I am so satisfied with Doritos that I no longer feel the need to watch out for other salty snacks alternatives," and "I'm likely to keep buying Doritos one year from now"). We also measured frequency of brand use. Our expectation was that brand loyalty and the frequency of brand use would be significantly correlated and lead to a similar pattern of results.

### Measures

*Dependent measures.* After viewing the ad, participants rated their perceptions of the advertised brand ( $\alpha = .92$ ) and the ad ( $\alpha = .94$ ) using the same three seven-point scale items for each dependent measure ("bad/good," "negative/positive," and "unfavorable/favorable"). Unlike the previous studies, in this study the brand evaluation measure was administered before the ad evaluation measure.

*Skepticism toward the ad creator.* Next, participants reported their skepticism about the competence of the ad creator by indicating on two items the extent to which they perceived the ad creator to be: knowledgeable about creating effective advertising messages and knowledgeable about persuasion techniques (“not at all/very much”;  $r = .78, p < .001$ ). Because these items were highly correlated, we combined and averaged them to form a single measure of perceived competence of the ad creator. Next, we assessed skepticism about the ulterior motives of the ad creator. Participants rated the extent to which they perceived the person creating the ad to be trustworthy (“not at all/very much”) and to have an ulterior motive to create the ad (“not at all/very much”). These items were not significantly correlated ( $r = .03, p > .78$ ); thus, we report their results separately.

*Perceived similarity to the ad creator.* A three-item perceived similarity to the ad creator measure was administered next. Participants indicated the extent to which they thought they were similar to the person creating the ad (“very dissimilar/very similar”), had similar preferences to the person creating the ad (“not at all/very much”), and felt a common bond with the person creating the ad (“not at all/very much”). These items were highly correlated ( $\alpha = .91$ ), and we averaged them to form a composite measure of perceived similarity to the ad creator.

*Additional measures.* We administered additional measures to examine other possible sources of ad creator skepticism. A potential reason for consumers to be skeptical of consumer-generated ads is perceptions of ulterior motives of the sponsor firm. Awareness that a firm solicited user-generated messages by means of competitions, forums, or other activities could prompt consumers to interpret this co-opting approach as a tactic to fabricate trustworthiness and unduly persuade the audience. Skepticism about the motives of the sponsor firm was measured on four items ( $\alpha = .78$ ). Participants rated the extent to which they thought the Doritos’ ad campaign was deceptive/manipulative/trying to lower consumers’ resistance to the advertising message/trying to unduly persuade consumers (“not at all/very much”). Next, we measured perceived ad costs (“Compared to other ads for consumer-packaged goods, how costly do you think this ad for Doritos is?” “below average/above average”) and prior exposure to the target ads (yes/no). Finally, participants inferred or recalled the ad source (consumer, agency, unsure), reported individual differences in brand loyalty (Aaker, Fournier, and Brasel 2004), noted their frequency of brand use (six-point scale: “every day,” “a few days a week,” “about once a week,” “a few times a month,” “less than once a month,” and “never eaten Doritos”), and indicated their gender and age. We measured all responses on seven-point scales unless otherwise noted.

## Results

Five participants (4% of the sample) indicated having seen the target ad before the study. Loyalty toward the Doritos brand revealed a mean of 2.91 and standard deviation of 1.41 on a seven-point scale. Frequency of use revealed a mean of 2.67 on a six-point scale, with 41.5% of participants reporting that they consume the product more than

once a month. The correlation between these measures was positive and significant ( $r = .54, p < .001$ ). In accordance with our hypotheses, we report the results using brand loyalty as the moderating variable. We obtained a similar pattern of results when we included the single item frequency of use measure as the moderator.<sup>3</sup>

*Perceived similarity to the ad creator.* A linear regression on perceived similarity to the ad creator with ad label, brand loyalty, and the two-way interaction as predictors revealed no significant effects ( $ps > .18$ ). This suggests that respondents who were high (vs. low) in brand loyalty did not make a conscious inference that they were more similar to the consumer creating the ad.

*Ad evaluations.* A linear regression on consumers’ ad evaluation with ad label, brand loyalty, and the two-way interaction as predictors indicated a negative main effect of ad label ( $b = -1.51, t = -2.58, p < .05$ ) such that ad evaluations were less favorable when the consumer-generated label was disclosed than in the control condition. Furthermore, as  $H_4$  predicted, we observed a significant ad label by brand loyalty interaction ( $b = .51, t = 2.76, p < .01$ ). A spotlight analysis revealed that at one standard deviation below the mean of brand loyalty ( $M_{\text{loyalty}} = 1.50$ ), informing participants that the ad was consumer-generated decreased ad evaluations ( $b = -.75, t = -2.09, p < .05$ ), in support of  $H_{4a}$ . In contrast, at one standard deviation above the mean of brand loyalty ( $M_{\text{loyalty}} = 4.32$ ), this effect was reversed: awareness that a consumer created the ad marginally increased ad evaluations ( $b = .68, t = 1.84, p < .07$ ), in line with  $H_{4b}$ . These outcomes are consistent with our theorizing that in the presence of low brand loyalty, information that an ad is consumer-generated prompts a skeptical mind-set, leading to less favorable evaluations, whereas in the presence of high loyalty, the same information serves as a positive identification cue, leading to more favorable evaluations.

*Brand evaluations.* A similar regression analysis on brand evaluations indicated a marginally significant main effect of brand loyalty ( $b = .17, t = 1.65, p = .10$ ) and a negative main effect of ad label ( $b = -1.08, t = -2.52, p < .05$ ) qualified by a significant two-way interaction ( $b = .37, t = 2.75, p < .01$ ). A spotlight analysis indicated that, consis-

<sup>3</sup>Regression analysis using frequency of use as the moderator showed a similar pattern of effects as brand loyalty. For ad evaluation, there was a negative effect of ad label ( $b = -2.08, SE = .73, p < .01$ ), qualified by an ad label  $\times$  loyalty interaction ( $b = .80, SE = .26, p < .01$ ). For brand evaluations, there was also a negative main effect of ad label ( $b = -1.12, SE = .56, p < .05$ ) qualified by an ad label  $\times$  loyalty interaction ( $b = .47, SE = .20, p < .05$ ). For ad evaluations, the simple contrasts at one standard deviation below and above the frequency of use mean were significant and in the exact same direction as those reported by brand loyalty. For brand evaluations, the positive effect of ad label disclosure at one standard deviation above the frequency of use mean was significant, but the negative effect at one standard deviation below the mean did not reach significance. This weaker negative effect of disclosing a consumer source at low levels of brand use may be driven by the fact that nine participants reported a very low frequency of use but high loyalty toward the brand (above the scale midpoint). These light yet loyal users of the product may have attenuated the negative effect of consumer label.

tent with  $H_{4a}$ , for low-loyalty respondents (at one standard deviation below the loyalty mean), the disclosure of the consumer label decreased brand evaluations ( $b = -.53, t = -2.00, p < .05$ ). In contrast, high-loyalty respondents (at one standard deviation above the loyalty mean) had a marginally more favorable evaluation of the brand when they learned that the ad was consumer-generated ( $b = .52, t = 1.91, p < .06$ ), which is consistent with  $H_{4b}$ . These results are concordant with our theorizing that for low-loyalty respondents, the consumer ad label triggers skepticism toward the ad creator, making them more critical of the ad message, resulting in less favorable brand evaluations. This effect is reversed for high-loyalty respondents, who use the same information about the ad creator as a positive cue, leading to marginally more favorable brand evaluations. Unlike Studies 1 and 2, in which we did not find a significant, positive effect of disclosing a consumer source on brand evaluations, in this study we observe a marginal positive effect. Nevertheless, the identification effect on brand evaluations remains weaker than the skepticism effect.

*Skepticism toward the ad creator.* To test  $H_5$ , participants' perception of ad creator competence was subjected to a regression analysis with ad label, brand loyalty, and the two-way interaction as predictors. The analysis revealed a negative main effect of the consumer label ( $b = -1.80, t = -3.32, p < .01$ ) such that participants were more skeptical of the competence of the ad creator when this person was described as a consumer. This main effect was qualified by a significant ad label by brand loyalty interaction ( $b = .45, t = 2.62, p = .01$ ). A spotlight analysis showed that low brand loyalty respondents reported significantly lower ad creator com-

petence when they were informed that the ad was consumer-generated than when the ad was presented without this information ( $b = -1.13, t = -3.41, p < .001$ ). This effect was eliminated for high brand loyalty respondents ( $p > .72$ ).

$H_5$  predicted that brand loyalty enhances the persuasiveness of attributing the ad to a consumer partially by reducing skepticism toward consumers' abilities to create effective advertising. We conducted a moderated mediation analysis (Preacher and Hayes 2008) to examine whether the indirect effect of ad label (independent variable) through perceived ad creator competence (mediator) was conditional on different levels of brand loyalty (moderator). The results appear in Table 3. Consistent with  $H_5$ , increasing brand loyalty mitigates the negative effect of disclosing a consumer source on perceptions of creator competence.

Finally, to check for the effects of the additional sources of skepticism, we ran regression analyses on measures of the trustworthiness and ulterior motives of the creator, ulterior motives of the sponsor firm, and perceived advertising costs. There were no significant effects on the perceived trustworthiness of the ad creator or on the ulterior motives of the ad creator and the firm (all  $ps > .12$ ). For perceived advertising costs, there was only a negative main effect of disclosing a consumer source such that attributing the ad to a consumer lowered perceptions of ad costs ( $b = -1.29, t = -2.12, p < .05$ ). However, the interaction between ad label and loyalty on perceived ad costs did not reach significance; thus, cost inferences alone cannot fully explain the interactive effects observed in ad and brand evaluations. Taken together, this suggests that the negative reaction we observe toward the consumer-generated label is not driven by viewers' inferences of the motives behind the ad cam-

**TABLE 3**  
**Moderated Mediation Analysis in Study 3**

| A: Indirect Effects of Ad Label and Brand Loyalty                                   |                       |               |                  |              |                   |     |
|---|-----------------------|---------------|------------------|--------------|-------------------|-----|
|   | Dependent Variables   |               |                  |              |                   |     |
|   | Ad Creator Competence |               | Ad Evaluations   |              | Brand Evaluations |     |
|   | b                     | SE            | b                | SE           | b                 | SE  |
| <b>Model 1</b>  |                       |               |                  |              |                   |     |
| Ad label  | -1.80**               | .54           |                  |              |                   |     |
| Brand loyalty   | -.04                  | .13           |                  |              |                   |     |
| Ad label × loyalty  | .45*                  | .17           |                  |              |                   |     |
| <b>Model 2</b>  |                       |               |                  |              |                   |     |
| Ad label  |                       |               | .34              | .22          | .23               | .21 |
| Ad creator competence   |                       |               | .65***           | .08          | .19*              | .08 |
| B: Conditional Indirect Effects of Ad Label Through Perceived Ad Creator Competence |                       |               |                  |              |                   |     |
|   | Ad Evaluation         | 95% CI        | Brand Evaluation | 95% CI       |                   |     |
| At 1 standard deviation below the loyalty mean                                      | -.74                  | (-1.28, -.29) | -.21             | (-.54, -.03) |                   |     |
| At the loyalty mean   | -.33                  | (-.65, -.04)  | -.10             | (-.28, -.01) |                   |     |
| At 1 standard deviation above the loyalty mean                                      | -.08                  | (-.33, .48)   | -.02             | (-.07, .18)  |                   |     |

\* $p < .05$ .

\*\* $p < .01$ .

\*\*\* $p < .001$ .

Notes: Independent variable: ad label (manipulated: control vs. consumer-generated); dependent variable: ad evaluations and brand evaluations; mediator = perceived competence of the ad creator; amoderator: brand loyalty (measured). Beta values are unstandardized. Number of bootstrap samples = 1,000.

paign or by thoughts that the use of consumers as cocreators is an attempt to reduce advertising costs.

### **Discussion**

Study 3 extends our findings in two ways. First, it shows that brand loyalty is a significant moderator of the effectiveness of attributing ads to consumers. Our results indicate that for low-loyalty consumers, providing information that a consumer created a target ad backfires, decreasing ad and brand evaluations compared with a control condition in which no source information is provided. Conversely, this effect reverses as loyalty toward the advertised brand increases. For consumers with higher loyalty, presenting the ad as consumer-generated significantly enhances ad evaluations and marginally enhances brand evaluations. This reversal is analogous to that obtained with a direct manipulation of background similarity in Study 2 and is consistent with our hypotheses. Contrary to expectations, in Study 3 ad label and brand loyalty did not affect the measure of perceived similarity to the ad creator. A possible reason for this null effect is that brand loyalty fostered identification with the consumer creating the ad relatively automatically—that is, without any conscious mediation. This is consistent with previous work showing that the inference of interpersonal connectedness, which is presumably part of the identification process, frequently manifests itself as a very rapid snap judgment based on experiential processing of the cues the other person emitted (Pinel et al. 2006). This finding is also concordant with research on assimilation judgments, which finds that judgments involving affect transfer typically require few cognitive resources (Martin, Seta and Crelia 1990; Meyers-Levy and Tybout 1997) and are “usually fast and unconscious” (Barsalou 1992, p. 277). It is important to note that the significant interaction between ad label and loyalty reveals that high brand loyalty disproportionately enhances responses to the consumer-created ad relative to the control condition ad. This implies that our results cannot be explained by a general halo effect toward the brand, which would predict only a main effect of brand loyalty on evaluations.

Finally, in Study 3 we explored alternative reasons why awareness that another consumer created an ad may lead to a skeptical mind-set. We failed to find evidence that consumer-generated ads significantly affect perceptions of ad creator’s trustworthiness or ulterior motives. However, as predicted, we find that crediting the ad to a consumer increases skepticism about the competence of the ad creator. In summary, our findings suggest that unless consumers are loyal to the focal brand, they are skeptical of the ability of fellow consumers to be effective persuaders and adopt a critical mind-set toward the message.

## **General Discussion**

Our research provides initial evidence about the effects of disclosing to an audience that an advertising message is consumer-generated and makes three specific contributions. First, our studies show that consumers do not necessarily perceive consumer ads as more trustworthy than ads created by professional firms, challenging the view that such ads

are processed as word-of-mouth communications. Instead, consumers seem to realize the need for advertising to be persuasive and use their perceptions of the competence of the ad creator to evaluate the effectiveness of the message. As a result, contrary to managerial intuition, we find that attributing an advertising message to a consumer can hinder persuasion, decreasing ad and brand evaluations.

Second, our results reveal that disclosing a consumer source triggers two opposing effects: skepticism about the competence of the ad creator and identification with the ad creator. The first effect emerges when consumers challenge the ability of the ad creator to design effective advertising, whereas the second effect results from consumers perceiving similarities with the ad creator. We show that factors that hinder skepticism and heighten identification with the ad creator moderate the effectiveness of informing the audience that an ad is consumer-generated. Our findings indicate that, relative to a control condition in which no source information was provided, attributing the ad to a consumer backfires when the ad creator is simply portrayed as an unspecified fellow consumer or when the audience consists of nonloyal consumers who do not share a commitment toward the brand with the ad creator. Under these conditions, consumers’ heightened level of skepticism regarding the advertising competence of the ad creator decreases ad and brand evaluations. However, our studies reveal that this negative effect can be mitigated and even reversed under two conditions: first, under high distraction viewing conditions, in which consumers’ ability to activate their critical thoughts is limited; and second, when consumers identify with the ad source, such as when the ad creator is depicted as sharing a background trait with the viewers (i.e., a fellow college student) or when the consumer is loyal to the brand. Finally, we provide initial evidence ruling out several alternative explanations for the skepticism effect, such as lower perception of advertising costs, inferences about a firm’s ulterior motives, and ad creator’s trustworthiness.

### **Theoretical Implications**

Our findings contribute to an emerging stream of research on the effects of soliciting different types of consumer input. Soliciting consumer input can enhance the relationship between the individual consumer and the organization in different contexts. For example, asking consumers to provide advice enhances empathy between the consumer providing the advice and the focal company and increases the likelihood that the consumer will transact with this company in the future (Liu and Gal 2011). Similarly, inviting consumers to participate in the customization of product features and design can under certain conditions improve product satisfaction (Moreau and Herd 2010). Instead of focusing on the relationship between an individual consumer and an organization, our work extends this earlier research on soliciting consumer input by examining consumers’ reactions, as observers, to brands that solicit input from other consumers. Although there is evidence that consumers can mimic the conventions of advertising and produce ads whose quality is comparable to those produced by professional agents (Schau and Muñiz 2008), our findings

suggest that upon learning that an ad is consumer-generated, viewers become skeptical because they do not believe that other consumers possess the ability to produce persuasive advertising messages. This result is consistent with Ertimur and Gilly's (2012) recent qualitative research showing that the disclosure of a consumer source could increase elaboration about an ad's executional characteristics instead of elaboration of the featured brand.

In addition, our research extends previous work on consumer-brand relationships (Fournier 1998; Muñiz and O'Guinn 2001). Instead of examining the types of relationships that consumers, as actors, form with their brands and how these relationships develop over time, our work offers some insights into how consumers react to expressions of other consumers' relationships with their brands. Unlike the context of brand communities, in which members often believe that they have a better understanding of the brand than do manufacturers (Muñiz and O'Guinn 2001), we show that there are conditions in which consumers may resist the interference of other consumers in shaping a brand's image. Moreover, our findings reveal that fostering identification among actors and observers of co-creation (i.e., by highlighting incidental similarities) is an effective mechanism to attenuate consumers' tendency to critique the quality of co-creation outcomes.

### ***Managerial Implications***

Our findings provide several insights for marketers considering the use of consumer-generated advertising. First and foremost, our results show that widely publicizing that an ad is consumer-generated can undermine message persuasiveness, particularly under high-involvement viewing conditions. Contest ads created by ordinary consumers can make viewers critical, prompting negative thoughts and counterarguments and causing them to question the ad creator's abilities and the ad executional quality. Notably, consumers do not seem to view the ad creator or the firm to be untrustworthy. Rather, consumers seem to have the view that a regular consumer is not competent enough to be an effective communicator.

These negative reactions occur when an advertising agency created the actual ad but consumers believed that the ad was consumer-generated, but these reactions do not occur when respondents were unaware that the ad was consumer-generated even though a consumer did create it. This finding poses a prickly dilemma for marketers. Although marketers should continue to engage consumers and benefit from their creativity, they should be careful about how they publicize this to the population at large. For example, our findings show that negative reactions to the consumer-generated label are more likely to occur under conditions of high involvement and engagement. When consumers were distracted, their overall reaction to the knowledge that an ad was consumer-generated was positive, but when they were able to devote greater attention to the ad, their assessment became more negative.

These observations are informative for media decisions. Advertising exposure through traditional media, such as television, typically involves a low-involvement context,

which, according to our studies, favors the processing of the consumer source as a positive cue. The 2008 Dove Body Wash consumer-generated campaign provides an example of how companies can highlight the consumer source using traditional media. The winning Dove commercial created by a consumer (titled "Speedy Spa") was preceded by a short announcement in which the contest and the ad creator were briefly presented to the public; both segments were edited together to create a 30-second spot that aired during the 2012 Academy Awards broadcast. Disclosing the consumer who created the ad in a television spot should act as a positive cue for a low-involvement audience. However, if the ad was to be placed online in social media and other online video-sharing websites, where consumers presumably have a higher level of involvement and more cognitive resources to scrutinize the information, our findings suggest that it would be better to exclude the consumer source information of the Dove ad.

In addition to providing insights about media outlets in which the use of the consumer-created label might be more effective, our findings offer guidance for marketers to reap greater benefits from consumer-generated campaigns by reaching consumers who were not involved in the co-creation process. For these consumers, it is particularly important to develop a narrative not only about the ad contest itself but also about the consumer creating the ad. Marketers can prevent the heightened skepticism about consumers' skills as ad creators by increasing identification between the ad creator and the ad recipient. Our results suggest that communicating richer information about the ad creator is a critical factor to ensure that consumers respond favorably to ads labeled as consumer-generated. Marketers can disseminate information about the creative process (i.e., "the making of the ad") through their public relations efforts, traditional television ads and online videos, or social networking sites. Another managerial insight that comes from our results is related to the effect of brand loyalty. We find that consumers with low brand loyalty have a negative reaction to the consumer source, whereas higher loyalty consumers tend to have a positive reaction to the same source information. This suggests that the use of consumer-generated campaigns and the communication of this fact to consumers should be driven by a careful assessment of the brand's growth objectives. Consumer-generated advertising campaigns are likely to be a more effective tactic to engage and retain a brand's loyal customers than to attract and grow the share of customers who are not loyal to the brand.

### ***Limitations and Further Research***

Several notable questions related to the effects of learning about consumer participation in the advertising process await investigation. First, we have focused on the effectiveness of consumer-generated ads that were solicited and disseminated by firms (and presumably broadcast on television) instead of organically created ads that consumers distributed on platforms such as YouTube and other video-hosting sites. It is possible that consumers have lower expectations about the persuasive quality of these independently created ads, focusing more on their entertainment

value. Future studies might explore whether the context in which the ad is created and disseminated has an influence on viewers' responses. Second, although viewers' previous exposure to the target ads did not significantly affect our results, the timing of viewers' learning about the consumer source (before or after ad exposure) deserves further investigation. Research on context effects (Meyers-Levy and Tybout 1997; Schwarz and Bless 1992) suggests that contextual cues available after message encoding influence consumers' responses by affecting the subset of relevant information that is retrieved and used in formulating a response. Thus, learning that an ad is consumer-generated subsequent to message exposure might still influence consumers' responses, although the specific nature of this influence remains to be examined.

Third, our finding that consumers become more critical of the ad creator when they learn that the ad is consumer-

generated could be associated with consumer envy. If consumers feel envious of other consumers making winning ads, these negative feelings toward the ad creator could transfer to ad and brand evaluation. Examining the role of envious feelings in judgments of ad creator competence and subsequent reactions to user-generated messages is an area for further research. Fourth, although the observed moderating effect of brand loyalty on the effectiveness of the consumer-generated label is consistent with the hypothesis that loyalty enhances identification between the self and the consumer involved in advertising co-creation, additional research is needed to specify the process whereby brand loyalty disproportionately increases responses to ads created by other consumers. Finally, it would be worthwhile to examine whether skepticism and identification play a significant role in consumers' responses to other types of co-creation initiatives, such as those involving the development of new products.

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