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Consumer Response to User-generated Advertising: The Effects of Disclosing Consumers as Ad Creators

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Report Summary

Companies increasingly involve consumers in the process of developing advertising and other marketing actions. A primary consideration in the use of user-generated advertising is the expectation that consumers who were *not* involved in the co-creation process would respond positively to the ad because a message crafted by a fellow consumer should resonate with their needs. While the message content may well resonate with consumers, what is so far untested is the influence on message recipients of awareness that a message was created by another consumer. Communicating information about the ad creator to enhance ad effectiveness is a potential opportunity that marketers might be overlooking.

Across four experiments, the authors examine whether disclosing that an ad was created by a consumer affects its persuasiveness. Their findings show that: (1) consumers who are not aware that an ad is consumer-generated respond to it just like they respond to a typical (agency-created) ad; (2) awareness that an ad is consumer-generated undermines persuasion by triggering a critical mindset toward the message and the ad creator because consumers question the ability of regular consumers to develop effective advertising; (3) the presence of distractions during ad exposure mitigates this negative effect of ad creator awareness; and (4) making consumers aware that the ad creator is a member of the same social community (same demographics) or the same psychographic community (share brand loyalty) as the message recipient enhances persuasion, improving attitude toward the ad, attitude toward the brand, and willingness-to-pay for the brand.

For marketers considering the use of consumer-generated advertising, the bottom line is that while consumer-generated advertising offers many benefits, without careful implementation this strategy could easily backfire and hurt the brand. Specifically, the findings of the current research pose some prickly dilemmas for marketers. While marketers should continue to engage consumers and benefit from their creativity, they should take care not to publicize this fact beyond their specific target segment.

Moreover, while marketers should use consumer-generated ads as a way to increase consumer involvement with the brand, they should be aware that this heightened involvement could backfire because it prompts greater scrutiny of the ad source, generating a critical reaction to the ad creator, the ad, and the brand. The solution to these dilemmas is for marketers to create close affiliations between the ad creator and the ad recipient which would prevent the heightened skepticism about the skills of consumers as ad creators.

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Increasingly, companies have been involving consumers in the creation of advertising messages. For example, in 2010 Unilever announced one of the largest consumer-generated advertising initiatives to date, launching a global video-making competition involving 13 of its brands, including Ben & Jerry's, Dove, Lipton and Vaseline (Ad Week, 04/20/10). The winning user-generated videos were broadcast online and on TV. Pepsico, General Mills, General Motors, and the NFL have also been incorporating consumer-generated content into their advertising efforts. In some cases, consumers generate the concept of the ad, which is then produced by an ad agency; in others, the consumer is asked to both create and produce the ad. These user-generated videos can be then broadcast on TV 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, as for other parts of their business, such as product development. Involving the customer in developing advertising is expected to build a sense of collaboration and engagement and counter the resistance and cynicism that consumers have developed to more traditional marketing tactics. 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 which message is broadcast (Berthon, Pitt and Campbell 2008). Such consumer contests help gain valuable customer insights, generate more authentic content, and increase involvement within specific segments (Moskowitz 2006). More importantly, solicited, contest-based ads allow consumers to participate in the creative process, while at the same time giving firms greater control over the brand message.

If such controlled co-creation of advertising provides marketers with important direct benefits (i.e., consumer involvement), are there any potential indirect benefits of consumer-generated advertising? For example, would other consumers react favorably to a message and the brand knowing that a fellow consumer had developed the advertising? Currently it appears marketers are satisfied with the direct benefits of user-generated advertising, namely, greater engagement and creativity of a select few customers, but the potential indirect benefits of their co-creation effort with the broader customer base are being overlooked. Perhaps this is not surprising considering that there is very little academic or practitioner research to inform the efforts of firms that might wish to pursue this approach. Our research aims to fill this knowledge gap. Controlling for message content, we investigate whether simply knowing that an ad was created by another consumer affects its persuasiveness. Our focus is on advertising that people believe is consumer-generated and that is intentionally solicited and disseminated by the firm.

A priori, it is unclear whether attributing the source of an ad to consumers enhances or undermines its effectiveness. For instance, the literature on source effects (see Wilson and Sherrell 1993 for a review) suggests that if consumers perceive other fellow consumers as more trustworthy and similar to them than professional persuaders, disclosing that a target ad is consumer-generated is expected to increase message persuasiveness. However, consumer-generated ads may be viewed as any other traditional ad in that they are part of a marketing campaign with the specific intent to persuade. Moreover, ordinary consumers may be viewed as lacking the skills of professional advertisers (i.e., expertise in creating effective messages), leading viewers to question the ad's quality and persuasiveness, and in turn, the brand's favorableness. Consequently, awareness that a consumer created the ad could prompt counterarguing and message discounting, leading to a decrease in message persuasiveness. In

this research, we examine which of these effects – trust and identification with the source versus questioning of source expertise – is more likely to emerge and under what circumstances.

The paper is organized as follows. First, we briefly review the literature on communication source effects and discuss how previous research suggests both positive and negative effects of informing an audience that an ad is consumer-generated. Next, we report an initial study designed to test whether attributing an ad to a consumer impacts viewers' attitudes towards the ad and the brand. The results show that disclosing that an ad is consumer-generated undermines message persuasiveness. In three subsequent studies, we examine boundary conditions of this negative source effect. We find that becoming aware that an ad is consumer-generated can trigger two opposing effects – critical thoughts about source expertise versus identification with the source – and that message persuasiveness depends on which of these effects dominates. In study 2, we show that when consumers' ability to engage in critical thoughts is hindered due to competing cognitive demands, labeling an ad as consumer-generated improves persuasiveness. In studies 3 and 4, we show that heightening consumers' identification with the ad creator by increasing perceived source similarity mitigates critical thinking and enhances the persuasiveness of consumer-generated ads. We conclude with a discussion of our findings and implications for marketing research and practice.

Effect Of Awareness Of Consumers As Ad Creators

As a starting point, we consider the possibility that knowledge of consumer-generated advertising could result in a favorable response from consumers and greater message persuasiveness. It is well known that consumers possess intuitive theories about persuasion, including marketers' motives and tactics, and ways of coping with persuasion attempts (Friestad

and Wright 1994). This persuasion knowledge, when activated, makes consumers skeptical of marketers' efforts. It may be that knowledge that an ad is consumer-generated counters this skepticism by acting as a trusted source or endorser that triggers a positive response. When consumers personally create an advertising message for a brand, as opposed to marketing agents who are usually viewed as having ulterior motives, message recipients might consider it as a form of word-of-mouth communication (Berthon et al. 2008). It is well accepted in marketing that word-of-mouth communication is trustworthy and exerts a significant influence on consumers' judgments and behavior (Brown and Reingen 1987, Herr, Kardes, and Kim 1991, Richins 1983). Recently, a multinational survey with 25,000 consumers (Nielsen Company 2009) reported that 90 percent of the respondents trust recommendations from people they know, and about 70 percent trust consumer opinions posted online by virtual strangers. In addition, previous research has found a positive effect of the volume and valence of online consumer reviews on sales (Dellarocas, Zhang, and Awad 2005, Chevalier and Mayzlin 2006).

Building on the notion that we trust certain message sources, considerable research in social psychology has revealed two broad characteristics of the message source that play an important role in the persuasion process: source credibility and source attractiveness. The concept of source credibility (Hovland, Janis, and Kelley 1953) relates to the expertise (i.e., the perceived ability of the source to make valid assertions) and trustworthiness of the source (i.e., perceived willingness to make valid assertions), whereas source attractiveness (McGuire 1985) refers to the familiarity, likability and similarity of the source to the message recipient. Generally, the audience for a persuasive message is more likely to accept the message when the source is credible (i.e., expert and trustworthy) and attractive (i.e., familiar, likable, similar) than when these characteristics are absent (Wilson and Sherrell 1993). Therefore, to the extent that

consumers perceive other fellow consumers as more trustworthy (i.e., less commercially motivated) and more similar to them than professional persuaders, awareness that an advertisement was created by a consumer is expected to enhance persuasion.

Although it is possible that attributing an ad to a consumer would prompt a favorable response, there is also reason to believe that this knowledge instead triggers a critical mindset. Unlike product reviews that tend to reflect consumers' personal experiences and satisfaction with products, consumer-generated ads provide audio-visual information that typically looks and feels like traditional advertising. To the extent that consumers recognize that solicited consumer ads are intended to be persuasive and are part of a strategic effort to influence a target audience, they may question the expertise of the ad creator (i.e., his or her traits and abilities) in designing persuasive messages. For instance, recent findings from a qualitative study by Ertimur and Gilly (2010) suggest that consumers tap into their beliefs about source competence to make sense of consumer-generated ads and that they often do so by acting as "ad critics." Results from in-depth interviews and netnographic data revealed that viewers questioned the ad creator's ability to create effective messages and challenged specific executional components of the ad (e.g., plot, acting, appeal, etc). In particular, respondents seemed to believe that almost anyone could have created these ads regardless of belonging to the target market or having any experience with the brand (Ertimur and Gilly 2010). Therefore, ironically, attributing an ad to a consumer could make other consumers more, rather than less, critical of a message, hindering persuasion.

In our initial study, we examine which of these opposing effects – increasing trust and identification with the source versus questioning of the source expertise – are triggered by the awareness that an ad was created by a fellow consumer. Specifically, controlling for message content, we examine whether informing consumers that a target ad was created by a consumer as

part of a contest sponsored by the advertised brand enhances or undermines ad and brand evaluations.

Study 1

Design and procedures

One hundred and twenty five participants were randomly assigned to a 2 ad source (control vs. consumer-generated) x 2 ad replicate between subjects design. Participants were asked to watch an ad for a target product (Doritos) and then provided their reactions to the ad and advertised brand. Before watching 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.

Participants in the control condition were not given any specific source information prior to ad exposure. We used two Doritos ads that were created by consumers and were finalists in a contest sponsored by Frito-Lay (“Beer” ad, and “Too Delicious” ad). Both ads used humor and were 30 seconds long.

Measures

Immediately after watching the ad, participants provided their ad evaluations on five scale items (bad/good, unfavorable/favorable, unpleasant/pleasant, unconvincing/convincing, dislike/like, $\alpha = .96$), and brand evaluations on three scale items (bad/good, low quality/high

quality, dislike/like, $\alpha = .92$). Next, we measured self-reported involvement by asking participants to rate the extent to which they felt involved (not involved/involved) and engaged (not engaged/engaged) as they watched the ad ($r = .78$). Responses to all these measures were recorded on 7-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), and provided demographic information.

Results and discussion

Nine participants assigned to the control condition (7%) identified the target ad as consumer-generated and were removed from the analysis, leading to a final sample of one hundred and sixteen. The effects of ad replicate were not significant on any of the dependent measures ($ps > .31$). Eleven participants (9%) indicated that they had seen the ad before, and including a dummy variable reflecting previous ad exposure as a covariate in all analyses did not reveal any significant effects ($ps > .35$). Self-reported involvement did not vary significantly across conditions ($ps > .18$), suggesting that depth of processing was similar across conditions.

Ad evaluations. A one-way ANOVA (control vs. consumer source) on ad evaluations revealed a significant effect of source ($F(1, 114) = 4.89, p < .05$). Disclosing that the target ads were consumer-generated significantly decreased liking for the ads relative to the control condition in which participants were not given specific source information ($M_{consumer} = 4.53, M_{control} = 5.17$).

Brand evaluations. Similarly, a one-way ANOVA on brand evaluations indicated a significant effect of ad source ($F(1, 114) = 19.27, p < .001$). Disclosing to viewers that the ad

was consumer-generated significantly decreased liking for the advertised brand ($M_{consumer} = 4.49$, $M_{control} = 5.65$).

Overall, study 1 suggests a negative effect of presenting ads as being consumer-generated on message persuasiveness. Our results show that making consumers aware that a target ad was created by a consumer in response to a contest sponsored by the advertised brand lowered ad and brand evaluations. In our subsequent studies, we explore in more detail the underlying mechanism driving this negative source effect, and investigate conditions under which awareness of the consumer as ad creator might increase advertising persuasiveness.

Study 2

The goal of study 2 is twofold. First, we test whether the negative effect of presenting an ad as consumer-generated requires an effortful cognitive process. If the observed effect of consumer source in study 1 is the result of a judgment correction process prompted by critical thoughts towards the ad and the ad creator, this effect should be mitigated when consumers' cognitive resources are constrained (Grant, Malaviya and Sternthal 2004; Johar and Simmons 2000; Martin, Seta and Crelia 1990). To accomplish this, in study 2 we manipulate the level of attention viewers pay to the target message by varying the number of competing cognitive demands during message exposure. Managerially, this is relevant as it tests whether the negative effect of consumer source emerges under more distracting viewing conditions. Secondly, we test whether the negative effect of labeling an ad as consumer-generated can be replicated even with advertising messages that are professionally created by an advertising agency.

Design and procedures

One hundred and seven participants were randomly assigned to a 2 ad source (control vs. consumer-generated) x 2 cognitive resources (unconstrained vs. constrained) between subjects design. Participants were asked to watch an ad for a target product (Doritos) and then provided their reactions to the ad and advertised product. As in study 1, we manipulated ad source by informing half of the participants, prior to ad exposure, that the ad they were about to see was the winning commercial in a contest sponsored by Doritos, which invited consumers to submit their own ideas for an ad featuring the product. The other half of the participants did not receive any specific information about ad source. Availability of cognitive resources was manipulated by the number of tasks that participants had to perform during the study. In the cognitive-constrained condition, participants were given an additional task of memorizing an 8-digit number (Gibson 2008). Specifically, after receiving ad source information, but before watching 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 8-digit number. They were instructed to mentally rehearse this number during the entire task, till they are asked to recall the number. Those in the cognitive-unconstrained condition did not engage in this digit memorization task. All participants then watched an ad that was created by an advertising agency to promote a new flavor of Doritos (“Vending Machine ad”).

Measures

After viewing the ad, participants provided ad and brand evaluations using the same items from study 1. Next, participants in the cognitive constrained condition were asked to recall the 8-digit number they were initially given. Finally, participants were asked to infer or recall ad

source (consumer-generated, agency-generated, unsure), reported whether they had seen the ad before (yes/no), and provided demographic information. All responses were measured on 7-point scales, unless otherwise noted.

Results

The cognitive resource manipulation did not affect recall of ad source ($p > .47$). Sixty three participants (59%) indicated that they had seen the target ad before. We included a dummy variable reflecting prior ad exposure as a covariate in all analyses¹.

Ad evaluations. A 2 ad source x 2 cognitive resource ANCOVA on overall ad evaluations with previous exposure as a covariate indicated a significant two-way interaction ($F(1, 102) = 14.81, p < .001$). With the exception of a marginal effect of previous exposure ($F(1, 102) = 3.10, p < .09$), no other effects reached significance ($ps > .32$). Presenting the ad as consumer-generated led to more positive ad evaluations when cognitive resources were constrained ($M = 4.82$) than when they were unconstrained ($M = 3.88, F(1, 102) = 12.61, p < .001$), consistent with the notion that under cognitive load the critical mindset is restrained and evaluations seem to be influenced by the attractiveness of the consumer source. In contrast, evaluation of the control ad decreased under cognitive load ($M_{constrained} = 4.23, M_{unconstrained} = 4.83, F(1, 102) = 3.98, p < .05$). This effect suggests that because in the control condition ad evaluations are likely based only on the ad message, when the ability to process the message was impaired, liking of the ad also decreased.

Comparing the effect of disclosing versus not disclosing consumer source across different levels of cognitive load, we replicate study 1 results: when cognitive resources were

¹ Given that a substantial number of viewers indicated that they had previously seen the ad, we also ran the analyses including previous exposure as an experimental factor. There were no significant interactions between previous exposure and the manipulated factors ($ps > .22$).

unconstrained (as in study 1), informing viewers that the ad was consumer-generated significantly decreased ad evaluations ($M = 3.88$) relative to the control condition, in which no specific source information was provided ($M = 4.83$, $F(1, 102) = 10.75$, $p < .01$). Conversely, when cognitive resources were constrained, this effect was reversed: attributing the ad to a consumer increased ad evaluations ($M = 4.82$) relative to the control condition ($M = 4.23$, $F(1, 102) = 4.41$, $p < .05$). This reversal points to the possibility that under cognitive constraints, ad evaluations are enhanced by information about the ad source and are not affected by the negative, critical mindset that seems to be prompted when there are no cognitive constraints.

Brand evaluations. A 2 x 2 ANCOVA on brand evaluations indicated a marginal main effect of cognitive resources ($F(1, 102) = 3.72$, $p < .06$) qualified by a significant two-way interaction ($F(1, 102) = 4.07$, $p < .05$). No other effects were significant ($ps > .38$). Consistent with the pattern observed for ad evaluations, the ad presented as consumer-generated led to more positive brand evaluations when cognitive resources were constrained ($M = 5.10$) than when they were unconstrained ($M = 4.26$, $F(1, 102) = 9.05$, $p < .01$). There were no effects of cognitive load on brand evaluations following the control ad ($p > .95$). Replicating study 1 results, in the absence of cognitive load, presenting the ad as consumer-generated decreased brand evaluations relative to the control condition ($M_{control} = 4.87$, $M_{consumer} = 4.26$, $F(1, 102) = 3.87$, $p = .05$). In contrast, this negative source effect was eliminated, though not reversed as it was for ad evaluation, when cognitive resources were taxed ($M_{control} = 4.85$, $M_{consumer} = 5.10$, $p > .40$).

Using professionally created ads, study 2 results suggest that the negative effect of informing consumers that an ad is consumer-generated requires an effortful cognitive process of message discounting, and therefore it is mitigated under more distracting viewing conditions. Notably, the reversal observed for ad evaluations under cognitive load shows that when viewers'

ability to activate their repertoire of critical thoughts is limited, attributing the ad to a consumer provides a positive cue for evaluations, presumably because of higher source trustworthiness or source identification. However, this reversal effect was not observed for brand evaluation. In the next studies, we explore how marketers can heighten this positive effect of highlighting consumer source on advertising persuasiveness and examine in more detail what accounts for this positive effect.

Increasing Identification With The Ad Creator

Extensive research on social influence indicates that people are more likely to adopt an attitude or perform a behavior of a similar rather than dissimilar other (see Hilmert, Kulik, and Christenfeld 2006 for a review). Positive modeling or identification with similar others occurs due to several reasons. People perceive the attitudes held by similar others as more relevant and appropriate to them (Berger 1977). We tend to like similar others (Kiesler and Corbin 1965), and we are more interested in gaining and maintaining acceptance from similar rather than dissimilar others (Campbell and Fairey 1989). In a meta-analysis of source effects in persuasion research, Wilson and Sherrell (1993) show that members of a target audience are more likely to identify with, and hence adopt, the opinions of similar others. For example, Brock (1965) and Busch and Wilson (1976) found that salespeople sold more of a product when customers perceived the salesperson as having similar interests than dissimilar interests. Furthermore, research on the illusory superiority effect (also called the above average effect) suggests that because people are motivated by a desire of positive social identity they tend to overestimate the positive qualities and abilities of similar relative to dissimilar others (Tajfel and Turner 1986). Based on these

findings, we expect that increasing the perceived similarity between the creator and the recipient of the ad can enhance the persuasiveness of disclosing consumer ad source to a target audience.

Notably, in our previous studies, participants were not given any descriptive information about the consumer who created the ad. The rather generic “consumer generated” source descriptor may have failed to produce a strong affiliation or identification between the ad creator and the ad recipient. We propose that enhancing consumers’ identification with the ad creator can counteract a critical mindset, and in turn, enhance the effectiveness of attributing the ad to a consumer. To test this prediction, in our next studies we vary consumers’ identification with the ad creator in two different ways. In study 3, we manipulate identification with the source by providing specific information about the ad creator. In study 4, we vary identification with the source by measuring an individual difference variable of managerial interest – brand loyalty. We predict that disclosing that an ad is user-generated enhances persuasion when the viewer identifies with the ad creator, either because they share a similar demographic (e.g., being a college student) or because they share engagement with the brand.

Study 3

The goal of study 3 is twofold. First, for generality, we replicate our results in a different product category (i.e., cars), using a different set of ads. Second, we manipulate identification with the source by providing background information about the consumer creating the ad. We expect that increasing the perceived similarity with the ad creator will reduce critical thoughts and enhance the persuasiveness of consumer-generated ads.

Design and procedures

One hundred and ninety one participants were randomly assigned to one of the six conditions of a 3 ad source (control, consumer-generated, student-generated) x 2 ad replicate between subjects design. 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. Ad source was communicated prior to ad exposure. To increase viewers' identification with the ad source, we created a condition in which the consumer creating the ad was a business school student (just like the study's participants were). In the consumer-generated 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.

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

Measures

After ad exposure, participants first 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), how likely is it that they could have created a similar ad (very likely/very unlikely), and to what extent they could

imagine themselves creating a similar ad for the product (not at all/very much). These items were averaged to form a source similarity score ($\alpha = .83$). Finally, participants were asked to infer or recall ad source (consumer, student, ad agency, or unsure), reported whether they had seen the ad before (yes/no), and provided demographic information. All responses were measured on 7-point scales, unless otherwise noted.

Results

Sixty three participants (33%) had seen the target ads before. We included a dummy variable reflecting previous ad exposure as a covariate in all analyses. Means across conditions are displayed in Table 1 (tables follow References).

Source similarity. A 2 ad replicate x 3 ad source ANCOVA on perceived source similarity with previous exposure as a covariate indicated a significant effect of previous exposure ($F(1,184) = 6.99, p < .01$), a main effect of ad replicate ($F(1,184) = 10.88, p < .01$) and a main effect of ad source ($F(2,184) = 5.06, p < .01$). There was no significant interaction effect ($p > .38$). Participants perceived greater similarity with the creator of the Chevy Colorado ad ($M = 4.0$) than with the creator of the Chevy Traverse ad ($M = 3.3$). More importantly, as expected, participants perceived greater similarity with the ad creator when the ad was attributed to a business school student than to an unspecified consumer ($M_{consumer} = 3.27$ vs. $M_{student} = 4.09, F(1,184) = 9.74, p < .01$). Compared to the control condition, perceived source similarity was higher when the target ad was created by a business school student ($M_{control} = 3.56$ vs. $M_{student} = 4.09, F(1,184) = 3.99, p < .05$), but not when the ad was created by an unspecified consumer ($M_{control} = 3.56$ vs. $M_{consumer} = 3.27, p > .30$). Thus, the student ad source manipulation successfully increased identification with the ad creator.

Ad and brand evaluations. A 2 ad replicate x 3 ad source ANCOVA on ad evaluations with previous exposure as a covariate revealed a significant effect of previous exposure ($F(1,184) = 5.97, p < .05$), a significant effect main effect of ad replicate ($F(1,184) = 11.88, p < .001$), and as expected, a significant main effect of ad source ($F(2,184) = 15.19, p < .001$). No other effects were significant ($p > .88$). Participants responded more favorably to the Chevy Colorado ad ($M = 5.4$) than to the Chevy Traverse ad ($M = 4.8$). More importantly, consistent with the source similarity results, ad evaluations were significantly higher when the ad creator was a business school student versus an unspecified consumer ($M_{consumer} = 4.48$ vs. $M_{student} = 5.71, F(1,184) = 30.31, p < .001$). Compared to the control, ad evaluations were significantly lower in the consumer-generated condition ($M_{control} = 5.07$ vs. $M_{consumer} = 4.48, F(1,184) = 6.44, p < .05$), and significantly higher in the student-generated condition ($M_{control} = 5.07$ vs. $M_{student} = 5.71, F(1,184) = 7.80, p < .01$).

Similarly, a 2 ad replicate x 3 ad source ANCOVA on brand evaluations with previous exposure as a covariate indicated a marginal effect of previous exposure ($F(1,184) = 3.46, p < .07$), a significant main effect of ad replicate ($F(1,184) = 9.98, p < .01$), and a significant main effect of ad source ($F(2,184) = 9.20, p < .001$). The interaction of ad source and ad replicate was not significant ($p > .87$). Participants evaluated the Chevy Colorado brand ($M = 5.1$) more favorably than the Chevy Traverse brand ($M = 4.5$). Further, as expected, brand evaluations were higher in response to the ad presented as student-generated than to the ad presented as consumer-generated ($M_{consumer} = 4.27$ vs. $M_{student} = 5.16, F(1,184) = 17.31, p < .001$). Relative to the control condition, informing participants that the ad was created by a consumer significantly lowered brand evaluations ($M_{control} = 4.94$ vs. $M_{consumer} = 4.27, F(1,184) = 8.91, p < .01$), although

informing participants the ad was created by a business school student did not significantly enhance brand evaluations ($M_{control} = 4.94$ vs. $M_{student} = 5.16$, $p > .30$).

Open-ended thoughts. To gain additional insights about the mechanism underlying these effects, 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 ad (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 towards ad execution, as an indicator of a critical mindset (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"). 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"). Inter-rater agreement was .71 and all disagreements were resolved through discussion.

There were no significant differences in terms of the number of words listed in participants' protocols across conditions ($ps > .15$), suggesting that participants' level of elaboration did not vary significantly in response to source information. The incidence of empathy thoughts was higher in the student-generated condition (36%), relative to the control (25%) and consumer-generated condition (26%), however, these differences did not reach statistical significance ($ps > .17$). Moreover, there were no significant differences in the frequency of product-related and other thoughts ($ps > .31$). Importantly, consistent with the attitude measures, disclosing that the ad was consumer-generated significantly increased the incidence of critical thoughts towards ad execution (41%), relative to both the control (18%, $\chi^2 =$

7.6 (1), $p < .01$) and student-generated conditions (25%, $\chi^2 = 4.1$ (1), $p < .05$), suggesting that an unspecified consumer source attribution led respondents to be critical of the ad and its creator.

Mediation analysis. We examined the extent to which perceived source similarity and critical thoughts mediated the effect of ad source on ad and brand evaluations. We used a multiple mediator bootstrap test (Preacher and Hayes 2008), which takes into account the possible collinearity of different mediators. Figure 1 (figure follows References) presents the regression coefficients. Relative to the control condition, the effect of disclosing an unspecified consumer source on ad evaluations was mediated by the incidence of critical thoughts towards ad execution (-.14, 95% CI = -.38, -.02), while the indirect effect via source similarity did not reach significance (-.12, 95% CI = -.39, .09). In contrast, the effect of a student source (vs. control) on ad evaluations was driven by perceptions of source similarity (.13, 95% CI = .01, .34). The indirect effect of student source via critical thoughts was not significant (.02, 95% CI = -.02, .12). The same mediation analysis on brand evaluations revealed an identical pattern of findings. These results indicate that the student source enhanced ad persuasiveness by increasing viewers' identification with the ad creator, whereas the unspecified consumer source hindered ad persuasiveness by triggering critical thoughts towards ad execution.

Discussion

Replicating our initial findings, study 3 shows that informing viewers that a target ad was generated by an unspecified consumer decreases ad and brand evaluations. Participants' open-ended thought protocols suggest that an unspecified consumer source makes viewers more critical of the ad and its executional elements. As noted earlier, this might occur because consumers are skeptical of the ability of ordinary consumers to develop effective advertising.

Furthermore, as expected, we find that the negative effect of consumer source can be mitigated and even reversed when participants perceive the source to be similar to them (i.e., a business school student). Communicating source information that increases the perceived similarity between the ad creator and the ad recipient inhibits a critical mindset and enhances ad evaluations.

From both a theoretical and practical perspective, it is important to further explore what triggers critical thoughts when consumers process an ad message as consumer-generated. In study 4, we measure different inferences that can lead consumers to criticize advertising messages attributed to a consumer. In addition, in study 4 we intend to replicate study 3 results using a different operationalization of source similarity. We expect that an individual difference measure, brand loyalty, makes viewers more likely to identify with consumers who create and submit ads. Indeed, a frequent motivation for consumers to create ads is their commitment and passion for the target brand (Muñiz and Schau 2005). Thus, loyal consumers, who themselves are committed to the brand (Fournier 1998), may be more likely to view consumer-generated ads as messages designed by “people like me” than non-loyal consumers. If brand loyalty increases identification with the ad creator, we expect that consumer-generated ads will be more persuasive for loyal than non-loyal consumers, leading to an attenuation or reversal of the negative effect of attributing an ad to a consumer.

Study 4

The goal of study 4 is threefold. First, we explore the specific inferences that may explain the negative effect of disclosing to an audience that a target ad is consumer-generated. Second, to provide convergent evidence about the role of source identification, we test whether brand

loyalty moderates this negative source effect. Finally, we expand our dependent measures to include consumers' willingness to pay for the advertised product.

Design and procedures

Eight-eight participants were randomly assigned to a 2 ad source (control vs. consumer) x 2 ad replicate between subjects design. 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 from study 1 ("Beer" ad), which was a finalist in a contest sponsored by Frito-Lay, and an ad created by an advertising agency ("Climber" ad). Both ads used humor and were 30-seconds long. Before watching the ad, half of the participants were told 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 prior to ad exposure. Brand loyalty was measured as an individual difference variable.

We conducted a pretest (N = 65) using study 4 ads to examine whether brand loyalty enhances identification with the consumer creating the ad. Participants were told that the ad they were about to see was created by a consumer and that it was the winning commercial in a context sponsored by Doritos, which invited consumers to submit their ideas for an ad featuring the product. After viewing the ad, participants rated perceived source similarity using 4 scale items ($\alpha = .79$): how similar do you think you are to the person who created this ad (very dissimilar/very similar), how likely do you think you could have created a similar ad (very unlikely/very likely), to what extent did you imagine yourself creating a similar ad for the product? (not at all/very much), and how easily can you imagine what it would be like to create

an ad for this product (not at all/very much). As expected, the results show a positive effect of brand loyalty on perceived source similarity ($\beta = .37$, $t = 3.1$, $p < .01$), such that loyal consumers identify more closely with the consumer creating the ad than non-loyal consumers.

Measures

Dependent measures. After viewing the ad, participants indicated their willingness to pay (in dollars) for a small bag of Doritos, provided brand evaluations (bad/good, negative/positive, unfavorable/favorable, low quality/high quality, dislike/like, $\alpha = .95$), and ad evaluations (bad/good, negative/positive, unfavorable/favorable, unconvincing/convincing, not compelling/compelling, not persuasive/persuasive, dislike/like, $\alpha = .97$).

Inferences about the expertise and motives of the ad creator. Perceived expertise was measured by asking participants to rate the extent to which they thought the person who created the ad was knowledgeable about creating advertising (not at all knowledgeable/very knowledgeable) and the extent to which this person understands your needs as a consumer (not at all/very much, $r = .60$, $p < .001$). Suspicion towards the motives of the ad creator was assessed by asking participants to rate the extent to which they thought the person creating the ad was trustworthy (not all/very much) and had an ulterior motive to create the ad (not all/very much). These items were not significantly correlated, thus we report their results separately.

Inferences about the sponsor firm. In addition to questioning the ad creator motives and expertise, another potential reason for consumers being critical of consumer-generated ads is inferences about ulterior motives of the sponsor firm. The awareness that a firm solicited user-generated messages by means of competitions, forums or other activities could trigger negative responses if consumers interpret this co-opting approach as a tactic to fabricate trustworthiness

and unduly persuade the audience. We used four items to measure suspicion towards the motives of the advertising campaign ($\alpha = .70$). Participants rated to what extent they think this Doritos' ad campaign is: deceptive/manipulative/ trying to lower consumers' resistance to the advertising message/ trying to unduly persuade consumers (not at all/very much).

Control measures. We measured perceived ad costs (compared to other ads for consumer-packaged goods, how costly you think this ad for Doritos is/below average/above average), self-reported involvement during ad exposure (not involved at all/very involved, not engaged at all/very engaged, $r = .83$) and prior exposure to the target ads (yes/no). Finally, we asked participants to infer or recall ad source (consumer, agency, unsure), measured individual differences in terms of loyalty to the advertised brand (not loyal at all/very loyal) and collected demographic information. All responses were measured on 7-point scales, unless otherwise noted.

Results

Eleven participants (12%) had seen the target ads prior to the study. There were no significant effects of previous ad exposure and ad replicate (consumer ad vs. agency ad) on any of the dependent variables ($ps > .11$). All reported statistical analyses include prior ad exposure and ad replicate as covariates. No participants assigned to the control condition inferred that the ad was consumer-generated. Moreover, brand loyalty was not affected by any of the manipulated factors ($ps > .35$).

Ad evaluations. A linear regression on consumers' ad evaluations with ad source (control vs. consumer), brand loyalty and the two-way interaction as predictors indicated a significant negative effect of ad source ($\beta = -.65$, $t = -3.38$, $p < .01$). Replicating our earlier results,

presenting the ad as consumer-generated had a negative effect on ad evaluations. As expected, this main effect of source was qualified by a significant source by loyalty interaction ($\beta = .84, t = 3.66, p < .001$). No other effects were significant ($ps > .27$). A spotlight analysis (Aiken and West 1991) shows that at one standard deviation below the mean of brand loyalty, informing participants that the ad was consumer-generated decreased ad evaluations ($M_{control} = 4.38, M_{consumer} = 3.21, t = -2.89, p < .01$). In contrast, at one standard deviation above the mean of brand loyalty, this effect reversed: the awareness that the ad was created by a consumer significantly increased ad evaluations ($M_{control} = 4.04, M_{consumer} = 4.98, t = 2.27, p < .05$).

Brand evaluations and WTP. Similarly, a linear regression on brand evaluations with ad source, brand loyalty and the two-way interaction as predictors indicated a positive effect of loyalty ($\beta = .28, t = 2.03, p < .05$) and a negative effect of disclosing ad source ($\beta = -.47, t = -2.63, p < .05$), consistent with our earlier results. These main effects were qualified by a significant ad source by loyalty interaction ($\beta = .52, t = 2.42, p < .05$). For non-loyal consumers (one standard deviation below the mean of brand loyalty), informing them that the ad was consumer-generated significantly decreased brand evaluations ($M_{control} = 4.8, M_{consumer} = 4.0, t = -2.5, p < .05$), but for loyal consumers (one standard deviation above the mean of brand loyalty) this negative effect was reversed ($M_{control} = 5.5, M_{consumer} = 5.8, p > .34$), though the difference was not significant. This is possibly due to a ceiling effect in that loyal consumers by definition have a very favorable evaluation of the brand. Increasing their brand evaluation further is perhaps not that easy.

The same regression model on participants' willingness to pay for the product revealed a significant negative main effect of ad source ($b = -.50, t = -2.15, p < .05$) and a significant ad source by loyalty interaction ($b = .18, t = 2.78, p < .01$). No other effects were significant (ps

>.27). For non-loyal consumers (one standard deviation below the mean), learning about the consumer source decreased willingness to pay, although this difference did not reach statistical significance, ($M_{control} = \$.79$, $M_{consumer} = \$.53$, $p > .11$), potentially due to a floor effect of the minimum perceived price of a bag of potato chips. In contrast, as expected, for loyal consumers (one standard deviation above the mean), disclosing that the ad was consumer-generated significantly boosted willingness to pay ($M_{control} = \$.75$, $M_{consumer} = \$ 1.14$, $t = 2.31$, $p < .05$).

Inferences about the expertise and motives of the ad creator. A regression on the perceived expertise of the ad creator with ad source, brand loyalty and the two-way interaction as predictors revealed a negative effect of ad source ($\beta = -.64$, $t = -3.32$, $p < .01$), qualified by an ad source by loyalty interaction ($\beta = .55$, $t = 2.37$, $p < .05$). More specifically, for non-loyal consumers (one standard deviation below the loyalty mean), disclosing that the ad was created by another consumer significantly lowered perceptions of ad creator's expertise ($M_{control} = 5.03$, $M_{consumer} = 3.76$, $t = -3.46$, $p < .01$). This negative effect was mitigated at higher levels of brand loyalty: At one standard deviation above the loyalty mean, perceived expertise did not differ based on the disclosure of consumer source ($M_{control} = 5.22$, $M_{consumer} = 5.19$, $p > .94$).

The same regression on perceived trustworthiness of the ad creator indicated only a positive main effect of loyalty ($\beta = .40$, $t = 2.54$, $p < .05$). Loyal viewers perceived the source of both control and consumer ads as more trustworthy than non-loyal viewers. No other effects were significant ($ps > .38$). There were no significant effects of ad source and loyalty on perceived ulterior motives of the ad creator ($ps > .17$). These results suggest that although attributing the ad to a consumer can lower perceived source expertise, it does not increase perceived source trustworthiness.

We conducted a mediated moderation test (Muller, Judd and Yzerbyt 2005) to examine whether perceptions of the ad creator's expertise account for the moderating effect of brand loyalty on responses to ads presented as consumer-generated. The results presented in Tables 2 and 3 are consistent with a mediated moderation pattern, revealing that brand loyalty reverses the effect of consumer source by enhancing perceptions of the ad creator's expertise. The bootstrap test (Preacher and Hayes 2004) shows that the indirect effect of the ad source by loyalty interaction through perceived expertise is significant on both ad evaluations (.26, 95% CI: .05, .52) and brand evaluations (.14, 95% CI: .03, .31). Brand loyalty increases viewers' perceptions of the expertise of the consumer creating the ad, which in turn, enhances the overall persuasiveness of ads attributed to consumers.

Suspicion towards the firms' motives. Regressing consumers' suspicion towards the campaign motives on ad source, brand loyalty and the two-way interaction as predictors revealed only a marginal main effect of loyalty ($\beta = .33, t = 1.97, p < .06$). No other effects reached significance ($ps > .34$). Interestingly, suspicion towards the advertising campaign (regardless of ad source) marginally increased with brand loyalty. This suggests that consumers' beliefs about the firm's strategic use of consumer-generated messages to unduly persuade the audience are not a key driver of our observed results.

Control variables. A regression analysis on perceived advertising costs and self-reported involvement did not reveal any significant effects of ad source, loyalty and the two-way interaction ($ps > .09$), suggesting that perceptions of ad cost (e.g., consumer-generated ads being less costly than agency-generated ads) and perceived involvement with the ad do not explain the observed effects of disclosing ad source.

Discussion

Study 4 extends our findings in two ways. First, it shows that brand loyalty is a significant moderator of the effectiveness of attributing ads to consumers. Irrespective of whether the ad was labeled as consumer-generated or not, our results indicate that for non-loyal consumers, providing information that a target ad was created by a consumer backfires, significantly decreasing liking for the ad and the brand compared to a control condition, in which no source information is provided. Conversely, the effect reverses as loyalty towards the advertised brand increases. For loyal consumers, disclosing a consumer source enhances ad evaluations and willingness to pay for the product.

Secondly, in study 4 we explored several reasons why the awareness that an ad is created by another consumer may hinder persuasion. We find that crediting the ad to a consumer leads to lower perceived expertise of the ad creator in terms of his or her ability to design effective advertising. Notably, these perceptions of the ad creator's expertise mediated the interactive effect of ad source and brand loyalty on ad and brand evaluations. Moreover, we find that ads presented as consumer-generated do not significantly increase perceived source trustworthiness. In sum, our findings suggest that consumers challenge the ability of regular consumers to be effective persuaders and correct their responses to the ad accordingly, unless they are loyal to the advertised brand, which makes them more likely to identify with the ad creator. Finally, it is worth noting that in this study we observe a similar pattern of results using a measure of willingness to pay, suggesting that attributing the ad to a consumer can impact perceptions of product value.

General Discussion

Our research provides evidence about the effects of disclosing to an audience that an advertising message is consumer-generated and makes four 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 realize the need for advertising to be persuasive and use their perceptions of the source expertise to evaluate the effectiveness of the message. As a result, counter 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 can trigger two opposing effects: questioning of the source expertise and identification with the source. The first effect emerges when consumers challenge the ability of the ad creator to understand their needs and design effective advertising, whereas the second effect results from consumers perceiving similarities with the ad creator. Third, we show that the effectiveness of informing the audience that an ad is consumer-generated is moderated by factors that hinder viewers' ability to engage in critical thoughts and heighten their identification with the ad creator. 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 non-loyal consumers who do not share with the source a similar commitment towards the brand. Under these conditions, consumers' heightened level of skepticism regarding the expertise 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, because consumers' ability to

activate their repertoire of critical thoughts is limited, and second, when consumers identify with the ad source, such as when the ad creator is depicted as more similar to viewers (i.e., fellow college student as ad creator) or when the audience is loyal to the brand. Finally, we provide evidence against several alternative explanations for the negative effect of crediting an ad to a consumer such as increased elaboration of the message (studies 1, 3 and 4), lower perception of advertising costs (study 4), and inferences about a firm's ulterior motives (study 4).

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 company and increases the likelihood that the consumer will transact with this company in the future (Liu and Gal, forthcoming). Similarly, asking consumers to participate in the customization of product features and design can in certain conditions improve product satisfaction (Moreau and Herd 2010). Instead of focusing on the relationship between an individual consumer and the organization, our work examines consumers' reactions to brands that solicit consumer-generated advertising. Although there is ample evidence that consumers can mimic the conventions of advertising and produce ads whose quality is comparable to those produced by professional agents (Schau and Muniz 2008), our findings show that consumers, upon learning that an ad is consumer-generated, are skeptical of this and do not believe that other consumers possess the ability to produce persuasive advertising messages.

In addition, our research adds to previous work on consumer-brand relationships (Fournier 1998, Muniz 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 initial insights about how consumers, as observers, react to expressions of other consumers' relationships with their brands. Unlike the context of brand communities, in which members often feel that they have a better understanding of the brand than the manufacturer does (Muniz and O'Guinn 2001), there are conditions in which consumers may resist the interference of other consumers in shaping a brand's image. Our results suggest that affiliation is an important mechanism to increase acceptance of other consumers' participation in the co-construction of brand meaning.

Limitations and future research

Several interesting 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, not organically created and distributed by consumers in platforms such as YouTube and other video hosting sites. It is possible that consumers are more accepting of these independently created ads, focusing more on their entertainment aspect. Future research should explore whether the context in which the ad is created and disseminated has an influence on viewers' responses. Second, although our results were not significantly affected by viewers' previous exposure to the target ads, the timing of viewers' learning about the consumer ad source, before or after ad exposure, deserves further investigation. Research on context effects (Schwarz and Bless 1992, Meyers-Levy and Tybout 1997) 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 after exposure to it could still affect consumers' responses, though the specific nature of this influence remains to be examined. Third, our finding that consumers become more critical of the ad and the ad creator when they learn the ad is consumer-generated could be associated with consumer envy. If consumers feel envious of other consumers making winning ads, these negative feelings towards the ad creator could transfer to ad and brand evaluation. Examining the role that such feelings of envy play in judgments of ad creator expertise and subsequent reaction to user-generated messages is an interesting area for future research.

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 the fact that an ad is consumer-generated can undermine message persuasiveness, particularly in high involvement viewing conditions. Contest ads created by unfamiliar consumers can make viewers critical, prompting negative thoughts and counterarguments, questioning the source's expertise and ad execution quality. Interestingly, consumers do not seem to consider the ad source or the firm to be untrustworthy. We found no effect on these measures. 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 the actual ad was created by an agency but consumers believed that the ad was consumer-generated, and these reactions do not occur when respondents were unaware that the ad was consumer-generated even though the ad was created by a consumer. This finding poses a prickly dilemma for marketers. Although marketers should

continue to engage consumers and benefit from their creativity, they should not publicize this fact to the population at large.

Our findings also show that negative reactions to consumer-generated ads 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. This finding poses another dilemma for marketers. One reason marketers use consumer-generated ads is to increase consumer involvement with the brand. But this heightened involvement backfires because it prompts scrutiny of the ad source, generating a critical reaction to the ad creator, the ad and the brand.

The solution to both these dilemmas is for marketers to better relate to their target consumers. Specifically, marketers can prevent the heightened skepticism about the skills of consumers as ad creators by increasing affiliation between the ad creator and the ad recipient. Such perceived affiliation leads to greater empathy with the ad creator and a belief in their ability to create effective advertising. The tactics used to achieve this include developing highly targeted consumer-generated campaigns, highlighting source demographic information that increases the perception of similarity with the audience, and targeting brand loyal consumers.

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TABLE 1: Means Across Conditions in Study 3

Conditions	Ad Evaluations	Brand Evaluations	Source Similarity
Control	5.07 ^a (1.2)	4.94 ^a (1.1)	3.56 ^a (1.6)
Consumer-generated	4.48 ^b (1.6)	4.27 ^b (1.4)	3.27 ^a (1.5)
Student-generated	5.71 ^c (1.0)	5.16 ^a (1.2)	4.09 ^b (1.6)

NOTE – Marginal means controlling for previous exposure and ad replicate.

Standard deviations are in parentheses. Different superscripts refer to significantly different means.

TABLE 2: Mediated Moderation Analysis for Ad Evaluations in Study 4

Predictor	Equation 1: Criterion ad evaluations			Equation 2: Criterion source expertise			Equation 3: Criterion ad evaluations		
	B	SE	β	B	SE	β	B	SE	β
X: Ad Source (manipulated)	-.11	.28	-.04	-.65	.26	-.24*	.46	.22	.16*
Mo: Brand loyalty	-.08	.12	-.09	.05	.11	.07	-.09	.09	-.11
XMo interaction	.59	.16	.55***	.34	.14	.36*	.31	.12	.29+*
Me: Source expertise							.73	.09	.65***
MeMo interaction							-.07	.05	-.11

NOTE – The measured predictors (*Mo* and *Me*) are *mean-centered*. Bold indicates betas needed to be significant and a plus sign (+) indicates beta needed to decrease in significance to qualify for a mediated moderation (Muller et al. 2005).

* $p < .05$

** $p < .01$

*** $p < .001$.

TABLE 3: Mediated Moderation Analysis for Brand Evaluations in Study 4

Predictor	Equation 1: Criterion brand evaluations			Equation 2: Criterion source expertise			Equation 3: Criterion brand evaluations		
	B	SE	β	B	SE	β	B	SE	β
X: Ad Source (manipulated)	-.30	.22	-.12	-.65	.26	-.24*	.04	.21	.02
Mo: Brand loyalty	.19	.09	.28*	.05	.11	.07	.19	.08	.28*
XMo interaction	.29	.12	.33*	.34	.14	.36*	.14	.11	.16+
Me: Source expertise							.38	.08	.41***
MeMo interaction							-.06	.04	-.12

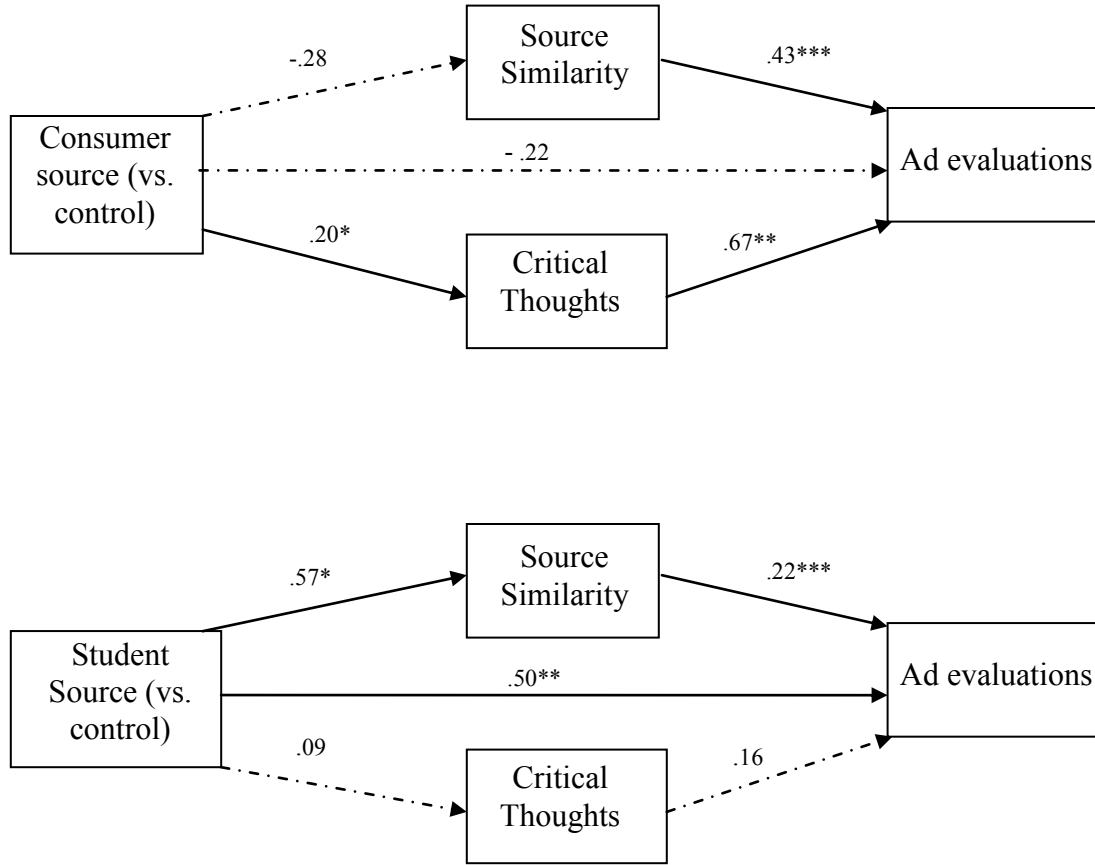
NOTE – The measured predictors (*Mo* and *Me*) are *mean-centered*. Bold indicates betas needed to be significant and a plus sign (+) indicates the beta needed to decrease in significance to qualify for a mediated moderation (Muller et al. 2005).

* $p < .05$

** $p < .01$

*** $p < .001$.

FIGURE 1 - Indirect Effects of Source Similarity and Critical Thoughts on Ad Evaluations in Study 3



NOTE - Regression coefficients represent the direct effects of the IVs on the DVs.

* $p < .05$

** $p < .01$

*** $p < .001$.