The role of disclosure of social shopping rewards in social buzz

Article *in* Journal of Research in Interactive Marketing · October 2016

DOI: 10.1108/JRIM-06-2016-0058

2 authors:

Kesha K. Coker
Eastern Illinois University
12 PUBLICATIONS **20** CITATIONS
SEE PROFILE

Suzanne Altobello
University of North Carolina at Pembroke
23 PUBLICATIONS **673** CITATIONS
SEE PROFILE

The role of disclosure of social shopping rewards in social buzz

Kesha K. Coker
School of Business, Eastern Illinois University, Charleston, Illinois, USA, and
Suzanne A. Altobello
School of Business, University of North Carolina at Pembroke, Pembroke, North Carolina, USA

Received 1 June 2016
Revised 31 July 2016
Accepted 4 August 2016

Abstract

Purpose – Social shopping relies on word-of-mouth, with marketers turning to social shopping rewards (SSRs) to generate social buzz. According to US regulatory bodies, these types of rewards, if considered endorsements, must be disclosed. Yet, little is known about the impact of disclosure of SSRs. To address this gap, this study aims to examine the impact of disclosure of SSRs on consumer responses.

Design/methodology/approach – Respondents were randomly assigned to three experimental conditions via an online survey. The "no disclosure" condition featured a hypothetical friend's tweet of a product (n = 91). The "disclosure" conditions featured the same tweet, either with the words "Sponsored Tweet" in a boxed tweet (n = 50) or with a hashtag "#Sponsored" (n = 48). All respondents completed a questionnaire designed to address the hypotheses.

Findings – No differences between the disclosure conditions were found, thus they were combined and compared to the non-disclosure condition. Of the 13 hypotheses, 9 were sustained by significant correlations. Disclosure to consumers that a product review was sponsored by a marketer strengthens the relationships between certain model constructs, i.e. between dual source credibility and attitude toward the message and between attitude toward the message and attitude toward the brand.

Originality/value – This study is the first to empirically test the impact of disclosure of SSRs on consumer responses in a social shopping context. Findings provide marketers and practitioners with a solution to complying with regulatory requirements in ways that do not hurt consumer responses to social buzz.

Keywords Social media marketing, Social networking sites, Word-of-mouth marketing, Marketing ethics, Social shopping rewards, Social buzz

Paper type Research paper

Introduction

A growing aspect of e-commerce continues to prosper with advancements in social media. In the digital age, social shopping combines "shopping and social networking" (Tedeschi, 2006) and has been deemed an evolution of e-commerce (Wang and Zhang, 2012). The term is often used interchangeably with the term "social commerce", which is described as "exchange-related activities" among consumers over social networks through "computer-mediated social environments" at various stages of the consumer decision-making process (Yadav *et al.*, 2013, p. 312). Social shopping brings a social element to online shopping that allows for consumers to interact with each other and reinforce purchase decisions via social networking sites, such as Pinterest, Facebook and Twitter, and dedicated social shopping sites, such as Fab, Polyvore and Wanelo

Journal of Research in Interactive Marketing
Vol. 10 No. 4, 2016
pp. 321-337

2040-7122
DOI 10.1108/JRIM-06-2016-0058

(Kamenec, 2014). This description places social shopping in a variety of formats that are broader than an actual purchase transaction, including sharing shopping ideas (Tedeschi, 2006), influencing purchases (Chahal, 2016), sharing purchases (Coker *et al.*, 2014; Wang and Zhang, 2012) and creating and sharing reviews, ratings and brand endorsements or social signs of approval (e.g. likes, tweets, pins, etc.) (Coker *et al.*, 2015) using social media.

Brand endorsements or social signs of approval allow marketers to leverage the power of social shopping for generating word-of-mouth (WOM) about the brand. To motivate such WOM, marketers have used social shopping rewards (SSRs), which may be economic (monetary/extrinsic) and social (non-monetary/intrinsic) (Coker *et al.*, 2014). Several retailers in a variety of industries have successfully offered economic SSRs in the form of coupons and discounts toward the purchase of products for consumers to share purchases and express social signs of approval for their brands on social media. Social SSRs include badges/stickers for checking in on Foursquare (https://support.foursquare.com/hc/en-us/articles/202616294-Stickers) and retweets of consumer tweets by brands such as Levi's, TripAdvisor and Atlanta Hawks (CrowdTwist, 2015). Social SSRs also emanate from pleasurable social interactions with other consumers and the firm (Coker *et al.*, 2014) and can encourage social shopping behaviors (Yadav *et al.*, 2013). In some cases, social and economic SSRs may be combined, such as when brands such as Olympus offer "points" for reviews and purchases posted on social media, which may then be used toward the purchase of products (CrowdTwist, 2015). Both types of SSRs can create value in social shopping, but economic SSRs are viewed as being more aligned with utilitarian value, whereas social SSRs are viewed as being more aligned with hedonic value (Coker *et al.*, 2014). Table I presents several corporate examples of social and economic SSRs offered to users who share content, purchases, reviews or other types of branded information within their social networks.

When SSRs are used, they generate a type of WOM called "buzz". Buzz is essentially:

> WOM communication where the institutional identity or corporate affiliation of at least one participant may be salient and/or where the objective being discussed (i.e. an organization, brand, product, or service) is part of an organized WOM campaign (Carl, 2006, p. 605).

Furthermore, buzz is "incented" and "exogenous, institutional, sponsored, or amplified WOM" (Abendroth and Heyman, 2013, p. 246). Though not defined elsewhere in the marketing literature, in this research, social buzz is defined as "incentivized WOM using social media channels or platforms". In this way, social buzz can occur through social networking sites and dedicated social shopping sites.

As social buzz, SSRs fall under the realm of disclosure guidelines by regulatory agencies. The Federal Trade Commission (2013) ".com Disclosures" publication specifies "clear and conspicuous" disclosure of incentivized WOM, such as sponsored tweets. Acknowledging "social incentives and signs of approval" as challenging, the Word of Mouth Marketing Association (WOMMA, 2012, p. 12) provides guidelines for disclosing such material connections for transparency in communications. Given these best practices, many marketers are faced with mounting pressures to adhere to disclosure of SSRs. However, compared to traditional WOM, buzz marketing is a growing area in the marketing literature (Carl, 2006; Huh and Faber, 2014), with little research to date on the effect of disclosure of SSRs on consumer responses in social shopping contexts. This gap exists despite calls in the literature to examine awareness

Company	SSR example	Type of SSR	Source
Avenue women's fashion	Users received a discount coupon as they created social posts endorsing Avenue on Facebook. The company also offered discounts for buyers who shared their recent purchases with friends via Facebook, Twitter, etc.	Economic	https://s3.amazonaws.com/docs.shopsocially.com/docs/Avenue_case+study+by+ShopSocially.pdf
BUILDER nutrition supplements	Integrated gamification into a loyalty program, where users earned badges and points for certain actions, including a smart review module, where customers earned points for writing reviews about purchases	Social	https://antavo.com/blog/how-this-european-nutrition-supplement-retailer-grew-the-number-of-its-frequent-buyers-2/
Incipio mobile device accessories	Users received a 15% discount when they created a social post endorsing Incipio on Facebook	Economic	https://s3.amazonaws.com/docs.shopsocially.com/docs/Incipio_+Case+Study+by+ShopSocially.pdf
Kendall-Jackson Winery	Users of the wine company's branded app earned badges for visiting new areas of the app and sharing links with people in their networks	Social	https://badgeville.com/kendall-jackson/
Samsung Nation	In exchange for exploring the Samsung website, reviewing products and other activities within a community, users earned badges and progressed through achievement levels	Social	www.gamificationworldmap.com/project/samsung-nation/
Teleflora	Users earn points for purchases and also for social loyalty activities (posting reviews, leaving Facebook comments and answering other customers' questions). Points and rewards tracked on a leaderboard	Social	http://blogs.clicksoftware.com/index/top-25-best-examples-of-gamification-in-business/
The Color Run	Users who invited friends to an event on their social media channels (Facebook, Twitter, LinkedIn or via e-mail) got $10 off the event and $10 off the event for the friend too	Economic	https://s3.amazonaws.com/docs.shopsocially.com/docs/The+Color+Run_Case+Study+by+ShopSocially.pdf
The Honest Kitchen	The company used pre-purchase ($5 coupon) and post-purchase (sharing a $20 coupon with a pet owning friend) referral campaigns via social networks	Economic	https://s3.amazonaws.com/docs.shopsocially.com/docs/The+Honest+Kitchen_+Case+Study+by+ShopSocially.pdf
Tire Buyer	Visitors to the website received a $25 prepaid Visa card for sharing on social networks. They were also offered $30 discount to the referred audience on a set of four tires	Economic	https://s3.amazonaws.com/docs.shopsocially.com/docs/TireBuyer+Case+Study+by+ShopSocially.pdf
Towel.com	Users could enter a contest to win products by connecting with Towel.com on Facebook and sharing a recommendation about the product on Facebook	Economic	https://s3.amazonaws.com/docs.shopsocially.com/docs/Towel.com_Case+Study+by+ShopSocially.pdf

Table I.
Case studies and corporate examples of social shopping rewards

of WOM incentives (Abendroth and Heyman, 2013) and social media marketing effectiveness (Pomirleanu *et al.*, 2013). To address this gap, this paper presents an empirical study on the effect of disclosure of SSRs on consumer responses in social shopping contexts. The current research holds implications for marketers' continued use of SSRs and for types of disclosure of such incentives in social shopping contexts.

The next section presents the theoretical background for the current research. Following this section, the survey design and experimental methodology of disclosure conditions are presented. Subsequently, statistical results are explained, along with a discussion of the theoretical and managerial implications of these results. The paper concludes with suggestions for future work examining the effect of disclosure of SSRs on consumer perceptions and intentions.

Theoretical background

Although disclosure is recommended by regulatory agencies, little is known about the effects of disclosure of SSRs on consumer responses in social shopping contexts. The literature suggests two sides to the disclosure coin. On the one hand, based on Kelley's (1973) discounting principle, consumers may discount the message in the presence of incentives surrounding that message (Folkes, 1988). Disclosure of SSRs may also activate consumers' persuasion knowledge, which allows for the assessment of persuasion attempts by marketers and the implementation of consumer coping tactics to deal with these persuasion attempts (Friestad and Wright, 1994). On the other hand, disclosure of incentives, such as SSRs, may enhance source credibility (Forehand and Grier, 2003), sincerity (Tuk *et al.*, 2009) and trust in social networks (Quinton and Harridge-March, 2010).

In light of regulatory pressures by the FTC and WOMMA, the question of disclosure of SSRs may soon lead to an affirmative answer from marketers, who are encouraged to disclose material connections in online contexts. However, the impact of disclosure on consumer responses in social shopping contexts remain unknown. To explore the role of disclosure of SSRs, the current research relies on Coker *et al.*'s (2015) propositions and conceptual model, the only conceptual model to date on the effect of disclosure of SSRs on consumer responses in social shopping contexts (Figure 1).

Conceptual model and hypotheses

At the heart of Coker *et al.*'s (2015) conceptual model is Lafferty *et al.*'s (2002) dual credibility model (DCM). The DCM models source credibility as a duality, comprising both endorser and corporate credibility, in advertising contexts where a company spokesperson is used. Results of Lafferty *et al.*'s (2002) study shows that dual source credibility impacts attitude toward the ad, which in turn positively affects attitude toward the brand, which in turn positively affects purchase intent. Though originally applied to endorsement advertising, the DCM is deemed applicable to social shopping contexts in which there are two sources of information, i.e. the social shopper (endorser of the message) and the marketer or brand (the company behind the message). Though a paucity of research exists on dual source credibility in online marketing contexts, research on incentivized WOM in blogging contexts suggests that compared to later disclosure, early disclosure of incentives enhances both blogger and organization credibility (Nekmat and Gower, 2012). It can be argued that compared to non-disclosure, disclosure of SSRs may provide for more transparency in

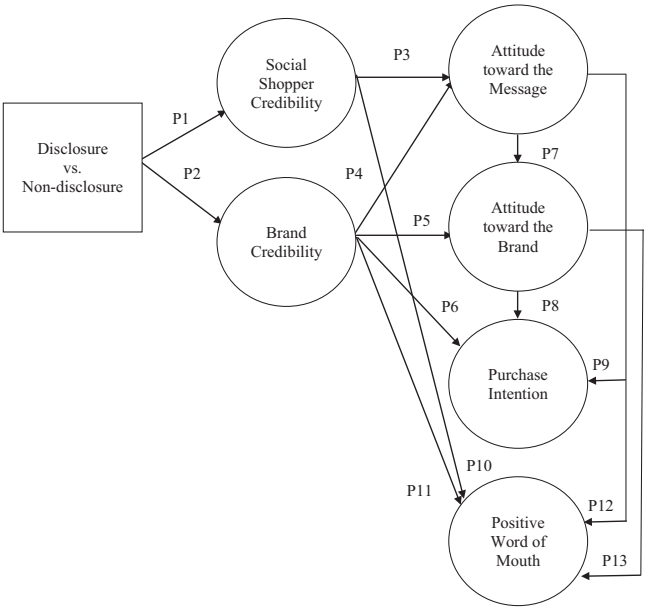

Figure 1.
Conceptual model on disclosure of social shopping rewards based on Coker *et al.* (2015)

communications (Carl, 2008; Reichelt *et al.*, 2014) and sincerity evaluations of the source (Tuk *et al.*, 2009), translating into higher ratings on social shopper and brand credibility (Coker *et al.*, 2015). Thus:

H1. Compared with a non-disclosure condition, disclosure of the SSR will increase social shopper credibility.

H2. Compared with a non-disclosure condition, disclosure of the SSR will increase brand credibility.

The DCM shows that dual source credibility serves as an important antecedent to attitude toward the ad, which then affects attitude toward the brand and purchase intent. Adapted from the DCM (Lafferty *et al.*, 2002) to fit social shopping contexts, Coker *et al.*'s (2015) conceptual model shows that dual source credibility works in a similar fashion by first affecting attitude toward the message and subsequently attitude toward the brand and purchase intention. Brand credibility is expected to positively relate directly to attitude toward the brand and purchase intention, whereas attitude toward the message is expected to directly influence purchase intent (Coker *et al.*, 2015). The following hypotheses reflect these relationships:

H3. Under disclosure condition(s), ratings of social shopper credibility will increase attitude toward the message.

H4. Under disclosure condition(s), ratings of brand credibility will increase attitude toward the message.

H5. Given disclosure of SSRs, brand credibility will be positively related to attitude toward the brand.

H6. Given disclosure of SSRs, brand credibility will be positively related to purchase intention.

H7. Given disclosure of SSRs, attitude toward the message will be positively related to attitude toward the brand.

H8. Given disclosure of SSRs, attitude toward the brand will be positively related to purchase intention.

H9. Given disclosure of SSRs, attitude toward the message will be positively related to purchase intention.

A significant contribution of Coker *et al.*'s (2015) conceptual model is the extension of the DCM to WOM contexts. An important element of many marketers' agendas in social media marketing is generating WOM. Research suggests that source credibility can enhance positive WOM about the brand (Chiu *et al.*, 2007; Reichelt *et al.*, 2014; Sweeney and Swait, 2008; Taylor and Strutton, 2010). Based on previous research, Coker *et al.*'s (2015) conceptual model treats disclosure of SSRs as a necessary pre-condition for the positive relationship between dual source credibility and positive WOM. In disclosing SSRs, it is also posited that if both the message and brand are viewed more favorably, then it is likely that positive WOM would be a desirable outcome (Coker *et al.*, 2015). Therefore:

H10. Given disclosure of SSRs, social shopper credibility will increase positive WOM.

H11. Given disclosure of SSRs, brand credibility will increase positive WOM.

H12. Given disclosure of SSRs, consumer attitude toward the message will be positively related to positive WOM.

H13. Given disclosure of SSRs, consumer attitude toward the brand will be positively related to positive WOM.

Methodology

Sample

Respondents were recruited to participate in a study ostensibly about social media. Some participants received extra credit in a marketing course at two universities in Illinois and North Carolina in exchange for participation. Other participants received the survey within a professional organization in North Carolina and completed the survey at their own will for no extra credit.

Experimental design

Hypotheses were tested in an experimental design under three conditions (a non-disclosure condition and two disclosure conditions) that were presented to subjects as a tweet from a friend. Twitter was chosen as the social network platform, because an experimentally designed tweet can be easily created (*http://simitator.com/generator/twitter/tweet*), and many online retailers offer an automatically created tweet following a purchase that consumers can easily share on their social networks. These auto-generated sharable tweets offer an easy way for FTC regulations and WOMMA best practice suggestions to be implemented by firms. The non-disclosure condition presented subjects with a regular tweet by a gender-neutral "friend", called Alex, who

recommended a product, the Amazon Echo, with no acknowledgement of incentives received for the tweet. The first disclosure condition reflected one way a sponsored brand posting may appear on a social media channel, namely, enclosing the paid content in a gray box with the words "Sponsored Tweet" at the top left corner. The second disclosure condition was created based on "best practices" that could be used by companies when they incentivize WOM to have a consumer share a review or a purchase, namely, by simply including a #Sponsored hashtag in the auto-generated sharing tweet that is available to many consumers after they purchase a product online (Coker *et al.*, 2015). The purpose of including two separate types of disclosure conditions is to examine whether there is a difference in how consumers are made aware of paid or incentivized corporate messaging on social media: a gray box around the content with the Sponsored Tweet notification versus a simple, one-word solution that could be added to any social buzz (the #Sponsored hashtag).

Survey instrument

Data were collected by administering an online survey to participants. Participants were first asked whether they had heard of the Echo product, made by Amazon, and if so, to rate their knowledge of the product from 1 (slightly knowledgeable) to 4 (extremely knowledgeable). The next page of the online survey presented a picture and the product description of the Amazon Echo product from the company's website (*www.amazon.com/gp/product/B00X4WHP5E*). All participants were asked how likely they were to buy the Amazon Echo from 1 (not likely to buy) to 7 (very likely to buy).

The next page of the online survey presented all participants with the following description:

> Alex is a friend of yours from college, who you know casually from going to sporting events, out to dinner, and hanging out on campus. You've been following Alex on Twitter for a few years. Alex recently tweeted the following […].

Participants then saw a screenshot of a tweet by "Alex", which corresponded to one of three experimental manipulations related to disclosure.

Under the non-disclosure condition, participants read "Got my @AmazonEcho this week! So cool. I can play music, control lights, & hear news w just my voice. Check it out *www.amazon.com/echo*". Under the two disclosure conditions, participants saw the same tweet followed by "#Sponsored" or saw the same tweet enclosed in a light gray box outlined with the words "Sponsored Tweet" in the upper left corner of the box above the tweet. See Appendix for an illustration of the three conditions exactly as participants saw the information presented in them.

Following the presentation of one of the three tweets, all participants then proceeded through the same survey questions in the same order. First, they were asked to what extent they liked or disliked the tweet from 1 (not like) to 7 (like) and to what extent they believed that Alex wrote the tweet from 1 (not believable at all) to 7 (very believable). Subsequently, model constructs of social shopper (Alex) credibility, brand (Amazon) credibility, attitude toward the message (social buzz or incentivized tweet), attitude toward the brand and positive WOM intention were adapted from previously published scales. See Figure 2 for these multi-item construct measures and corresponding reliability values. Purchase intention was measured again (post-disclosure) with

Social Shopper Credibility – Expertise and Trustworthiness (Ohanian, 1990)

Please rate Alex on the following dimensions:							Cronbach's alpha
Unskilled	o	o	o	o	o	Skilled[E]	
Undependable	o	o	o	o	o	Dependable[T]	
Not an expert	o	o	o	o	o	Expert[E]	Expertise = 0.91
Untrustworthy	o	o	o	o	o	Trustworthy[T]	
Dishonest	o	o	o	o	o	Honest[T]	Trustworthiness = 0.89
Unreliable	o	o	o	o	o	Reliable[T]	
Inexperienced	o	o	o	o	o	Experienced[E]	
Unqualified	o	o	o	o	o	Qualified[E]	
Unknowledgeable	o	o	o	o	o	Knowledgeable[E]	
Insincere	o	o	o	o	o	Sincere[T]	

Brand Credibility - Corporate Credibility Scale (Newell and Goldsmith, 2001)

Please rate your agreement with the following statements about Amazon.	1	2	3	4	5	6	7[a]	Cronbach's alpha
Amazon has a great amount of experience.	o	o	o	o	o	o	o	
Amazon is skilled in what they do.	o	o	o	o	o	o	o	0.89
Amazon has great expertise.	o	o	o	o	o	o	o	
Amazon does not have much experience.[R]	o	o	o	o	o	o	o	
I trust Amazon.	o	o	o	o	o	o	o	
Amazon makes truthful claims.	o	o	o	o	o	o	o	
Amazon is honest.	o	o	o	o	o	o	o	
I do not believe what Amazon tells me.[R]	o	o	o	o	o	o	o	

Attitude toward the Message (Mitchell and Olson, 1981)

Please rate your attitude toward the tweet:							Cronbach's alpha
Bad	o	o	o	o	o	Good	
Dislike	o	o	o	o	o	Like	
Not irritating	o	o	o	o	o	Irritating[R]	0.88
Uninteresting	o	o	o	o	o	Interesting	

Attitude toward the Brand (Mitchell and Olson, 1981)

Please rate your attitude toward the brand, Amazon Echo, AFTER seeing this tweet:							Cronbach's alpha
Bad	o	o	o	o	o	Good	
Dislike very much	o	o	o	o	o	Like very much	0.93
Unpleasant	o	o	o	o	o	Pleasant	
Poor quality	o	o	o	o	o	High quality	

Positive Word of Mouth (Alexandrov *et al.*, 2013)

How likely are you to do the following things AFTER seeing this tweet?	1						7[b]	Cronbach's alpha
Say positive things about this brand.	o	o	o	o	o	o	o	
Recommend this brand to others.	o	o	o	o	o	o	o	0.92
Recommend this brand to someone else who seeks your advice.	o	o	o	o	o	o	o	

Notes: [a]1 = strongly disagree; 7 = strongly agree; [b]1 = very unlikely; 7 = very likely; [E]expertise subscale of source credibility; [T]trustworthiness subscale of source credibility; [R]recoded before creating index

Figure 2.
Multi-item construct measures and reliability

participants being asked how likely they were to buy the Amazon Echo from 1 (not likely to buy) to 7 (very likely to buy).

Unrelated to the model, an item assessing participants' perceived attribution of the motivation of the social shopper (i.e. Alex) to post the tweet was measured by asking "How likely is it that Alex was offered something (e.g. a discount, a free item, money, etc.) in exchange for making the tweet?" on a seven-point semantic differential scale, with 1 representing "not likely the tweet was incentivized" to 7 representing "very likely

the tweet was incentivized". An open-ended recall question was asked, giving respondents 2 minutes to write down everything they recalled from the tweet. Finally, demographic questions were asked, such as age, gender, the number of social media accounts held, whether the respondent had recommended a product online via their personal social media account(s) and the specifics of the most recent recommendation (if applicable). The survey took approximately 15 min to complete.

Measures

Social shopper credibility was measured using ten semantic differential questions from Ohanian (1990) to measure source credibility of celebrity endorsers. Five semantic differential items assessed perceived expertise, and five items assessed perceived trustworthiness on a scale from 1 to 5 (Figure 2), with higher values indicating the more positive trait (Ohanian's attractiveness subscale was not included in this study, as it measures physical attractiveness, which is irrelevant in an online context such as this study). Ohanian (1990) found the resulting credibility scales to be internally reliable, with Cronbach's alpha greater than 0.80. In the present study, reliability for the expertise and trustworthiness subscales were 0.91 and 0.89, respectively.

Brand credibility was assessed based on Newell and Goldsmith's (2001) corporate credibility scale, measuring agreement on eight statements (Figure 2), separated into two constructs of expertise and trust, from 1 (strongly disagree) to 7 (strongly agree). Cronbach's alpha for both subscales was high over five separate data sets, and validity was established using a variety of companies as targets of interest; in the present study, reliability was 0.89.

Attitude toward the message (tweet) and the brand were assessed by using two separate four-item semantic differential scales based on Mitchell and Olson (1981). The semantic differential items were assessed on a scale from 1 to 5, with higher numbers representing more positive attitude toward the message and brand (Figure 2). This measurement and variations of it have been validated in the marketing literature for over four decades; reliability in the present study was 0.88 for attitude toward the message (tweet) and 0.93 for attitude toward the brand.

Positive WOM intention was measured with three items from Alexandrov *et al.* (2013) (Figure 2). Responses ranged from 1 (very unlikely) to 7 (very likely). The original authors reported a Cronbach's alpha of 0.86 for positive WOM; in the present study, reliability was 0.92.

Results and discussion

The 189 participants were separated into three conditions: non-disclosure (n = 91), disclosure with hashtag (n = 48) and disclosure with a boxed label indicating a sponsored tweet (n = 50). The age of participants ranged from 20 to 55 years, with a mean age of 24.9 years (SD = 5.76). Females comprised 54 per cent of the sample. On average, respondents belonged to five social media networks (SD = 1.87), and this value did not differ significantly among conditions, $F(2, 186) = 0.03$, *ns*. Almost 60 per cent of participants had not heard of the Amazon Echo product prior to participating in the study (n = 107); of those who had heard of the Echo product prior to the study, the average self-reported product knowledge was slightly to moderately knowledgeable (M = 1.46, SD = 0.74), and there were no significant knowledge differences across conditions, $F(2, 79) = 0.88$, *ns*.

All hypotheses were initially tested across the three separate experimental conditions, but ultimately, results for the two disclosure conditions were combined. The initial purpose of including two types of disclosure conditions was to explore if participants' perceptions differed between a disclosure that reflected a common way that a consumer would know that a company incentivized a tweet (namely, the boxed design) and a disclosure that used a simple, one-word potential solution to the FTC and WOMMA regulations required for incentivized WOM disclosure. However, as there were no significant differences between the two disclosure conditions, they were combined for the *t*-test and correlation comparisons across the 13 hypotheses.

As a manipulation check, likeability of the tweet, believability of the tweet and perceptions that Alex was offered an incentive to write the tweet did not differ significantly across the non-disclosure and disclosure conditions (all t values < 1.9, all 95 per cent confidence intervals around t included 0 and all p-values > 0.05). Table II presents the value of the statistical tests of the non-disclosure and disclosure conditions and a column illustrating the support or non-support for each hypothesis.

Shopper and brand credibility did not differ between the disclosure and non-disclosure conditions. Therefore, *H1* and *H2* were not supported. For the most part, results support the relationships adapted from the DCM (Lafferty *et al.*, 2002). Under disclosure conditions, both social shopper credibility and brand credibility are positively related to attitude toward the message (social buzz or incentivized tweet), providing support for both *H3* and *H4*. In support of *H5*, the relationship between brand credibility and attitude toward the brand is also positive. Attitude toward the message, which is positively related to attitude toward the brand (supporting *H7*), is also positively related to purchase intention (supporting *H9*). Similarly, attitude toward the brand is positively related to purchase intention, thereby lending support for *H8*. The only departure from the DCM was the non-significant relationship between brand credibility and purchase intention in social shopping contexts, resulting in no support for *H6*.

The extension of the DCM in Coker *et al.*'s (2015) conceptual model on disclosure of SSRs is also for the most part supported by the results. Under disclosure conditions, social shopper credibility is positively related to positive WOM, supporting *H10*. However, the same relationship is not significant in the case of brand credibility, lending no support for *H11*. The rest of the model is supported, as attitude toward the message (*H12*) and attitude toward the brand (*H13*) are both positively related to positive WOM.

As a follow-up, to test the difference in results between non-disclosure and disclosure conditions, all significant relationships noted above were further explored with a Fisher *r*-to-*z* transformation test. This test allows correlations from two different samples to be statistically compared (Fisher, 1921). In the present study, the transformation test would statistically test whether the higher, positive correlation found in the disclosure condition was significantly higher than the same bivariate correlation in the non-disclosure condition. Of the nine significant hypothesized relationships, the Fisher *r*-to-*z* was significant for three relationships. Under disclosure conditions, ratings of brand credibility increased attitude toward the message ($r = 0.27$) significantly more than under the non-disclosure condition [($r = -0.07$), $z = 2.35$, p (one-tailed) < 0.01]. Attitude toward the message was positively related to attitude toward the brand under disclosure conditions ($r = 0.74$) significantly more than under the non-disclosure condition [($r = 0.45$), $z = 3.15$, p (one-tailed) < 0.001]. Social shopper credibility was

Table II.
Tests of hypotheses for non-disclosure and disclosure conditions

Abbreviated hypotheses on role of disclosure of SSRs	Non-disclosure condition ($n = 91$)	Disclosure conditions ($n = 98$)	Statistical test	Conclusion
H1. Social shopper credibility	$M = 6.05$ SD = 1.07	$M = 6.13$ SD = 1.74	$t(187) = -0.36$	Not supported
H2. Brand credibility	$M = 5.71$ SD = 0.81	$M = 5.69$ SD = 0.96	$t(187) = 0.11$	Not supported
H3. Social shopper credibility → attitude toward the message	$r = 0.53$***	$r = 0.71$***	Correlations in predicted direction and significantly different[a]	Supported
H4. Brand credibility → attitude toward the message	$r = -0.07$, *ns*	$r = 0.27$*	Correlations in predicted direction and significantly different[a]	Supported
H5. Brand credibility → attitude toward the brand	$r = 0.13$, *ns*	$r = 0.29$**	Correlations in predicted direction	Supported
H6. Brand credibility → purchase intention	$r = -0.08$, *ns*	$r = 0.15$, *ns*	Correlations not significant	Not supported
H7. Attitude toward the message → attitude toward the brand	$r = 0.45$***	$r = 0.74$***	Correlations in predicted direction and significantly different[a]	Supported
H8. Attitude toward the brand → purchase intention	$r = 0.42$**	$r = 0.52$***	Correlations in predicted direction	Supported
H9. Attitude toward the message → purchase intention	$r = 0.32$**	$r = 0.51$***	Correlations in predicted direction	Supported
H10. Social shopper credibility → positive WOM	$r = 0.33$***	$r = 0.46$***	Correlations in predicted direction	Supported
H11. Brand credibility → positive WOM	$r = 0.03$ *ns*	$r = 0.15$, *ns*	Correlations not significant	Not supported
H12. Attitude toward the message → positive WOM	$r = 0.38$***	$r = 0.57$***	Correlations in predicted direction	Supported
H13. Attitude toward the brand → positive WOM	$r = 0.61$***	$r = 0.67$***	Correlations in predicted direction	Supported

Notes: *** $p < 0.001$, ** $p < 0.001$, * $p < 0.05$; [a] one-tailed, Fisher *r*-to-*z* transformation comparing the correlations between non-disclosure and disclosure conditions is significant at $p < 0.05$

positively related to attitude toward the message under disclosure conditions ($r = 0.71$) significantly more than under the non-disclosure condition [($r = 0.53$), $z = 2.01$, p (one-tailed) < 0.05]. This follow-up test reveals that compared to non-disclosure, disclosure of SSRs actually enhances the relationship between certain constructs in social shopping contexts.

Implications

The purpose of the present study is to investigate the effects of disclosure of SSRs on consumer responses in social shopping contexts. Based on the only conceptual model of effects of disclosure of SSRs (Coker *et al.*, 2015), 13 hypotheses are tested. As disclosures may appear in different ways, this study examines disclosures in two formats, namely, a boxed indication that stands out from other content in a user's "feed" on a social network and a proposed one-word disclosure hashtag that could be included in shared social mentions that have been incentivized. Results show that disclosure of SSRs, either with a "#Sponsored" or boxed "Sponsored Tweet" indication, actually enhances the bivariate relationships between certain model constructs, supporting Coker *et al.*'s (2015) proposition that disclosure does not hurt consumer reactions to social buzz.

Theoretical implications

By examining the effects of disclosure of SSRs, this study presents several theoretical implications for the social media marketing literature, of which WOM is key. In particular, this study rests on the assumption that SSRs function similar to endorsement advertising, in which there is a source duality – the social shopper (endorser) and brand (company). As such, results replicate many of the relationships modeled in the DCM (Lafferty *et al.*, 2002), which is used to explain consumer responses to endorsement advertising. However, one exception to the DCM arose in this study; under conditions of disclosure *and* non-disclosure of SSRs, brand credibility was not significantly related to purchase intention. This non-significant relationship suggests that more is needed than simply resting on the brand's credibility to directly drive purchase intention in social shopping contexts where SSRs are involved.

A fundamental theoretical contribution of this research runs counter to arguments against disclosure in the marketing literature, such as discounting the message (Folkes, 1988), and supports those in favor of disclosure (Forehand and Grier, 2003). Though disclosure of SSRs did not enhance dual source credibility, results show that it strengthens the relationship between certain constructs in Coker *et al.*'s (2015) conceptual model. Compared to non-disclosure, the relationships between dual source credibility and attitude toward the message and between attitude toward the message and attitude toward the brand are enhanced under conditions of disclosure of SSRs. This supports the assertion that disclosure of SSRs does not hurt the marketer in social shopping contexts and can instead enhance transparency in communications (Coker *et al.*, 2015).

Results also represent a successful extension of Lafferty *et al.*'s (2002) DCM to WOM as presented in Coker *et al.*'s (2015) conceptual model on disclosure of SSRs. Results suggest that in social shopping contexts, the source credibility that matters more in generating positive WOM intention about the brand is that of the credibility of the original person sharing the social endorsement, not the credibility of the brand. Furthermore, attitude toward the message and attitude toward the brand play

instrumental roles in impacting positive WOM about the brand in social shopping contexts under conditions of disclosure of SSRs.

Managerial implications

The managerial implications of this study are important for many reasons. First, results suggest that marketing practitioners need not worry that disclosure of SSRs will have a negative impact on message and brand attitudes, purchase intention and positive WOM intention. In fact, in social shopping contexts, reading a positive tweet by Alex about the Amazon Echo with disclosure produced *stronger* relationships between dual source credibility and attitude toward the message and between attitude toward the message and attitude toward the brand. As the message is seemingly not discounted following disclosure, marketers may proceed with disclosure of SSRs if they are used in social shopping contexts. The takeaway: disclosure of SSRs does not hurt the marketer and, instead, produces stronger consumer responses in social shopping contexts.

Second, results of the current study encourage marketers to comply with disclosure guidelines by the FTC and WOMMA by providing practitioners with more clarity as to how disclosures should be presented. The FTC's ".com disclosure" recommendations may be followed by using a simple one-word hashtag (#Sponsored) or boxed notification ("Sponsored Tweet"). The hashtag addition may be easier and simpler for companies to implement; many online retailers offer customers the opportunity to "share their purchase" on different social networks immediately after buying for a discount on a subsequent purchase. For example, many of the companies listed in Table I and others that utilize third-party apps, such as ShopSocially and ClickSoftware, automatically generate a message immediately after the online transaction is completed, asking customers to share what they bought via Facebook, Twitter, Pinterest, e-mail or other social channels. This pre-written message allows customers to simply click "Share this item" to distribute the auto-message to other people in their networks. The present research demonstrates that this automatically generated message simply needs to include the hashtag #Sponsored to meet FTC guidelines.

Results also support WOMMA's guidelines to marketers on disclosure in online marketing and show that both the social shopper and the marketer play a role in disclosure for transparency in communications on social media. Marketers who fulfil their fiduciary responsibility of disclosing SSRs stand to gain in desirable outcomes in social shopping contexts. In some sense, they may appear as more ethical, thereby maintaining the trust foundation of social media marketing (Quinton and Harridge-March, 2010). When the larger public policy implications are considered, such disclosure promotes self-regulation, pre-empting the need for strict regulations of social media marketing.

Limitations and future research

One primary limitation in the present study is the lack of a complete structural test of the full conceptual model across groups, i.e. multi-group analysis. This limitation is an artifact of the small sample size of each group (less than 100), resulting in the sample being insufficient for traditional structural equation modeling (SEM) analyses between groups. Future research may collect more data and conduct SEM to test the entire model fit and suggest revisions to the model, if necessary.

Another limitation arises from the choice of social shopping context. The model was tested on one social networking site, namely, Twitter. Future research may examine whether disclosure of SSRs in other social networking sites, particularly those that allow for longer reviews or posts, would produce differential effects. Future research may also examine the role of disclosure of SSRs on social media sites dedicated to social shopping, such as Fab.com, where the norms of the site actually welcome and promote social shopping, along with branded messages.

The process by which the model is enhanced under SSR disclosure conditions is still unknown. Future research may explore the possibility that disclosure enhances the model's propositions, because it enhances the perceived authenticity of the message when the source (i.e. the social shopper) indicates that the review or recommendation was sponsored in some way by the brand. Future research may also explore additional process variables to understand the attributions consumers make when they do not see any disclosure following a positive brand recommendation shared on social media compared to the attributions consumers make about those same recommendations when they see a disclosure statement as part of the social communication. Additional extensions of the research could happen by partnering with companies that offer a third-party solution to online retailers to assist in social sharing applications; this would allow testing the model and the process using real-time consumer responses to social buzz.

In closing, this research represents the first step in examining the impact of disclosure of SSRs in social shopping contexts, an area deemed challenging in social media marketing (WOMMA, 2012). Findings suggest that marketers' potential fears of disclosing SSRs (and using SSRs in social media marketing) should be alleviated by the fact that disclosure generates stronger relationships between certain consumer responses in social shopping contexts, such as attitude toward the message. This research offers some simple ways to meet the disclosure requirements of the FTC and suggestions by WOMMA while not detracting (but in fact, enhancing) consumer responses to social buzz. As social shopping continues to evolve, this research into the effectiveness of social buzz is also expected to evolve as marketers seek ways to maximize use of social media.

References

Abendroth, L.J. and Heyman, J.E. (2013), "Honesty is the best policy: the effects of disclosure in word-of-mouth marketing", *Journal of Marketing Communications*, Vol. 19 No. 4, pp. 245-257.

Alexandrov, A., Lilly, B. and Babakus, E. (2013), "The effects of social- and self-motives on the intentions to share positive and negative word of mouth", *Journal of the Academy of Marketing Science*, Vol. 41 No. 5, pp. 531-546.

Carl, W.J. (2006), "What's all the buzz about? Everyday communication and the relational basis of word-of-mouth and buzz marketing practices", *Management Communication Quarterly*, Vol. 19 No. 4, pp. 601-634.

Carl, W.J. (2008), "The role of disclosure in organized word-of-mouth marketing programs", *Journal of Marketing Communications*, Vol. 14 No. 3, pp. 225-241.

Chahal, M. (2016), "The shift to social shopping", *Marketing Week*, pp. 26-27.

Chiu, H.C., Hsieh, Y.C., Kao, Y.H. and Lee, M. (2007), "The determinants of email receivers' disseminating behaviors on the internet", *Journal of Advertising Research*, Vol. 47 No. 4, pp. 524-534.

Coker, K.K., Boostrom, R.E., Jr. and Altobello, S.A. (2014), "What makes social shoppers click? The role of social rewards in social shopping", *Marketing Management Journal*, Vol. 24 No. 1, pp. 66-79.

Coker, K.K., Smith, D.S. and Altobello, S.A. (2015), "Buzzing with disclosure of social shopping rewards", *Journal of Research in Interactive Marketing*, Vol. 9 No. 3, pp. 170-189.

CrowdTwist (2015), "46 brands that leverage social media engagement", available at: http://crowdtwist.com/46-brands-social-media_form (accessed 24 May 2016).

Federal Trade Commission (2013), ".com disclosures: how to make effective disclosures in digital advertising", available at: www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-about-online-advertising.pdf (accessed 25 May 2016).

Fisher, R.A. (1921), "On the 'probable error' of a coefficient of correlation deduced from a small sample", *Metron*, Vol. 1, pp. 3-32.

Folkes, V.S. (1988), "Recent attribution research in consumer behavior: a review and new directions", *Journal of Consumer Research*, Vol. 14 No. 4, pp. 548-565.

Forehand, M.R. and Grier, S. (2003), "When is honesty the best policy? The effect of stated company intent on consumer skepticism", *Journal of Consumer Psychology*, Vol. 13 No. 3, pp. 349-356.

Friestad, M. and Wright, P. (1994), "The persuasion knowledge model: how people cope with persuasion attempts", *Journal of Consumer Research*, Vol. 21 No. 1, pp. 1-31.

Huh, J. and Faber, R.J. (2014), "The influence of sender trust and advertiser trust on multistage effects of viral advertising", *Journal of Advertising*, Vol. 43 No. 1, pp. 100-114.

Kamenec, K. (2014), "10 best social shopping sites right now", available at: www.pcmag.com/article2/0,2817,2424709,00.asp (accessed 24 May 2016).

Kelley, H.H. (1973), "The process of causal attribution", *American Psychologist*, Vol. 28 No. 2, pp. 107-128.

Lafferty, B.A., Goldsmith, R.E. and Newell, S.J. (2002), "The dual credibility model: the influence of corporate and endorser credibility on attitudes and purchase intentions", *Journal of Marketing Theory and Practice*, Vol. 10 No. 3, pp. 1-12.

Mitchell, A.A. and Olson, J.C. (1981), "Are product attribute beliefs the only mediator of advertising effects on brand attitude?", *Journal of Marketing Research*, Vol. 18 No. 3, pp. 318-332.

Nekmat, E. and Gower, K.K. (2012), "Effects of disclosure and message valence in online word-of-mouth (eWOM) communication: implications for integrated marketing communications", *International Journal of Integrated Marketing Communications*, Vol. 4 No. 1, pp. 85-98.

Newell, S.J. and Goldsmith, R.E. (2001), "The development of a scale to measure perceived corporate credibility", *Journal of Business Research*, Vol. 52 No. 3, pp. 235-247.

Ohanian, R. (1990), "Construction and validation of a scale to measure celebrity endorsers' perceived expertise, trustworthiness, and attractiveness", *Journal of Advertising*, Vol. 19 No. 3, pp. 39-52.

Pomirleanu, N., Schibrowsky, J.A., Peltier, J. and Nill, A. (2013), "A review of internet marketing research over the past 20 years and future research direction", *Journal of Research in Interactive Marketing*, Vol. 7 No. 3, pp. 166-181.

Quinton, S. and Harridge-March, S. (2010), "Relationships in online communities: the potential for marketers", *Journal of Research in Interactive Marketing*, Vol. 4 No. 1, pp. 59-73.

Reichelt, J., Sievert, J. and Jacob, F. (2014), "How credibility affects eWOM reading: the influences of expertise, trustworthiness, and similarity on utilitarian and social functions", *Journal of Marketing Communications*, Vol. 20 Nos 1/2, pp. 65-81.

Sweeney, J. and Swait, J. (2008), "The effects of brand credibility on consumer loyalty", *Journal of Retailing and Consumer Services*, Vol. 15 No. 3, pp. 179-193.

Taylor, D.G. and Strutton, D. (2010), "Has e-marketing come of age? Modeling historical influences on post-adoption era internet consumer behaviors", *Journal of Business Research*, Vol. 63 Nos 9/10, pp. 950-956.

Tedeschi, B. (2006), "Like shopping? Social networking? Try social shopping", available at: www.nytimes.com/2006/09/11/technology/11ecom.html (accessed 24 September 2012).

Tuk, M.A., Verlegh, P.W.J., Smidts, A. and Wigboldus, D.H.J. (2009), "Sales and sincerity: the role of relational framing in word-of-mouth marketing", *Journal of Consumer Psychology*, Vol. 19 No. 1, pp. 38-47.

Wang, C. and Zhang, P. (2012), "The evolution of social commerce: the people, management, technology, and information dimensions", *Communications of the Association for Information Systems*, Vol. 31 No. 5, pp. 105-127.

WOMMA (2012), "Social media marketing disclosure guide", available at: https://womma.org/ethics/smdisclosure/ (accessed 25 May 2016).

Yadav, M.S., de Valck, K., Hennig-Thurau, T., Hoffman, D.F. and Spann, M. (2013), "Social commerce: a contingency framework for assessing marketing potential", *Journal of Interactive Marketing*, Vol. 27 No. 4, pp. 311-323.

Appendix. Disclosure conditions

Figure A1.
No disclosure

Figure A2.
Disclosure of social shopping reward with hashtag

Figure A3.
Disclosure of social shopping reward with sponsored tweet

About the authors

Kesha K. Coker (PhD) is an Associate Professor of Marketing at Eastern Illinois University. Her research focuses on branding, pricing, social media marketing, internet/interactive marketing and the social aspects of consumer behavior. Kesha K. Coker is the corresponding author and can be contacted at: kcoker@eiu.edu

Suzanne A. Altobello (PhD) is an Associate Professor of Marketing at University of North Carolina at Pembroke. Her research interests are primarily in consumer decision-making, social media, mobile marketing and international marketing.