Understanding consumer-generated advertising for mainstream fashion goods

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Access to this paper is restricted to registered delegates of the EMAC 2013 Conference.

Acknowledgements:
The authors would like to thank Mrs Donata Spudulyte for her valuable contribution in the data collection phase of this work.
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Abstract

This paper provides empirical evidence about the existence of the source effect in the context of consumer-generated advertising (CGA) for mainstream fashion goods. In particular, it investigates consumer perceptions towards the creator and the message in a CGA as opposed to a company-created ad, and if those perceptions influence general consumer attitudes towards the ad, attitudes towards the brand, as well as consumers’ purchase intention. An online 2x2 between-subjects experiment was constructed in which participants were exposed to an actual CGA or an actual company-created ad for a mainstream fashion brand; moreover, subjects were provided different information about the source of these commercials. The results showed that consumers perceived the creator of the ad to be more trustworthy and had more positive overall attitude towards the ad after being exposed to the actual consumer-generated commercial.

Key words: consumer-generated advertising, source effect, source credibility, source attractiveness, word-of-mouth

Track: Advertising, Promotion and Marketing Communications
1. Introduction, Aims and Objectives

Contemporary customers who are no longer content with just being passive users of the value provided to them seek to participate in business processes, feel important interacting with companies and co-create value with them (Ramani & Kumar 2008; Prahalad & Ramaswamy 2004). Besides providing ideas for new product development, consumers can create and transmit advertising messages about their brands. Especially consumers who are born in the digital technology era (the so-called ‘Generation C’) and are creative and eager to express their capacity, also have access to professional hardware, software and online distribution channels that enable them to create web-based content and to use text, images, audio and video formats in new powerful ways. With the emergence of social media (i.e. Facebook, YouTube) it has become easier than ever before for consumers to become broadcasters (Berthon et al. 2008; Campbell et al. 2011). As a result, marketers are no longer in full control of the entire media environment (Mangold & Faulds 2009), and advertising creation is no more their prerogative.

A big number of brands (e.g. L’Oreal, Heinz, Converse, Ruffles, Red Bull, Doritos) nowadays encourage their customers to create advertisements for them (here referred to as Consumer-Generated Ads or CGAs). Many scholars predict that the CGA trend will grow in its magnitude and effect (Berthon et al. 2008). Recent research shows that consumers can be skilled and capable of generating ads comparable technically and creatively to the ones produced by professionals (Muniz & Schau 2007). These findings give merit to the idea that CGAs could be used in mass media.

Great extent of the CGA-related literature has focused on investigating consumers as a source: what types of ads they create and why (Daugherty et al. 2008; Berthon et al. 2008; Muniz & Schau 2007). However, research on the effectiveness of CGAs is limited so far. For instance, while it has been demonstrated that CGAs outperform company-sponsored ads for high-involvement goods (Brunel et al. 2007), no evidence is found as to whether CGAs are more powerful for promoting financial services (Steyn et al. 2010). It has never been researched, though, if CGAs could be effective for advertising mainstream fashion goods that target teenagers and young adults (Generation C), who are also the major drivers of the CGA trend. It thus is particularly relevant to better understand Generation C attitudes towards peer-created communication and if these attitudes influence brand attitude and purchase intention. In addition to this, perceptions about the CGA creator and the CGA message are essential aspect affecting consumers’ response to CG commercials (Campbell et al. 2011). There is still no evidence, though, which characteristics of the CG creator significantly impact the attitude towards the CGA and the advertised brand.

The present paper aims at exploring consumer perceptions towards the creator and the message in a CGA as opposed to a company-created ad, and if those perceptions influence general consumer attitudes towards the ad, attitudes towards the brand, as well as consumers’ purchase intention. This aim will be fulfilled through the objectives described in the end of the next section.

2. Consumer Perceptions towards CGAs

Consumers generally trust peer consumers more than they trust marketers (Sen & Lerma 2007). Steyn et al. (2010) and Brunel et al. (2007) argue that CGAs are a form of e-Word of Mouth (WOM). Bickart & Schindler (2001) maintain that consumers tend to identify with a person spreading e-WOM easier and be more engaged in e-WOM messages in comparison to official online company communication. Moreover, it is possible that consumers hold some
additional positive perceptions about the creator of the ad in a CGA, such as expertise with the brand advertised, and likability or similarity between the ad creator and the consumer.

Moreover, ads that differ from expectations and deviate from perceived ‘normal’ ads are considered to be novel (Sheinin et al. 2011). In addition to this, unexpected stimuli motivate consumers to draw more attention and engage into greater cognitive elaboration (Ang & Low 2000). CGA has not been widely used in media, so consumers are likely to perceive it unexpected and, as a result, pay more attention to the advertised product.

Furthermore, the importance of WOM and of brand references by other users implies that consumers are more likely to assign higher credibility to CGAs in comparison to advertising generated by professional advertisers (Steyn et al. 2010). Moreover, consumers are more likely to buy products after reading user reviews rather than information on corporate websites (Bickart & Schindler 2001). These are in line with Brunel et al. (2007) who showed that respondents who were told that an ad was CGA had higher overall attitude towards the ad, higher brand interest and purchase intent.

Against this background, the present paper has three objectives. First, to explore if the type of the ad (i.e. company-created vs. CGA) has any influence on consumer perceptions towards the ad creator (i.e. trustworthiness, expertise (with the brand), and attractiveness) and the ad message (i.e. novelty and usefulness); as well as on general consumer attitude towards the ad, the brand, and intention to purchase the brand. Second, to explore if the provision of information about the creator of the ad (i.e. company-created information vs. CGA information) has any influence on the above-described perceptions, attitudes and intention. Third, to explore if the above-described perceptions, attitudes and purchase intention are influenced by the interaction of the type of ad and the type of information about the creator of the ad, namely if specific ad type and ad information combinations have different ability to influence consumer perceptions towards the ad creator’s trustworthiness, expertise and attractiveness, the ad message’s novelty and usefulness, consumers’ attitude towards the ad, towards brand, as well as brand purchase intention.

3. Research Design

In order to meet the above-mentioned objectives an experiment was designed and conducted online. The Converse brand was selected as a representative mainstream fashion brand because of its young target group perfectly matching Generation C’s profile and a considerable amount of CGAs available for it.

A pre-test phase ran first to select the most proper ads as experimental stimulus. Five company-created ads and 5 CGAs as diverse as possible in terms of creative idea and quality were selected from the Converse commercials available on YouTube. First, a Facebook page was created where the selected commercials were uploaded in random mixed order, with no indication of their source. Twenty-one Facebook members were invited to rate the ads according to overall preference (1: most preferred to 10: least preferred). Then, the same 10 ads were uploaded in different sequence, together with information about their source. The same 21 participants were asked to rate the ads again. Results showed that when consumers were not aware of the ad source, they mostly preferred company-created ads (i.e. 4 in top-5 most preferred). However, when source information was provided, a source effect emerged: 3 CGAs moved up in the total rank order, 2 of which in top-5. Based on the pre-test, the most preferred company-created ad ‘Office lights’[1] and the CGA ‘Converse meets Converse’[2]

1 http://www.youtube.com/watch?v=iPhPcZ4J9Po
2 http://www.youtube.com/watch?v=FA8NzxuQozQ&feature=endscreen&NR=1
were selected as experimental stimuli.

Participants in the main online experiment were selected based on Converse target market, namely youth in the ‘15-25’ age group (Lee, 1996). A 2x2 between-subjects design was created, in which participants were randomly assigned to one of the four experimental conditions as shown in Table 1. In addition, two more groups were selected for manipulation check (control groups), exposed to both ads without provision of any information about them. In total, 322 respondents (162 females and 160 males) participated in the experiments with mean age 20.5 years. No statistically significant differences existed among the four groups in terms of age and gender.

Table 1: The experimental design

<table>
<thead>
<tr>
<th>Information 1: CGA</th>
<th>Stimulus 1: CGA</th>
<th>Stimulus 2: Company-created ad</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group 1 (N₁=51)</strong></td>
<td>“Converse meets Converse” (CGA, info CGA)</td>
<td>Group 2 (N₂=51) “Office lights” (Company-created, info Company-created)</td>
</tr>
<tr>
<td><strong>Group 2 (N₂=51)</strong></td>
<td>“Office lights” (Company-created, info Company-created)</td>
<td></td>
</tr>
<tr>
<td><strong>Group 3 (N₃=55)</strong></td>
<td>“Converse meets Converse” (CGA, info Company-created)</td>
<td></td>
</tr>
<tr>
<td><strong>Group 4 (N₄=55)</strong></td>
<td>“Office lights” (Company-created, info CGA)</td>
<td></td>
</tr>
<tr>
<td><strong>Group 5 (N₅=55)</strong></td>
<td>“Converse meets Converse” (CGA, no info)</td>
<td></td>
</tr>
<tr>
<td><strong>Group 6 (N₆=55)</strong></td>
<td>“Office lights” (Company-created, no info)</td>
<td></td>
</tr>
</tbody>
</table>

The questionnaire distributed to all groups contained 10 questions. Questions 1-3 asked participants to evaluate the creator of the ad (be it CGA or company-created, depending on the group) in terms of credibility (i.e. trustworthiness, expertise and attractiveness); questions 4-6 included statements about the ad covering novelty, message usefulness, and overall attitude; questions 7-8 explored respondents’ attitude towards the brand (Converse) and brand purchase intention; and questions 9-10 concerned participants’ gender and age.

All 8 perceptual and attitudinal constructs used were measured on 7-point Likert-type agreement scales. Creator credibility was adapted from the scales measuring endorser credibility, namely: trustworthiness (4 items), adapted from Ohanian (1990); (brand-related) expertise (4 items), adapted from Lafferty et al. (2002); and attractiveness (2 items, i.e. likability and similarity), adapted from Reysen (2005). Moreover, ad novelty (2 items) and message usefulness (4 items) were adapted from Sheinin et al. (2011). Furthermore, attitude towards the ad (7 items) and the brand (7 items) were adapted from Atkin & Block (1983), and Till et al. (2008) respectively. Finally, purchase intention was adopted from Lafferty et al. (2002), which asked participants how likely it is that they buy Converse next time they buy sneakers (3 items, i.e. ‘very likely’, ‘probable’, ‘possible’).

4. Analysis and Results

Reliability analysis showed that all Cronbach alpha values ranged between 0.774 (i.e. expertise) and 0.943 (i.e. brand attitude), all exceeding the 0.7 threshold. Between-subjects ANOVAs were then applied for each dependent variable and t-test were employed between the control groups.

Results appear in Table 2. In the manipulation check, results revealed that the two ads differed in terms of creator brand-related expertise and attractiveness, message usefulness, and overall attitude towards the ad. Regarding main effect of the type of the ad, the company-created ad was perceived as more attractive (p<0.05), its message as more novel (p<0.01) and
useful (p<0.01), while the overall attitude towards the ad was more positive (p<0.01) compared to the same characteristics for the CGA. Moreover, regarding main effect of the information type, when information about CGA was provided, the creator of the ad was perceived as more trustworthy (p<0.05) and less expert (p<0.05), and the attitude towards the ad was more positive (p>0.05) as opposed to when information about the company-created ad is provided. Finally, no influence was found from the interaction of the type of ad and the type of information about the creator of the ad, although for some constructs interaction affects existed (i.e. expertise, ad attitude and trustworthiness), albeit significant at p<0.1 Mean scores of the interaction effects can be seen in Figure 1.

5. Discussion

The present paper explored the influence of the type of the ad (i.e. company-created vs. CGA) and the type of information about the creator of the ad (i.e. company-created information vs. CGA information) on a series of consumer perceptions and attitudes towards the ad creator, the message, the ad, the brand, as well as consumers’ intention to purchase the brand. In that respect, results revealed the existence of main effects of both parameters in a number of the above-examined perceptual and attitudinal constructs.

Regarding ad type, a company created ad appeared to capture more positive consumer perceptions in what concerns attractiveness, novelty and usefulness. It is possible that the technical and creative quality of the company-created ad was so much higher than that of the CGA that consumer perceptions have been influenced overwhelmingly in favor of the more ‘professionally’ made ad. This was also reflected on the overall much more positive attitude found towards the company-created ad.

More insights were generated in what concerns the information type. With provision of information about the ad creator, the CGA was perceived as much more trustworthy, overpassing the technical quality-related differences in other perceptual parameters (i.e. attractiveness, novelty and usefulness). The opposite was the case, however, with perceived (brand-related) expertise, where the company-created ad was much more positively perceived. The explanation for this might be the same as above: in light of the (perceived) technical superiority of the company-created ad, perceived creator expertise with the brand was much higher than the assumed expertise of the creator of a CGA. Nevertheless, the higher trustworthiness of the CGA possibly outperformed the higher expertise of the company-created ad, resulting to an overall more positive general attitude towards the CGA.

Table 2: ANOVA results, main and interaction effects

<table>
<thead>
<tr>
<th>Construct</th>
<th>Manipulation Check</th>
<th>Ad Type (A) Mean Type (B)</th>
<th>A x B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t-test</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>-0.02</td>
<td>0.14</td>
<td>4.53**</td>
</tr>
<tr>
<td>Expertise</td>
<td>0.06***</td>
<td>0.03</td>
<td>5.74**</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>3.97***</td>
<td>14.15***</td>
<td>2.27</td>
</tr>
<tr>
<td>Novelty</td>
<td>1.50</td>
<td>19.86***</td>
<td>0.02</td>
</tr>
<tr>
<td>Usefulness</td>
<td>3.33***</td>
<td>14.33***</td>
<td>0.03</td>
</tr>
<tr>
<td>Ad Attitude</td>
<td>3.67***</td>
<td>16.94***</td>
<td>4.59**</td>
</tr>
<tr>
<td>Brand Attitude</td>
<td>0.51</td>
<td>2.23</td>
<td>1.09</td>
</tr>
<tr>
<td>Purchase inten</td>
<td>0.74</td>
<td>1.82</td>
<td>0.16</td>
</tr>
</tbody>
</table>

*** p<0.01; ** p<0.05, p<0.1
Finally, similar conclusions can be drawn from the interaction effects. With the necessary cautiousness in not over-emphasizing on those results due to the fact that the interactions were significant at a $p<0.10$, it got clear that provision of true information about the CGA (i.e. that a CGA is indeed a CGA) or false information about the company-created ad (i.e. that a company-created ad is a CGA) led to higher perceived trustworthiness and overall more positive attitude towards the ad. On the contrary, provision of true information about the company-created ad or false information about the CGA created a more positive perception about the expertise of the ad creator with the brand.

Overall, these results bring value to the usefulness of empowering consumers in the process of marketing and communicating a brand. These consumers can be a valuable source of trustworthy word-of-mouth, especially nowadays due to the rise of social media. However, from a company’s perspective this may jeopardize their brand image too, if the source of the creator is not mentioned.
6. References


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