

*Research Paper*

## **YouTube Marketing: Examining the impact of user-generated-content sponsorship.**

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### **ABSTRACT**

Social media has been recognized as an important marketing tool for affecting consumer behaviour, which motivated companies to search for new opportunities to advertise their brands. In this regard, they critically assess sponsoring user-generated-content (UGC) creators in social media to feature their products. However, there is no clear evidence of the effectiveness of this approach on consumers' decisions. This study assesses the impact of explicit sponsorship of social media UGC creators on consumers' behaviour. The purpose is to examine the factors affecting viewer's willingness to purchase a product through a social media channel, and understand whether a sponsored video can influence viewers' opinions. The effects of UGC social media videos on consumers is investigated through a within-design experimental study. The data consists of multiple measurements on a set of respondents, chosen among 241 females, for two YouTube videos; one self-produced and the other associated with a brand. Four analyses are applied; mean comparison, moderation, multi-group moderation and moderated mediation. The study indicates that sponsorship of UGC creators on YouTube is an effective way to advertise brands as it strengthens the respondents' purchase intention. Results showed that sponsorship increases the source's perceived expertise. Although sponsorship decreases the endorser's trustworthiness, the impact of a specific brand positively effects consumers' willingness to buy, and word-of-mouth (WOM) intention. Marketers should be aware of the successful impact of YouTube. This study provides an important insight for marketers seeking ways to integrate their brand marketing strategies into new media technologies, and are interested in advertising with UGC creators on social media channels. The approach of using well-known YouTubers for sponsorship is an emerging marketing strategy for companies. This study focuses on the importance of new media technologies for brand advertisements. As one of the first to investigate the sponsorship effect in UGC on YouTube, the study contributes to practice by highlighting new advertisement opportunities.

**Keywords:** youtube(r), user-generated content (Creator), sponsorship, within subject design, source credibility.

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**Received on:** 2018.02.16

**Approved on:** 2018.09.11

Evaluated by a double blind review system

## **1. INTRODUCTION**

The internet is introducing a new environment of opportunities for marketing products, compelling marketers to rely less on traditional marketing tools and to engage more in new media technologies (Constantinides, 2014). In that respect, companies increasingly use social media to introduce their products in multiple platforms such as Facebook, Twitter, Instagram etc., and YouTube (Sohail et al., 2017).

Social media is an interactive platform, which involves consumers in the marketing process by allowing a multi-way communication (Sohail et al., 2017). While interacting with other end-users, consumers inadvertently become marketing employees. This provides consumers the power to market a product through their self-created content in social media channels. The evolution of self-created content concept formed a new group, called UGC creators. Although not personally known by consumers, they may influence a company's or brand's image by communicating their own perceptions (Jonas, 2010). UGC creators can generate content, spread information and influence other consumers. That is, a typical consumer can express his or her thoughts, feelings about a specific brand's product without prompting or sponsorship, and use their personal sites to introduce it to others. This interactive media environment introduced a new business area for consumers; consumers may become self-employed in a social media channel, introducing themselves as, e.g., a YouTuber, blogger or vlogger, and affect end-user's product preferences and choices. This made social media an important marketing tool, which directly affects consumer behaviour (Mangold & Faulds, 2009). Marketers recognized various social media advertisement opportunities, especially with UGC YouTubers, who are perceived as credible and objective (Cheong & Morrison, 2008). Founded in 2005 as a content community and a multimedia-sharing site that allows people to post, view, comment and link to videos, YouTube is now the third most visited website worldwide, with one billion visitors monthly, watching more than six billion hours (Dehghani et al., 2016).

Companies realized the effect of UGC creators, who, although not celebrities, have a high number of followers, and started to engage in sponsorship agreements with these UGC creators to use their media content as an advertisement tool for their brands on the YouTube media platform. Therefore, content can be presented on social media platforms in two different scenarios from the same independent source; self-produced content and sponsored content. However, these two types of videos have different effects on consumers (Lee, 2012), and brands need to understand the different factors influencing buying behaviours associated with each.

There are studies which focus on social networking sites (Lu et al., 2014; Jonas, 2010; Mir & Zaheer, 2012), and UGC (Cheong & Morrison 2008, MacKinnon 2012, Mir & Rehman 2013); however, no studies have focused on the influence of a brand-sponsored UGC on consumers in a social media platform such as YouTube. Therefore, there is an academic and practical need to understand the effects of sponsoring a UGC creator's video on consumer attitudes and behavioural intentions in a social media platform, specifically in regard to YouTube (Mir & Rehman, 2013).

The aim of this study is to examine the factors affecting viewer's willingness to purchase a product on YouTube, and investigate the sponsorship effect of a user-generated video; particularly the explicit sponsorship, where the company directly contacts with content creator to feature the company's products. This study contributes to the literature by identifying the effect of sponsored and self-produced (unsponsored) user-generated videos on source credibility and consumers' perceived value, WOM, willingness to buy and exploratory buying behaviour tendencies. This is done by comparing the differences between related means, and by merging variables to arrive at predictions about the factors affecting the consumer's purchase intention.

The research questions of this study are as follows:

RQ1: Do user-generated sponsored and unsponsored YouTube videos have the same effect on consumers, in terms of source credibility dimensions and viewers' perceived value, WOM intentions and willingness to buy the products?

RQ2: Does the nature of user-generated YouTube video (sponsored or non-sponsored) influence consumers' buying behaviour tendencies and their willingness to buy?

RQ3: Does the nature of user-generated YouTube video (sponsored or non-sponsored) affect the relationship between the source's perceived attractiveness,

expertise, trustworthiness and consumer's willingness to buy?

## **2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

We discuss the relevant literature on social media as the important communication and advertising platform and explain the factors effecting consumers' decisions on social media, and sponsorship effect in YouTube. Furthermore, the study's theoretical foundations are presented based on source credibility and attribution theories. Hypotheses are developed accordingly.

### **2.1 Social media as a communication and advertising platform**

Before the Internet, there were limited sources to consult for purchase decisions. One was WOM, which represents limited number of opinions, while another was advertisements, which provide biased information, since the message comes directly from the company (MacKinnon, 2012). Social media provided a wider platform for consumers to search for information before making a purchase decision (Sohail et al., 2017). It also enabled the introduction and interchange of UGC with the technological foundations of Web 2.0 (Kaplan & Haenlein, 2010; Sohail et al., 2017).

In the past, traditional media controlled public information, but with the introduction of UGC this started to change (Jonas, 2010). Users can now generate content, spread information and influence others through their own content on new media channels. This situation significantly changed the strategies of companies, who were unable to control consumer-to-consumer communication, restricting their control over content distribution and discussion (Mangold & Faulds, 2009). Besides, content creators retain copyright for their contributions, which might create a problem where there is negative content about the brand (Jonas, 2010). The new reality is that, with the introduction of UGC, companies can no longer behave as authorities (Jonas, 2010); instead, consumers took over the power to access and manage information and media consumption (Mangold & Faulds, 2009). This forced marketers to find ways to integrate social media into their marketing strategies to manage this uncontrolled content (Mangold & Faulds, 2009).

### **2.2 The role of UGC in social media platforms – advertisement impact on youtube**

Information available in social media influences consumption behaviour, because consumers perceive it as a trustworthy source (Mangold & Faulds, 2009). Regardless of the creator, viewers trust UGC, (Cheong & Morrison, 2008), particularly the

YouTubers, because they share both positive and negative experiences about products. Marketers recognized the advertisement opportunities in social media, especially with user-generated YouTubers, and started to engage with content creators in explicit sponsorship, paying YouTubers to directly advertise their brand or product (Wu, 2016). As an example, Michelle Phan, one of the most popular makeup artists on YouTube, partnered with L’Oreal to promote Lancôme products (Wu, 2016). She created a series of makeup tutorial and advertorial content featuring Lancôme products. In a sponsored video, called ‘Clubbing Makeup Tutorial’, Michelle Phan demonstrated a makeup look using the range of Lancôme products. This specific video, posted in 2010, gained more than six million views. In another sponsored video, featuring the Lancôme collection, she demonstrated how to find the perfect shade of red lipstick for different skin tones, providing a direct link to the company website.

### **2.3 Theoretical foundations of the study**

#### **2.3.1 Source credibility theory**

The online environment has challenges for customers to process and evaluate the content (Dou et al., 2012). To reduce the purchase risk, consumers rely on online credible sources, and are sceptical towards the brands’ own information (Bambauer-Sachse & Mangold, 2013). Researchers found that a source’s characteristics affect their credibility, and have an influence on a customer’s perception and behaviours (Dou et al., 2012).

Source credibility is a term that is used to imply a “communicator's positive characteristics that affect the receiver's acceptance of a message” (Ohanian, 1990, p.41). According to marketing and advertising experts, the communicator’s character has a significant effect on persuasiveness (Ohanian, 1990). Source credibility theory defines persuasiveness of the information in terms of the source’s perceived credibility (Brown et al., 2007). The source credibility model considers that expertness and trustworthiness are two factors that support the perceived credibility of the communicator (Hovland et al, 1953).

By using the tenets of source credibility theory, the current study distinguishes the level of persuasiveness of the information provided in sponsored and unsponsored video in relation to the source’s perceived credibility.

#### **2.3.2 Attribution theory**

Consumer researchers used ‘attributional approach’ in the attitude and persuasion

literature (Folkes, 1988, p.549). Attribution theory has been utilized to clarify how individuals value an endorser's inspiration for prescribing an item (Folkes, 1988; Dou et al., 2012). For example, attribution research in consumer behaviour explains the relationship between consumers' attitudes and behaviours in relation to source credibility, associated with the persuasiveness of a communicator while recommending products (Folkes, 1988). Consumers generally believe that a communicator recommended the product either out of genuine preference (intrinsic incentives), or for monetary gain (extrinsic incentives). If the information is attributed to the source's aim to promote the product, the consumer's willingness to purchase is likely to decrease due to the doubtful representation of the features of the brand. In contrast, if the information is attributed to the actual features of the brand, willingness to purchase is likely to increase due to the source's representation of its characteristics (Settle & Golden, 1974). The source's perceived expertness and trustworthiness thus play an important role in persuasive communication (Kelley, 1973; Dholakia & Sternthal 1977). Research indicates that information from highly credible sources makes consumers perceive that communicator provides a true representation of reality (Eagly et. al., 1978; Gotlieb & Sarel 1991).

This study utilizes attribution theory, which posits that the credibility of sources impacts the level of involvement (Gotlieb & Sarel 1991). That is, the consumer's attribution to the source affects credibility, and further, the credibility of the communicator affects individuals' purchase intentions. Therefore, in this study, the tenets of attribution theory serve in the identification of consumers' information processing regarding the source's credibility in UGC on YouTube, by comparing the findings related to sponsored and unsponsored videos.

## **2.4 Factors effecting consumers' decisions on social media**

### **2.4.1 Awareness of advertisement**

Advertisement awareness is a diagnostic measure, and the effect of the advertisement should be examined on its ability to change attitudes and behaviours of subjects (Sutherland & Friedman, 2000). Attribution theory (Kelley 1967) suggests that people exposed to advertisements 'act as naive scientists' while determining whether the information is presented accurately (Folkes 1988; Mizerski et al., 1979; Grewal et al., 1994).

Most researchers have assumed that being exposed to an advertisement will bring

attitude and behavioural changes (Grube & Wallack, 1994). These mechanisms determine what the subject notices, and the amount of information received from the advertisement, respectively. Different types and amounts of information will be received from advertisement by each subject, due to the different attention levels (Klitzner et al., 1991). After seeing the sponsored and unsponsored videos consecutively, all the subjects had the opportunity to recognize the advertisement.

This study begins by investigating the awareness of advertising in UGC on YouTube; that is, whether or not viewers are able to recognize that a video is sponsored. The video, which has a sponsored content, is selected on purpose to create a manipulation. To check the manipulation and to compare the results for sponsored and unsponsored videos, following hypothesis was developed:

**H1:** There is a significant difference between the awareness of the advertisement in sponsored and unsponsored videos.

#### **2.4.2 Source credibility**

There are several studies that support the effect of trustworthiness on the attitude change. For example, in a study on the effect of source trustworthiness on communication persuasiveness, the opinionated message was found far more effective on attitude change when the communicator was perceived as highly trustworthy (Miller & Baseheart, 1969; Ohanian, 1990). Furthermore, researchers studied the effect of source expertise on communication persuasiveness, and found a positive relationship between the source's perceived expertise and attitude change. In other words, a more expert source was found to be more persuasive, and created higher intention to purchase the product or the brand (Erdogan, 1999). Moreover, Joseph (1982) found that attractive communicators are liked more, and have a more positive influence on the products associated with them. Joseph's (1982) conclusion is consistent with others'; there is a positive relationship between the communicator's attractiveness and attitude change (Ohanian, 1990).

This study examines all three dimensions of the source credibility. To achieve this, different content from one Youtuber was deliberately selected, in order to compare how people evaluates the source that reviews the products. Based on to the literature discussed above, following hypotheses were developed:

**H2:** There is a significant difference between the source's perceived attractiveness in sponsored and unsponsored videos.



**H3:** There is a significant difference between the source's perceived expertise in sponsored and unsponsored videos.

**H4:** There is a significant difference between the source's perceived trustworthiness in sponsored and unsponsored videos.

Ohanian (1990) found that dimensions of the source credibility was significantly correlated with purchase intention. Based on the literature, the current study compares the multi-group moderating effect of sponsored and unsponsored videos on the willingness to purchase. Therefore, the following hypotheses were developed:

**H5:** Sponsored and unsponsored videos will be significantly different on willingness to buy in terms of the impact of attractiveness.

**H6:** Sponsored and unsponsored videos be significantly different on willingness to buy in terms of the impact of expertise.

**H7:** Sponsored and unsponsored videos will be significantly different on willingness to buy in terms of the impact of trustworthiness.

#### **2.4.3 Consumers' perceived value**

Since value represents a trade-off between *give* and *get* components, *what is received* and *what is given* varies among consumers, which makes the perception on value a highly personal issue (Zeithaml, 1988). Therefore, for different consumers, the components of perceived value are differentially weighted. Sweeney and Soutar (2001) aimed to measure how consumers perceive value in a variety of purchasing situations to understand the consumer's decision process and choice behaviour. Sheth et al., (1991) identified the consumption value dimensions influencing consumer choice behaviour, and stated that consumption value dimensions make differential contributions in specific choice contexts. Sheth et al., (1991) study provided a basis for Sweeney and Soutar (2001) to build a perceived value scale. Thus, Sweeney and Soutar's (2001) scale illustrates the consumer's evaluation of the products, not just in terms of value for money and performance derived from the product (functional value), but also in terms of the enjoyment that gives pleasure (emotional value), and social approval that makes one feel accepted (social value).

In the current study, Sweeney and Soutar's (2001) perceived value framework is utilized to measure the respondents' perceived value of products mentioned in the user-generated YouTube videos in pre-purchase situations. Based on the literature review, the following hypothesis was developed to compare the effect of consumers' perceived



value in sponsored and unsponsored videos:

**H8:** There is a significant difference between the consumer's perceived value in sponsored and unsponsored videos.

Dodds et al., (1991) stated that the perception of value directly influences willingness to buy; similarly, Sweeney and Soutar (2001) found that the correlation between the consumption values and purchase attitude were significantly and positively related. Based on the literature, this study compares the median effect of the consumer's perceived value in sponsored and unsponsored videos. Therefore, following hypotheses were developed:

**H9:** The indirect effect of attractiveness on the willingness to buy through the consumer's perceived value will be significantly different for sponsored and unsponsored videos.

**H10:** The indirect effect of expertise on the willingness to buy through the consumer's perceived value will be significantly different for sponsored and unsponsored videos.

**H11:** The indirect effect of the trustworthiness on the willingness to buy through consumer's perceived value will be significantly different for sponsored and unsponsored videos.

#### **2.4.4 Word of mouth intentions**

WOM spreads information from one consumer to another, and has a great influence over the consumer's purchase decision (Brown et al., 2007). If the information is reliable and credible, consumers will be more involved in WOM. Consumers perceive WOM as more trustworthy, reliable and persuasive than traditional media (Brown et al., 2007; Cheung & Thadani, 2012). As consumers exchange knowledge, WOM will also influence others.

Since awareness of the product is enough to initiate WOM activity, in this study, after exposure to the videos, it is expected that respondents will be familiar with the product and brand (Mikalef et al., 2013). This study examines whether user-generated YouTube videos influence respondents' tendency to share product or brand information with friends and relatives. Therefore, the following hypothesis was developed:

**H12:** There is a significant difference between the consumer's WOM intention for sponsored and unsponsored videos.

#### **2.4.5 Willingness to buy**

Examining the consumer's attitude is important to determine influences on their

behaviour (Mir & Rehman, 2013); in other words, their willingness to buy. Fishbein and Ajzen (1975) defined purchase intention as a consumer's intention towards purchasing a product. Therefore, this study suggests that purchase intention is the willingness to buy products shown in the user-generated YouTube videos. Since intentions predict future outcome, the consumer's willingness to buy is a very effective predictor for the actual purchase (Mikalef et al., 2013). Based on the literature, following hypotheses were developed:

**H13:** There is a significant difference between the consumer's willingness to buy the products in sponsored and unsponsored videos.

#### **2.4.6 Consumers' buying behaviour tendencies**

Researchers studied exploratory components that influence buying behaviour (Raju, 1980; Steenkamp and Baumgartner, 1992). In order to measure individual differences, Baumgartner and Steenkamp (1996) proposed a two-factor conceptualization of exploratory consumer buying behaviour, which distinguishes exploratory acquisition of products (EAP) from exploratory information seeking (EIS). The first dimension, EAP, represents "a consumer's tendency to seek sensory stimulation in product purchase through risky and innovative product choices and varied and changing purchase and consumption experiences" (Baumgartner & Steenkamp, 1996, p.124). Buyers high on EAP not only appreciate taking risks in purchasing, but are prepared to evaluate new and original items, and value assortment in making item decisions, and change their buying behaviour in an attempt to accomplish exiting consumption experience. The second dimension, EIS, represents "a tendency to obtain cognitive stimulation through the acquisition of consumption-relevant knowledge out of curiosity" (Baumgartner & Steenkamp, 1996, p.125). Buyers high on EIS are interested in advertisements and enjoy unfocused exploration and window-shopping, and discussing their purchases and consumption experiences with other consumers. Since EAP and EIS display different consumer behaviours, it is emphasized that EIS, unlike EAP, does not have a direct experience with a product through purchase. So, viewers high on EAP will be more willing to buy the products than those high on EIS. Attribution theory suggests a motivation to acquire an accurate perception of external reality (Kelley 1973; Gotlieb & Sarel 1991). Therefore, individuals may be motivated to process the relevant product information, which may increase their level of involvement.

To summarize, EAP and EIS represent different consumer behaviours. Therefore, to

compare the consumers buying behaviour tendencies, the following hypothesis was developed:

**H14:** There is a significant difference between EAP-oriented and EIS-oriented respondents.

In addition, based on the above discussions, it can be discussed that respondents' individual differences also affect their willingness to buy the products mentioned in the user-generated YouTube videos. Therefore, following hypotheses were developed:

**H15:** The effect of source credibility on the willingness to buy will be significantly different for EAP-oriented viewers in the unsponsored video.

**H16:** The effect of source credibility on the willingness to buy will be significantly different for EIS-oriented viewers in unsponsored video.

**H17:** The effect of source credibility on the willingness to buy will be significantly different for the EAP-oriented viewers in sponsored video.

**H18:** The effect of source credibility on the willingness to buy will be significantly different for EIS-oriented viewers in sponsored video.

### 3. METHODOLOGY

In this study, within subject design experimental study was employed to investigate the hypotheses. In the experiment, two user-generated videos from the same content creator were shown to the respondents, one unsponsored (Video 1) and one sponsored (Video 2), and the differences were analysed through multiple measurements to understand the effect of explicit sponsorship on a set of respondents.

#### 3.1 Stimuli

The stimuli of this study were two Turkish beauty-related videos, i.e. YouTube makeup tutorials, selected from the channel with the highest number of subscribers and sponsored beauty videos. One is sponsored by a beauty company, while the other is self-produced, and unsponsored.

##### 3.1.1 Manipulation

Originally, the self-produced video was 08:03 minutes<sup>1</sup> and the sponsored video was 08:13 minutes<sup>2</sup>; but in order keep the attention of the respondents, the videos were

edited and shortened to 04:29 minutes and 05:01 minutes, respectively. While selecting the stimulus, an analysis was conducted to check for any potential confounding variables; in other words, sources of error that might exist in the videos. To avoid confounding, two similar makeup videos with similar lengths made by the same content creator were selected. The selected videos were found to contain no conflicting statements. The same kinds of cosmetic materials were shown in both, most notably, the beauty products. Respondents were exposed to the videos in the same sequence (Dholakia & Sternthal, 1977). Both videos have a blurred background, with only endorser's visage and products visible. Thus, there was nothing to distract attention, eliminating this potential source of error (Seltman, 2015).

### **3.2 Procedure and participants**

Before being exposed to the experiment, the participants were informed that they were to watch two makeup tutorials, and afterwards complete a survey referring to the videos (Cameron, 1994).

For the purpose of this study, judgmental sampling technique was used to choose the participants that best fit the purpose of the experiment. Since beauty content is discussed with this non-random sampling technique, all participants were females. The data was collected in Turkey; a total of 241 females were included to increase reliability (Schreiber et al., 2006). Since the experiment was conducted in Turkey, and the videos were selected from Turkish beauty content creators, the survey questions were translated into Turkish.

### **3.3 Scales utilized in the questionnaire**

Measures of the variables were gathered from validated scales from the related literature. The items incorporated into the survey were as follows: *endorser credibility* from Ohanian (1990), *consumers' perceived value*, from Sweeney and Soutar (2001), *WOM intentions*, from Brown et al. (2005), *willingness to buy*, from Dodds et al. (1991), and *exploratory buying behaviour tendencies*, from Baumgartner and Steenkamp (1996).

For multi-group moderation analysis, composite reliability of each model's constructs was analysed in Smart PLS software. Although all the measurement scales were acquired from previous studies, each construct's scales were tested to ensure an adequate level of internal consistency. The results indicated that the items used to measure the constructs were considered highly reliable ( $> 0.7$ ).

## 4. FINDINGS AND DISCUSSIONS

The research consisted of four different analysis. In analysis 1, 2 and 3, SPSS, and in study 4, Smart PLS software tools were used to conduct mean comparison, moderation, multi-group moderation and moderated mediation. Discussion of the obtained results and its contribution to the existing literature are also presented.

### 4.1 Manipulation checks

Two user-generated YouTube videos were shown to the respondents; however, the second was intentionally selected among sponsored videos to create a manipulation. Since this study relied on an experimental design, it was important to understand whether viewers can distinguish between sponsored and unsponsored videos. To check the manipulation on the respondents' awareness of the advertisement, and to compare the results for the two videos, two binary questions were included in the survey. ANOVA was conducted to determine whether advertisement awareness differed significantly between videos. For the first and second question, the results showed a statistically significant awareness of the advertisement;  $F(1,240)=63.541$ ,  $p=.000$ . Therefore, the findings suggest that the manipulation in the experiment is sufficiently successful to generalize the results.

### 4.2 Repeated measures ANOVA for hypotheses testing

To measure the differences between variable means, repeated measures ANOVA was conducted to compare videos in two main areas: first, the effect of the source's perceived attractiveness, expertise, and trustworthiness, and second, the consumers' perceived value, word of mouth intention and willingness to buy the products. Also, the consumers' buying behaviour tendencies, EAP and EIS, were compared to understand the individual differences.

#### 4.2.1 Perceived attractiveness

ANOVA results indicated that the source's perceived attractiveness was not statistically significant  $F(1,240)=0.816$ ,  $p=.367$ , which fails to reject the null hypothesis, and the alternative hypothesis #2 is not supported.

Videos sponsored by a brand do not have any effect on the source's perceived attractiveness. There is no semantic difference between the two videos, i.e. the source's attractiveness and beauty do not generate any difference between the videos. Even though physically attractive endorsers are generally considered more favourably (Amos

et al., 2008), it is revealed that sponsorship effect creates no difference of impact between sponsored and unsponsored videos.

#### **4.2.2 Perceived expertise**

ANOVA results indicated that the source's perceived expertise was statistically significant  $F(1,240)=4.979$ ,  $p=.027$ , which rejects the null hypothesis and supports the alternative hypothesis #3. Since the effectiveness of a message depends on the endorser's perceived expertise, there is a semantic difference between video 1 and video 2. The means of the videos showed a higher perceived expertise in video 2 ( $M=3.5436$ ) than in video 1 ( $M=3.4716$ ); i.e., the respondents' perceived the source as more expert in video 2.

With the influence of advertisement and brand, the endorser is considered more experienced about makeup, and more qualified to give advice in the sponsored video. In conclusion, despite the difficulty for consumers to evaluate the communicator's perceived expertise on an online platform, people believe that content creators give reliable product reviews because they have the experience needed (Dou et al., 2012). Similarly, consumers believe that the communicator in sponsored videos are sufficiently knowledgeable about products (Dou et al., 2012), which is consistent with the current study's empirical findings.

#### **4.2.3 Perceived trustworthiness**

ANOVA results indicated that the source's perceived trustworthiness was statistically significant  $F(1,240)=9.816$ ,  $p=.002$ , which rejects the null hypothesis and supports the alternative hypothesis #4. Since the effectiveness of the message depends on endorser's perceived trustworthiness, there is semantic difference between video 1 and video 2. Also, the means showed that the source's perceived trustworthiness was higher in video 1 ( $M=3.6044$ ) than in video 2 ( $M=3.4869$ ).

The endorser was considered more honest, sincere and trustworthy in video 1, as this video was unsponsored, with no specific brand, and was seen as reliable by the respondents. The communicator's perceived trustworthiness depended on the consumers' attribution of the source's intentions (Hautz et al., 2014); consumers understood the company's intention to persuade people to purchase their product (Hautz et al., 2014). Therefore, the findings showed that consumer generated content that focused on the communicator's own experiences and perceptions was perceived as being more trustworthy (Hautz et al., 2014).

#### **4.2.4 Consumers' perceived value**

ANOVA results indicated that the consumers' perceived value was not statistically significant  $F(1,240)=1.199$ ,  $p=.275$ , which fails to reject the null hypothesis, and the alternative hypothesis #8 is not supported.

Brand sponsorship had no effect on consumer's perceived value of the videos, and there was no semantic difference between them. The respondent's perceived values, in terms of price, quality, emotional and social, generated no difference among the videos. Therefore, it can be stated that sponsorship did not affect the product's value for money, consistent quality, owner's social approval and pleasure.

#### **4.2.5 Consumers' word of mouth intention**

ANOVA results indicated that the consumers' WOM intention was statistically significant  $F(1,240)=12.397$ ,  $p=.001$ , which rejects the null hypothesis and supports the alternative hypothesis #12. In other words, there was semantic difference between the videos. Also, the means of the videos showed that consumers WOM intentions were higher in video 2 ( $M=3.38$ ) than in video 1 ( $M=3.10$ ).

This indicates that, the brand-sponsored video influenced and strengthened the consumers' WOM intentions; influenced by the advertisement and brand, consumers intended to use WOM to recommend the products displayed in video 2.

#### **4.2.6 Consumers' willingness to buy**

ANOVA results indicated that the consumers' willingness to buy was statistically significant  $F(1,240)=17.871$ ,  $p=.000$ , which rejects the null hypothesis, and supports the alternative hypothesis #13. In other words, there is a semantic difference between the videos. Also, the means of the videos determined that consumers' willingness to buy the products were higher in video 2 ( $M=3.3278$ ) than in video 1 ( $M=3.0083$ ).

This shows that the advertisement embedded into the video affected willingness to buy. The influence of an advertisement and a brand highlighted the product in the sponsored video, thus, considerably strengthened the respondents' purchase intention.

#### **4.2.7 Consumers' buying behaviour tendency**

ANOVA results indicated that the consumers' buying behaviour tendencies were statistically significant  $F(1,240)=11.730$ ,  $p=.001$ , which rejects the null hypothesis, and supports the alternative hypothesis #14. In other words, there is a semantic difference between the respondents with EAP and EIS tendencies. Also, the means of the tendencies showed that buying behaviour was higher in EAP-oriented ( $M=3.0187$ ) than



EIS-oriented respondents ( $M=2.8202$ ), which supports the previous statement.

In summary, the main difference EAP and EIS consumer behaviours is that respondents with the former tendency have direct product experience through purchase, unlike those with the latter tendency.

### **4.3 Moderation analysis for hypotheses testing**

This study also measures whether individual differences have a moderating effect on the willingness to purchase. It is important to know if the relationship between source credibility and willingness to buy is affected by the individual consumer differences.

#### **4.3.1 Exploratory acquisition of products**

For video 1, ANOVA results indicated that the source credibility has a significant interaction effect with EAP on the willingness to buy  $F(1,237)=6.5938$ ,  $p=.0108$ , which supports hypothesis #15. Therefore, there is a significant moderation. This indicates, source credibility influences the willingness to buy, and being EAP has an interaction effect. Generally, EAP-oriented consumers enjoy taking risks in buying unfamiliar brands and varying their purchases. Therefore, this type of viewer was more willing to buy the products demonstrated in video 1.

On the other hand, for video 2, ANOVA results indicated that source credibility had no significant interaction effect with EAP on the willingness to buy  $F(1,237)=0.3003$ ,  $p=.5842$ , which does not support hypothesis #17; therefore, there is no significant moderation. Source credibility influenced the willingness to buy; however, in this particular case, being EAP had no interactive effect. The influence of an advertisement and a brand created no impact on the willingness to buy, since EAP-oriented viewers do not consider themselves as brand-loyal. In other words, respondents were not offered any risk with video 2, since there was an obvious familiar brand embedded into a sponsored video.

#### **4.3.2 Exploratory information seeking**

For video 1 and video 2, ANOVA results indicated that the source credibility had no significant effect with EIS on the willingness to buy  $F(1,237)=0.4287$ ,  $p=.5132$  and  $F(1,237)=0.3691$ ,  $p=.5441$ , which does not support hypothesis #16 or hypothesis #18.

The issue of whether or not the video was sponsored by a brand did not create a moderation effect. Generally, EIS-focused consumers are likely to read advertisements for curiosity to find out about recent trends, enjoy listening to others describing their purchases and tend to browse, even when they have no purchase intention. As presented

earlier, EAP and EIS display different consumer behaviours; the main difference is that EIS provides no direct experience with a product through purchase. This result was as expected, even if the hypotheses were not supported. Therefore, it can be stated that the effect of source credibility on willingness to buy was not different for EIS-influence viewers.

#### **4.4 Multi group moderation and moderated mediation for hypotheses testing**

This study utilized the multi-group moderation, and moderated mediation analysis in Smart PLS to investigate any differences between direct impact, and mediated impact of source credibility dimensions, and the willingness to buy. These additional analyses were designed to reveal potential differences in terms of variables impact, despite the lack of any significant difference between variable means.

##### **4.4.1 The relationship between attractiveness, expertise, trustworthiness and willingness to buy**

In Smart PLS, multi-group moderation analysis was conducted to measure any significant difference between the videos in terms of the impact of attractiveness, expertise and trustworthiness on willingness to buy. T-statistic for the difference between the path coefficient effect of attractiveness, expertise and trustworthiness in videos 1 and 2 was calculated as 13.826, 27.924 and 15.702 respectively, significant at the two tailed 95% confidence level ( $p$ -value =0.000), which supports hypothesis #5, #6 and #7. With 95% confidence, the effect between attractiveness, expertise, trustworthiness and willingness to buy was found significantly different for videos 1 and 2, such that the effect for video 1 ( $M=0.2156$ ,  $M=0.2922$ ,  $M=0.2204$ ) was much stronger than for video 2 ( $M=0.1316$ ,  $M=0.1208$ ,  $M=0.1134$ ).

Dodds et al., (1991) stated that “the perception of value in turn directly influences the willingness to buy” (p. 308). Similarly, Sweeney and Soutar (2001) found the correlation between the consumption values and purchase attitude were significantly and positively correlated. In order to test the moderated mediation in Smart PLS, mediation analysis was conducted by the authors. The values of the analysis are shown in Table 1.

		<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
<b>Video 1</b>	<b>attractiveness -&gt; percieved value</b>	6.4394	0.0000
	<b>attractiveness -&gt; willingness to buy</b>	6.6492	0.0000
	<b>percieved value -&gt; willingness to buy</b>	6.0225	0.0000
<b>Video 2</b>	<b>attractiveness -&gt; percieved value</b>	3.4772	0.0006
	<b>attractiveness -&gt; willingness to buy</b>	5.0362	0.0000
	<b>percieved value -&gt; willingness to buy</b>	11.9648	0.0000
<b>Video 1</b>	<b>expertise -&gt; percieved value</b>	7.8348	0.0000
	<b>expertise -&gt; willingness to buy</b>	7.7794	0.0000
	<b>percieved value -&gt; willingness to buy</b>	4.5988	0.0000
<b>Video 2</b>	<b>expertise -&gt; percieved value</b>	1.9649	0.0500
	<b>expertise -&gt; willingness to buy</b>	4.2197	0.0000
	<b>percieved value -&gt; willingness to buy</b>	13.3602	0.0000
<b>Video 1</b>	<b>percieved value -&gt; willingness to buy</b>	6.2364	0.0000
	<b>trustworthiness -&gt; percieved value</b>	6.1561	0.0000
	<b>trustworthiness -&gt; willingness to buy</b>	6.4436	0.0000
<b>Video 2</b>	<b>percieved value -&gt; willingness to buy</b>	8.7398	0.0000
	<b>trustworthiness -&gt; percieved value</b>	9.9271	0.0000
	<b>trustworthiness -&gt; willingness to buy</b>	8.0347	0.0000

**Table 1.** Total effects of T-Values, P-Values on relationship between attractiveness, expertise, trustworthiness and willingness to buy for video 1 and video 2

Since the values of the total effects are above 1.96, as seen in Table 1, it is significant at the 95% confidence level, which shows a significant mediation effect for both videos. However, there is a partial mediation since the (attractiveness, expertise and trustworthiness → willingness to buy) path for video 1 and video 2 is statistically significant. Therefore, the relationship between attractiveness, expertise, trustworthiness and willingness to buy also varies according to consumers' perceived value. Moreover, the t-statistic was calculated to test whether the moderated mediation effect was statistically different between videos 1 and 2, T-statistic for the difference between the

total effects of attractiveness, expertise and trustworthiness in video 1 and video 2 was calculated as 11.538, 37.218 and 8.949 respectively, significant at the two tailed 95% confidence level (p-value =0.000), supporting hypotheses #9, #10 and #11, showing a significant moderated mediation.

In summary, the total effect, including the indirect effect from attractiveness, expertise and trustworthiness to willingness to buy, and also the effect through consumers' perceived value, was statistically different for the two videos. For attractiveness and expertise, the effect of video 1 (M= 0.3875, M= 0.4461) was stronger than video 2 (M= 0.3227, M= 0.2484). In contrast, for trustworthiness the effect of video 2 (M= 0.4496) was stronger than video 1 (M= 0.4002). In the mediated relationship, it was shown that the impact of attractiveness, expertise and trustworthiness on the willingness to purchase through consumer perceived value was statistically different for video 1 and video 2.

A comparison of the influences revealed that video 1 effects were stronger than video 2 for both the direct and indirect effect of the impact of attractiveness, and also expertise on willingness to buy. For trustworthiness, the direct effect of video 1's impact was greater; however, in terms of value, video 2 provides a more positive result, since trustworthiness increased the mediated consumer perceived value in terms of price, quality, emotional and social, brand and advertisement effect.

## 5. CONCLUSION

YouTube, as a platform, continues to grow, and marketers are seeking new ways to integrate their brands with high profile YouTubers in terms of subscriber count to influence the potential target audience. Since the YouTuber's interaction with their subscribers are continuous, this platform can be considered as a highly convenient marketing activity. YouTube is currently seen as a revenue generating platform for both companies and YouTubers. Companies enter social media for the profit, whereas the YouTubers generate additional income from companies with which they integrate. As a consequence, further empirical investigations of social media, especially YouTube, can provide benefits for marketers, YouTubers and consumers.

As revealed in this study, companies should note that, sponsored videos, i.e. when the company pays the YouTuber to advertise the brand or the product, have a more positive effect than unsponsored videos. YouTubers' positive reflections on the sponsored brand

and the product will affect the viewer's perception about the brand. Thus, brand managers have the opportunity to reach YouTuber's subscribers, who are naturally interested in the related content. Subscribers are generally loyal to the content creator; therefore, likely providing a satisfactory outcome when a YouTuber informs viewers about a brand or product.

As unveiled by the analysis in this study, a focus on a particular brand positively strengthened the respondents' purchase intention, as marketers would expect. Awareness of the success revealed by the impact of YouTube advertisements and sponsorship is important for marketers. Therefore, it is inevitable that YouTubers will increasingly be involved in spreading advertising messages embedded in UGC to impact consumers' behavioural intentions.

The consumers' attribution of the source's intention, while recommending the product to the internal reasons, may create scepticism towards the communicator (Dou el al., 2012). Research found that the attribution to financial gain decreases the source's credibility in terms of its believability and trustworthiness (Dou el al., 2012), consistent with this study's empirical findings. It is also observed that consumers perceive the source more trustworthy in unsponsored videos, but more expert in sponsored videos.

### **5.1 Limitations and recommendation for further research**

This study focused on YouTube Turkish beauty channels, with findings restricted to respondents in Turkey. The study can be replicated in other countries and languages, to observe the individual differences and to compare the similarities. Additionally, excluding males from the experiment may be viewed as a limitation. This study focused specifically on the female beauty category on YouTube; however, there are plenty of male content creators. Future studies should investigate a product category that targets both genders. Also, since this study is limited to only one platform (YouTube), and content area (beauty); further studies can engage other social media platforms in their research.

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### **How to cite this article**

Gozegir, O. & Gocer. A. (2018). YouTube Marketing: Examining the Impact of User-Generated-Content Sponsorship. *International Journal of Marketing, Communication and New Media*. 11(6), 7-30.