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THE ROLE OF AUTHENTIC COMMUNICATION ON PERCEIVED INFORMATION CREDIBILITY IN INFLUENCER MARKETING

ABSTRACT

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The Role of Authentic Communication on Perceived Information Credibility in Influencer Marketing

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This Master's thesis explores the phenomenon of influencer marketing and its intersection with consumer perceptions of authenticity and information credibility within the context of Instagram. The study delves deep into how influencers' authentic communication affects consumers' perceptions of influencer credibility and message credibility. Additionally, the study investigates the potential moderating role of ad recognition on these perceptions of credibility.

Employing quantitative research methods such as T-tests and Mann-Whitney U tests, the study assesses consumer perceptions among university students, who are active on social media. The findings reveal a complex interplay between authenticity, ad recognition, a perceived influencer, and message credibility. The study highlights the role of authentic communication in significantly influencing perceived influencer credibility, particularly in the dimensions of trustworthiness and homophily, while the impact on expertise may not be as significant. The factors affecting message credibility prove to be more complex and potentially more sensitive to the moderating effect of ad recognition

The conclusions of the study suggest that authentic communication can strengthen influencer credibility and also, through more complex mechanisms, affect the perceptions of message credibility. This indicates that the combined effects of authentic communication and ad recognition warrant further attention in influencer marketing strategies and consumer behavior research.

Autenttisen Viestinnän Rooli Tiedon Luotettavuuteen Vaikuttajamarkkinoinnissa

Tämä pro gradu -tutkielma tutkii vaikuttajamarkkinoinin ilmiöitä ja sen leikkauspintaa kuluttajien autenttisuuskäsityksiin ja tiedon uskottavuuteen Instagramin kontekstissa. Tutkimus syventyy vaikuttajien autenttisen viestinnän vaikutuksiin kuluttajien mielikuviin vaikuttajien uskottavuudesta ja viestien luotettavuudesta. Lisäksi tutkimuksessa analysoidaan myös mainonnan tunnistamisen mahdollista moderoivaa roolia näiden uskottavuuskäsitysten muodostumisessa.

Tutkimus yhdistää kvantitatiivisia analyysejä, mukaan lukien T-testejä ja Mann-Whitney U-testejä, arvioidakseen kuluttajakäsitysten vaikutuksista yliopisto-opiskelijoiden keskuudessa. Tutkimuksen tulokset valottavat autenttisuuden, mainonnan tunnistamisen ja koetun vaikuttajan sekä viestin uskottavuuden välistä moninaista vuorovaikutusta. Tutukimustulokset tuovat esille autenttisen viestinnän vaikutukset merkittäväksi koettuun vaikuttajan uskottavuuteen, erityisesti luotettavuuden ja samaistuttavuuden osalta, kun taas asiantuntemuksen merkitys ei näytä olevan yhtä suuri. Viestin uskottavuuteen vaikuttavat tekijät osoittautuivat monisyisemmiksi ja mahdollisesti herkemmin mainonnan tunnistamisen moderoivalle vaikutukselle.

Tutkimuksen johtopäätökset viittaavat siihen, että autenttinen viestintä voi vahvistaa vaikuttajien uskottavuutta, ja se voi myös, monimutkaisten mekanismien kautta, vaikuttaa viestin uskottavuuden käsitykseen. Tämä viittaa siihen, että autenttisen viestinnän ja mainonnan tunnistamisen yhteisvaikutukset ansaitsevat laajempaa huomiota vaikuttajamarkkinoinnin strategioissa ja kuluttajakäyttäytymisen tutkimuksessa.

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1. INTRODUCTION

As society navigates through the ongoing digital revolution, the transformation of the Internet from a basic source of information into a dynamic platform for user interactions has signified a fundamental transition in consumer engagement with digital media. Instagram, with its two billion active users (Statista A, 2023), has further redefined consumer engagement online. This thesis seeks to explore the empowerment of consumers and how authentic communication shapes consumer perceptions in the contemporary digital marketing landscape. The importance of this study lies within the well-timed point of digital media's influence peaking and the broader implications the study holds for understanding consumer behavior in an increasingly digital world.

Existing literature, such as the influential work by Labrecque, Esche, Mathwick, Nobak, & Hofacker, (2013), underscores the transformation in consumer behavior from passive information into active engagement with digital advertisement. This research delved deeper into how businesses, as noted by Hollebeek & Macky (2019), and Lou & Yuan (2018), are restructuring their strategies to capitalize on the potential of Digital Content Marketing and Influencer Marketing strategies, changing the narrative of the advertisement into more authentic communication through informative and consumer-centric messages, transcending traditional marketing messages into engagement with consumers. Influencers, in particular, have emerged as potent agents of persuasion, often eclipsing the power of traditional marketing approaches, through personalized and consumer-focused advertising narratives.

Despite the extensive examination of digital marketing dynamics, a critical analysis of the effects of authenticity in the rapidly expanding field of influencer marketing is still lacking. Scholars such as Evans, Phua, Lim, & and Jun (2017) have highlighted the need for higher authenticity to enable consumer awareness, echoed by the research of de Veirman, Cauberghe, & Hudders (2017). This is pointing to a gap in the understanding of the role of authenticity and the ethical implications of influencer marketing strategies in shaping consumer behavior, and the call for integrity that this thesis aims to address.

In response to the identified gap, this thesis aims to assess the ever-evolving landscape of consumer engagement with a particular focus on authentic communication through the ethical dimensions of influencer marketing by examining the brand's and influencers

selection of going above and beyond overtness to authentic communication for honest advertising practices online.

1.1 Background of the study

Looking further, the dynamic realm of social media platforms, such as Instagram, has made product endorsements by influencers a mainstay of modern marketing. However, the integrity of these marketing practices is often questioned when financial incentives are involved, potentially skewing the authenticity of their recommendations. (Wojdynski & Evans, 2016; Evans, Phua, Lim, & Hun, 2017; de Veirman el a., 2017)

The adoption of native advertising, designed to blend with organic content, underscores the evolving strategy of captivating consumer attention within the highly saturated media landscape. (Amazeen & Wojdynski, 2020). Yet, the ethical considerations and the true impact of such advertisement practices on consumer awareness and the following decision-making processes are still under debate. (Wojdynski & Evans, 2020; de Veirman et al., 2017).

The trend of moving toward mandatory transparency in ad disclosures is driven by the new regulations, and that has presented unique challenges for marketers. Maintaining consumer trust and interest while meeting legislative requirements is an obstacle that marketers participating in contemporary marketing all face. (Evans, et al., 2017; Wei, Fischer, & Mai 2008; Martin & Smith 2008; Liljander, Gummerus, & Söderlund, 2015)

To successfully navigate these complexities, regulatory bodies such as the European Union and the FCCA have implemented transparency measures. The FCCA's 2019 guidelines for clear ad disclosure exemplify the move towards more transparent marketing practices (FCCA, 2019). Yet, the evolving digital media landscape with its inherent ability to blend promotional materials subtly continues to challenge the limits of clear distinction between overt and covert marketing practices and challenge the traditional beliefs about authenticity (Boerman & van Reijmersdal, & Neijens 2012; Wojdynski & Evans, 2016; Martin & Smith, 2008).

1.2 Literature Review

Building upon the foundational understanding of the subject established in the previous chapters, the initial literature review expands on the scholarly discussion surrounding

authentic communication through ad disclosure, shedding light on the ethical and practical considerations within the related marketing practices. The research into contemporary marketing practices emphasizes the critical importance of authenticity in marketing communications, which is central to shaping consumer perceptions of influencers and messages. (Wojdynski & Evans, 2020; de Veirman et al., (2017) However, the ethicality of these practices extends beyond overt disclosures; it covers the distinctive balance that presents complex challenges that require a comprehensive understanding of legislative impact, consumer psychology, and company goals, and the resulting choice of authenticity (Liljander et al., 2015; Wei, et al., 2008; Wojdynski & Evans, 2016).

Consumer perceptions of authenticity are influenced by a variety of factors, from the clarity of the language, and visual elements included to the strategic placement and the context in which these disclosures are presented. (Wojdynski & Evans, 2016; Evans et al., 2017; Boerman, et al., 2012) The complexity of the topic calls for a sophisticated approach to ad disclosures – one that values consumer understanding of persuasion attempts and authenticity above simply meeting the visibility requirements set by the regulatory bodies.

In this complicated landscape, the Persuasion Knowledge Model (PKM), and the Elaboration Likelihood Model (ELM) offer complementary perspectives on how consumers interact and interpret ad disclosures. The PKM (Friestad & Wright, 1994) provides a framework for understanding consumer cognitive and emotional responses to persuasive episodes, while the ELM (Petty & Cacioppo, 1986) discusses the dual pathways of persuasion – central and peripheral and their effects. The following literature reviews aim to synthesize these theories, offering an enhanced understanding of consumer cognitive and affective processing methods activated with the dual pathways when engaging with influencers

Furthermore, the study extends to the role of visual elements – including brand logos, hashtags, and explicit authenticity – in ad disclosure recognition and transparency, and their further behavioral aspects, drawing from the rich body of work on consumer perception and social media engagement. (Kaplan & Haenlein, 2010; Chen & Xie, 2008; Boerman, Willemsen, & Van Der Aa, 2017) The perceived qualities of influencer credibility, expertise, trustworthiness, and homophily as well as message credibility will be measured against the effectiveness of authentic communication in influencer marketing. (Olhanian, 1990; Erdogan, 1999).

Moreover, Jung & Heo (2019) posit that transparency alone does not suffice for ethical marketing standards. Instead, they advocate for a broader consideration of the factors that contribute to the perceptions of consumers, suggesting that ad disclosures should act as the foundation for authenticity, not simply a regulatory formality. (Hollebeek & Macky, 2019; Wojdynski & Evans, 2016). The literature review aims to critically analyze the diverse interpretations of authenticity through the perspective of consumers, and the following impacts on their perceptions of influencers and messages.

To summarize, while the regulatory bodies and frameworks demand transparency, the real-world application and efficiency of authenticity in shaping consumer behavior warrant extensive exploration. The theoretical contributions used in the literature review aim to thoroughly contextualize the subject within a framework that encourages continued rigorous academic scrutiny and practical assessments. The goal of the research is to refine insights that not only elucidate the current understanding of authenticity but also apprise the development of new, more effective marketing practices in the digital age.

1.3 Aim of the study

Recent studies have introduced paradigms such as ad recognition, resistance to persuasion, and the significance of authenticity through visual elements within the landscape of native advertising and ad disclosure. (Jung & Heo, 2019; Friestad et al., 2005; Boerman et al. 2017; Wojdynski & Evans, 2016; Evans et al., 2017). While much of the existing research has focused on ad disclosure as an optional event, recent legislative developments have introduced mandatory ad disclosure for all influencer marketing. These changes necessitate a deeper understanding of the role authenticity has in influencing consumer perceptions and behaviors moving forward. (FCCA, 2019).

This study aims to address some of the shortcomings in the existing literature by evaluating the impact of authenticity in the contemporary marketing landscape changes on consumer perceptions, particularly concerning visual elements and communication authenticity in influencer communication. The study delves into how these shape consumers' ability to recognize advertisements, their attitudes toward the influencer, and the message. This research is particularly timely and relevant as consumer empowerment and contemporary legislative mandates are significantly altering the influencer marketing landscape and the dynamics of consumer awareness.

Emphasizing the impact of authenticity and visual elements in influencer communication – a subject that has not been extensively explored in academic research – this study seeks to shed light on the crucial aspects of consumer psychology. The study attempts to equip marketers and advertisers with strategic insights for crafting influencer campaigns that are effective in reaching their goals as well as compliant with the new regulations. Understanding the role of visual elements in authenticity will enable marketers to adhere to post-ad disclosure legislation while minimizing the adverse impacts their campaigns instill on influencer credibility and the integrity of the message.

The expected outcomes of this research are aimed to offer substantive contributions towards establishing best practices in the field of influencer marketing. The findings are intended to aid organizations in steering through the complexities of a changing regulatory environment. For stakeholders invested in the evolution of influencer marketing, the insights from this study will prove useful. The ultimate goal is to inform marketing practices that foster transparency and authenticity, thus enhancing consumer perceptions and engagement with influencer marketing.

1.4 Research Questions and Structure

The purpose of this study is to explore the effects of authenticity within influencer marketing, through increased authentic communication, on consumer perceptions, with a particular focus on the role of visual elements in ad disclosures. Employing a quantitative methodology, such as the T-tests and Mann-Whitney U tests, this research will dissect for perceived credibility of influencers among university students, a demographic known for its intensive interaction with social media.

Main Research Question:

RQ1: How does authentic communication in influencer marketing affect perceived information credibility?

Sub-Research questions:

RQ2: How does authentic communication affect perceived Influencer credibility?
RQ3: How does authentic communication affect perceived message credibility?
RQ4: How does authentic communication affect ad recognition?
RQ5: Does ad recognition have a moderating effect on the relationship between authentic communication and perceived information credibility?

In the contemporary digital marketing age, authenticity and the subtleties of advertising disclosure play a pivotal role in shaping consumer perceptions. This study focuses specifically on authentic communication within Influencer marketing on Instagram, exploring how authentic communication through visual elements affects consumer perceptions of influencers and message credibility. By leveraging a multiple-choice questionnaire, the research aims to dissect the independent variable: Authentic communication. The data will be collected through an online survey, mirroring the inherently digital context of influencer marketing and providing insights into the interplay between authenticity and consumer perceptions.

The study is organized into four main sections, each designed to build upon the previous chapters, culminating in a comprehensive understanding of the impact of authenticity on consumer perceptions.

1. **Introduction and Theoretical Framework:** The initial section of the study sets the stage for the research by presenting an overview of the theoretical contributions in the field. It begins by exploring consumer behavior in the digital age further delving into the dynamics of influencer marketing, introducing the Persuasion Knowledge Model and Elaboration Likelihood Model as key theoretical lenses. These concepts are synthesized together to form the foundation of the research methodology.

2. **Methodology:** The next chapter following the theoretical contributions, details the methods used for gathering and analyzing data. It explains the choice of an online survey as the primary data collection tool and describes statistical techniques such as T-test, regression analysis, and Mann-Whitney U tests, that will be used to interpret the data.

3. **Data analysis and findings:** The third section is dedicated to examining the data collected through the research. It uses the methods described in the methodology, discusses how the results relate to the established research questions, and tests the formulated hypotheses, providing a clear picture of the findings.

4. **Conclusions and future research:** The final segment of the study synthesizes the insights gained from the analysis using the theoretical contributions introduced in the

theoretical framework as a lens to analyze the findings. It not only summarizes the key findings but also discusses their implications for marketers, advertisers, and policymakers. Additionally, it identifies the limitations of the research, identifies gaps in the current research, and proposes directions for future studies in the field.

1.5   Key Concepts

Native Advertising is a form of paid media where the communication is altered to follow the natural form and function of the natural user experience of the platform where it is placed. Native ads blend in with the content of the platform on which they appear, often utilized on social media platforms, such as Instagram, to minimize disruption to the user experience. This non-disruptive nature often makes it difficult for users to distinguish from organic content.

Influencer Marketing is a marketing strategy that often relies on the principles of native advertising, where influencers on platforms, such as Instagram, create content that seamlessly integrates with their authentic content, aligning with the content's natural form and function while maintaining the authenticity of the influencer's brand. This uses the strengths of eWOM (electronic Word-of-mouth) to surpass the activation of ad recognition.

Covert Marketing is the subtle integration of promotional content within an influencer's regular posts, making it less apparent to the audiences. This strategy relies on the strengths of native advertising and while it can increase persuasion due to the difficulties of distinguishing it from organic content, it raises ethical concerns. In influencer marketing, the undisclosed nature of covert marketing tactics can significantly impact consumer trust and the perceived integrity of the influencer once revealed.

Overt Marketing is the explicit promotion of products or services within an influence's content. This transparent approach, including clear ad disclosures, and highly authentic communication, respects the audience's right to be informed. In the realm of influencer marketing, overt strategies can enhance trust and maintain the integrity of both the influencer and the brand. The recent legislative change enforces the change from covert to overt marketing.

Authentic Communication emphasizes genuine, transparent interaction that prioritizes the audience's preferences and authenticity. This approach is rooted in the idea that true engagement is created through honesty and integrity, rather than overtness in transactional exchanges. Authentic communication fosters a deeper connection between the influencer and the audience, building valuable content that resonates on a personal level, rather than solely focusing on brand affiliation visibility. This method respects the audience's intelligence and discernment, offering them a choice to engage with the content and products that genuinely align with their interests.

Ad Disclosure is the practice of informing consumers about the paid or sponsored nature of the content. In the context of influencer marketing, ad disclosure ensures transparency and authenticity and empowers consumers to make informed decisions regarding the influencer's material connections to the brands. Recent legislation changes have made this from optional into a mandatory practice within influencer marketing.

Visual Cues, such as branded logos, specific product placements, and sponsored hashtags are critical for signaling sponsored content. In influencer marketing, these cues in the recognition of ad disclosure, influence the audience's perception and interaction with the promotional material.

Persuasion Knowledge Model (PKM) describes how audiences on platforms like Instagram use their knowledge to evaluate the persuasiveness of an influencer's content. Understanding PKM is essential for analyzing how consumers discern and react to both overt and covert marketing efforts in influencer campaigns.

Elaboration Likelihood Model (ELM) proposes that consumers either engage deeply with content (central route) or are influenced by surface-level aspects like an influencer's popularity (peripheral route). This model is particularly useful for understanding the varying levels of consumer engagement with influencer marketing messages.

Influencer Credibility refers to the attributes assigned to the influencer by consumers. It is measured in the perceived expertise, trustworthiness, and homophily of the influencers. Influencer marketing heavily relies on influencer credibility and it's a pivotal factor in the effectiveness of sponsored content and its ability to sway consumer behavior.

Message Credibility similarly refers to how consumers perceive the honesty and reliability of the marketing message in influencer marketing. Message credibility is often perceived

through attributes such as honesty, convincing, and unbiasedness. High credibility is crucial for acceptance and persuasion in influencer marketing.

Information Credibility is the overall assessment of an influencer's credibility and message credibility. It encompasses a thorough evaluation of the influencer's content, focusing on the authenticity, accuracy, and practical value of the information presented. This form of credibility is a critical factor that companies consider when assessing the potential impact of an influencer's content on consumer engagement and the effectiveness of marketing campaigns.

Consumer Perception extends beyond the combined assessment of information credibility. It is exclusively from the consumer's viewpoint, incorporating their interpretation and evaluation of influencer content, which is influenced by a multitude of factors such as cultural background, personal values, and the perceived transparency of the influencer's disclosures

Behavioral Intention reflects the probability that consumers will undertake certain actions, such as making a purchase, as a response to marketing initiatives. This concept acknowledges that while marketers may aim to shape these intentions by presenting content with high information credibility, the actual behavioral intention is ultimately a product of the consumer's perception. Therefore, despite a marketer's strategic efforts to enhance information credibility, it is the consumer's subjective interpretation that dictates their inclination to act. **Although this term is used throughout the study to express the results of consumer perceptions, it is not explored in this research, and the results presented in this study and their effects on behavioral intentions are a separate discussion.**

1.6   Theoretical Framework Overview

The opening theoretical underpinnings examine **Consumer Behavior in the Digital Age**, shedding light on how digital platforms have revolutionized how consumers engage in the contemporary landscape, and how this has led to changes in the decision-making processes. The chapter underscored the transformative impact of social media, setting the stage for a comprehensive understanding of influencer marketing, going beyond traditional metrics to include current digital consumption patterns and the evolving nature of digital interactions. The chapter also focuses on the mechanics of influencer marketing, with a focus on key

success factors and a discussion about the sophisticated strategies for engaging with influencers.

The Second chapter, **Persuasion Knowledge in Influencer Marketing**, delves into the theoretical underpinnings of persuasion. It progresses from introducing the main theoretical contributions of the Persuasion Knowledge Model (PKM) and Elaboration Likelihood Model (ELM) to discussing the role of persuasion agents, and critically examining the efficacy of these models in contemporary digital marketing. Also touching on the benefits of synthesis of these two models. The chapter also considers the subtleties of avoiding persuasion, the related legislative actions, and the benefits of a transparent approach, thus addressing the current trends in consumer protection and ethical marketing.

Each chapter builds upon the last, cumulatively providing a comprehensive framework for understanding the multifaceted relationship between influencer marketing practices and consumer behavior in the contemporary marketing landscape. This section also integrates a critical analysis of the limitations and adaptations of these theories in the rapidly changing landscape of influencer marketing, ensuring the thesis remains grounded in current practice and anticipates future developments.

2. CONSUMER BEHAVIOR IN THE DIGITAL AGE

The advent of the digital age has triggered a paradigm shift in consumer behavior, reshaping the dynamics between individuals, brands, influencers, and the flow of information. Key to this transformation is the rapid development of digital technologies, which have empowered consumers with unprecedented access to information, thus significantly enhancing their knowledge and empowerment. (Labrecque et al., 2013). This shift aligns well with the Persuasion Knowledge Model, which posits that consumers leverage their understanding of marketing tactics to interact and interpret advertising messages. (Friestad & Wright, 1994)

The concept of consumer behavior comprises the various actions and decision-making processes that precede and follow the purchase of goods or services. This includes exploration, acquisition, assessment, utilization and eventually adapting products or services that consumers expect will satisfy their requirements. (Schiffman & Kanuk, 2010; Labrecque et al., 2013) In the contemporary digital landscape, these processes have become part of a complex process due to the increased access to information online. The extensive information brought forward by the advancements of the digital landscape has given consumers tools to successfully navigate, discern, and critically evaluate marketing content, as evidenced by their selective attention to online reviews and social proof. (Chevalier & Mayzlin, 2016; Li & Hitt; 2007)

2.1 Impact of Digital Technologies

The paradigm shift from traditional mediums to digital platforms has revolutionized how consumers access information and engage with brands. Digital platforms have evolved beyond their original role as simple social interaction alternatives into pivotal components of the consumer experience online. (Labrecque et al., 2013) Social media, in particular, has become a critical forum for consumers to share opinions, significantly influencing consumer behavior through enhanced access to information through networking. (Fullerton, 2011).

Furthermore, the contemporary digital landscape has enabled brands to take a more dynamic and interactive approach to building consumer-brand relationships, characterized by real-time feedback and personalized experience previously out of reach (Hennig-Thurau, Malthouse, Friege, Gensler, Lobschat, Rangaswamy, & Skiera, 2010; Brodie, Ilic, Juric, & Hollebeek, 2013).

The rapid growth of digital technologies has given rise to inventive advertising methods, adapted to the digital landscape, such as influencer marketing and native advertising, necessitating a re-evaluation of traditional advertising models. (Evans et al., 2017). In this context, sponsor disclosure has emerged as a vital ethical and regulatory concern, ensuring consumer awareness of the potential persuasion interest behind the seemingly harmless content they consume. (Boerman, et al., 2017) Regulatory bodies, such as the Finnish Competition and Consumer Agency (FCCA) have underscored the necessity for transparency, instituting guidelines to ensure the safety of consumer interest to maintain trust in digital advertising (FCCA, 2019).

In today's digital landscape, consumers have to navigate a complex layered landscape characterized by an omnichannel approach signified by engagement with brands through a variety of devices and platforms. The excessive information available has enriched consumer power and allowed consumers to be more critical of brands through requirements of authenticity. (Brodie et al., 2013) Ethical considerations have also gained significance, with a growing number of consumers emphasizing sustainability and corporate responsibility through purchasing decisions. Consequently, the demand for clear ad disclosure and transparency has escalated, becoming a pivotal aspect to consider within consumer-brand engagements. (Smith & Zook, 2019; Wojdynski & Evans, 2016).

2.1.1 The Role of Social Media

Social media has redefined modern communication through its host of software-based technologies, enabling users to create, share, or engage with different content on various platforms. (Labrecque, 2013) This evolution has enabled consumers to assume multiple diverse roles beyond passive participants and personal content sharing, challenging the traditional user profiles and reducing users to a single role. (Appel, Grewal, Hadi, & Stephen, 2020; Wei, et al., 2008; Cheung & Thadani, 2012)

Millennials and Generation Z, in particular, have integrated social media into their daily lives and routines, often utilizing it as their primary source of news, entertainment, and social interactions. These generations often referred to as digital natives have further shifted the contemporary marketing paradigm, often sidelining traditional channels completely in favor of the imminence and interactivity afforded to them by social media. (Helal, Ozuem & Lancaster, 2018; Valentine & Powers, 2013)

As a result, social media platforms have become instrumental for companies wishing to reach these audiences often absent from traditional media. The enhanced reach provided by influencer marketing through platforms such as Instagram serves as creative outlets for influencers and means for companies looking to target specific audiences through sponsored content. (Lou & Yuan, 2018) The key benefit of social media for influencers and companies alike is the ability to cultivate large, engaged audiences, providing influencers and brands with a valuable opportunity to extend their influence over consumers and for brands to harness the potential through influencer marketing. (Kaplan & Haenlein, 2010)

However, social media has had a large impact on marketing professionals by requiring them to continuously adapt to the dynamic changes provided by the development of social media platforms. One key feature is the recovery of influence by allowing consumers to rely on their networks for information and regaining power. (Weinberg, 2009; Brown & Hayes, 2008) However, the piercing effect of influencer marketing within these networks has also prompted questions about the effectiveness of influencer marketing, challenging the audience's ability to understand and discern the financial intentions behind these efforts. (Evans et al., 2017)

Statistically, the surge in social media usage is evident, with projections indicating that 3.43 individuals will be active on these platforms in 2023, representing a significant portion of the global population (Statista B, 2022). Furthermore, the average time spent on social media has also seen a significant increase, signaling the integral role of social media in consumers' daily routines. This underscores the emphasis behind marketer's prioritization of social media as their primary channel of approaching consumers, capitalizing on the reach of the audience and depth of insights available. (Lou & Yuan, 2016)

Despite the significant growth of influencer marketing success, concerns about transparency and authenticity have surfaced, with influencers being criticized for not properly disclosing their paid partnerships, potentially using covertness to surpass consumers' ability to discern these messages. In response, social media platforms have started to implement stricter guidelines, mandating transparent disclosure of sponsored content through controlled means to maintain consumer trust in these platforms. (Khamis, Ang, & Welling, 2017).

2.1.2 Electronic Word-of-Mouth (eWOM)

Electronic Word-of-mouth, commonly referred to as eWOM, summarizes the modern practices of sharing opinions and personal experiences with products and services through the digital landscape, including social media platforms, review sites, and online forums (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). The contemporary digital age has seen eWOM take a critical role in consumer decision-making, with online reviews and peer recommendations being regarded as very credible sources that shape purchasing behavior. (Cheung & Thadani, 2012;)

Research demonstrates the significant impact of eWOM on consumer behavior, where positive reviews can bolster the trust placed in a brand and further stimulate purchase intention, while negative reviews can quickly erode a brand's reputation and thus deter purchase intentions. (Cheung, Lee, & Rabjohn, 2008). The effectiveness of eWOM depends on the relationship between the reviewer and the consumer, as well as the individual characteristics of the consumer. Furthermore, personal connections and detailed experience in reviews generally exert a more potent influence over impersonal or vague feedback. (de Vries, Gensler, & Leeflan, 2012; Chen & Xie, 2008).

Social media has significantly amplified the reach and accessibility of eWOM, allowing individuals instantaneous access to broadcasting their opinions widely. This shift has empowered consumers to collaborate and share experiences, thereby greatly enhancing their influence. (Labrecque et al., 2013) Although eWOM traditionally has consisted of voluntary brand promotions by consumers based on their own experiences, the emergence of influencer marketing has added a potential for a commercial aspect to eWOM. Influencers, acting as opinion leaders in their segments can under commercial agreements, become a powerful influence over consumers for brands seeking to connect with consumers. (Scott, 2015; Evans et al., 2017; Hennig-Thurau et al., 2010). The success of eWOM via influencer marketing rests on the credibility of both the source – expertise, trustworthiness, and homophily - as well as the message characteristics such as honesty and objectiveness (Xiao, Wan, & Chan-Olmsted, 2018).

However, the challenge for consumers lies in the ability to discern the quality of online information, with misinformation often spreading rapidly over social media. (Flanagin & Metzger, 2000). Engaging in eWOM with individuals with similar interests can quickly complicate the objectivity of source and message credibility. (Doh & Hwang, 2009).

Consumers must successfully navigate eWOM communication by critically assessing the credibility of the source and message, a process known as persuasion knowledge (Friestad et al., 2005; Martin & Smith, 2018). Despite the challenges, brand-related eWOM continues to thrive, propelled by individuals eager to share their own experiences with brands within their social circles. (Phua & Ahn, 2016; Wojdynski & Evans, 2016).

The integration of commercial content into social platforms through native advertising often blurs the lines between organic and sponsored content. Consumer engagement with such content- through likes, comments, or shares – can enhance the reach of eWOM. The perceived trustworthiness attribute to eWOM accounts for most of its persuasive power, allowing for it to influence consumer attitudes towards products and brands, and ultimately increase their purchase decisions and brand loyalty. (Chevalier and Mayzlin 2006)

2.2   *Shifts in Decision-Making Processes*

The digital transformation has brought forward a rebalancing of power dynamics between brands and consumers, as well as shifting the focus of companies to brand storytelling and reputation management (Gensler, Völckner, Liu-Thompkins, & Wiertz, 2013) The rapid escalation in the volume of content produced by users, such as social media posts and online reviews has become a pivotal force in shaping brand reputation as well. Simultaneously eWOM has solidified its status as a dominant force, with consumers actively influencing brand and product perceptions. (Chevalier & Mayzlin, 2006).

With social media entwined with virtually every aspect of a consumer's life, it offers unprecedented opportunities for brands to increase brand engagement. (Kaplan & Haenlein, 2010) Furthermore, the omnipresence of social media has made it a critical component of consumer decision-making, impacting perception, attitude, and behaviors. (Pelling & White, 2009)

The democratization of information access provided by emerging digital technologies, especially social media has empowered consumers with powerful research tools. Mobile technologies have further facilitated on-the-go access to information, enabling real-time price comparisons, product review access, and recommendations from social networks. This technology has further shifted the balance of power from brands to consumers even in seemingly offline contexts. This empowerment transforms consumers from passive recipients to proactive participants in their purchase journey. (Smith & Zook, 2016; Kaplan

& Haenlein, 2010) Thus, social media platforms have significantly provided consumers with a voice to influence others' purchasing decisions significantly, transforming consumers from passive recipients to proactive participants in their purchase journey. (Labrecque et al, 2013)

Moreover, the rise of user-generated content marks one of the most significant impacts on social media consumer behavior. Consumers now actively partake in sharing their experiences, reviews, and opinions, playing a crucial role in shaping the purchasing decisions of others, with trust in user-generated content often surpassing that of traditional advertising. (Fader & Winer, 2012; Krumm, Davies, & Narayanaswami, 2008).

There are several challenges related to trust and credibility in the contemporary digital landscape. While social media has enabled authentic communication, it has also opened the door for misinformation and deceptive practices to take place. Acknowledging this, brands must navigate this complex environment by building trust through consistency, transparency, and active engagement with consumers and their feedback. (Gefen, Karahann, & Straub, 2003; Metzger & Flanagin, 2013).

Social media has further enhanced the role of social influence in consumer behavior, with consumers continually exposed to their peer's opinions and experiences. The social proof created through likes, shares, and comments can significantly influence consumer perceptions and behaviors. This gives brands the option to strategically leverage this social influence by fostering online communities, endorsing user-generated content, and employing influencer marketing strategies to effectively reach their target audience. (Lou & Yuan, 2019)

The landscape surrounding consumer behavior is set for further evolution, driven by contemporary technological advancements and the simultaneous shifts in societal values. Advancements in cutting-edge technologies such as Machine Learning, immersive virtual environments the Internet of Things are anticipated to unveil new dimensions within consumer behavior, further empowering consumers and revolutionizing consumer interaction with brands. (Grewal, Roggeveen, Nordfält, 2017; Shankar, Venkatesh, Ramanathan, Rizley, Holland, & Morrissey, 2016) In this landscape, trust, transparency, and ethical considerations are proving as increasingly important features, guiding consumers through this dynamic terrain.

Applying the Theory of Planned Behavior (TPB), it's evident that social media's influence on consumer engagement with brands stems from behavioral intentions. These intentions are shaped by the consumer's sentiments regarding behavior, societal expectations, and the sense of agency over one's actions, and represent pivotal elements in the decision-making process, all of which are continuously influenced and developed through interactions with influencer content that aligns with the consumers' aspirational self-images. This alignment can significantly impact purchasing decisions, demonstrating the practical application of TPB in digital consumer behavior (Ajzen, 1991).

In conclusion, the emergence of digital technologies, particularly social media, has profoundly impacted consumer behavior. The shift in consumer decision-making processes has transformed how consumers access information, engage with brands, and make decisions. As social media evolves, its influence on consumer behavior is likely to intensify even further, necessitating continuous research and strategic adaptation by marketers and brands to connect with consumers meaningfully and authentically.

2.3   The Role of Credibility in the Digital Landscape

In the ever-developing landscape of digital interactions, trust, and credibility have become the standard for consumer engagement and influence. Platforms such as Instagram, with their focus on visual and personal connections, emphasize the role of influencer credibility in the efficacy of influencer marketing These attributes such as expertise, trustworthiness, and homophily are essential in ensuring that influencers do not provoke adverse reactions from increasingly discerning audiences. (Campbell, Morh, & Verlegh et al., 2013)

However, the ethical dilemmas faced by influencers, who balance the dual role of content creation and marketing agents, require a delicate line between commercial imperatives and ethical principles, such that their operating methods avoid deceptive practices. This balance is further complicated by the principle of consumer autonomy, which demands that influencers respect their follower's right to make informed decisions, underscoring the need for unambiguous advertising disclosures. (Wojdynski & Evans, 2016; FCCA, 2019)

When covert advertising is identified, it tends to provoke negative reactions, as highlighted by Wojdynski & Evans (2016). Such negativity can impact consumer perceptions relating to the content and the entities behind it, often directly altering influencer credibility. Consumer trust diminished when they perceived a lack of authenticity or the feeling of deception,

leading to even more negative evaluations. (Krouwer et al. 2017; Jung & Heo, 2019; Kim & Kim; 2021)

Conversely, undisclosed or poorly disclosed advertising may engage consumers as organic content, benefitting from unguarded interactions. (Boerman et al 2017). However, this approach has raised multiple ethical concerns and highlights the need for a clear sponsorship disclosure in influencer marketing. The FCCA (2019) and other regulatory bodies are taking measures to ensure that disclosures presented - through text, visual cues, or symbols – are sufficient in informing consumers of the true nature of the advertisement clearly and unambiguously.

2.3.1 Source Credibility

In the contemporary digital marketing era, the role of influencers is profoundly driven by source credibility, which is a blend of perceived attributes of the influencer, such as expertise, trustworthiness, and homophily. Source credibility has been a central concept in endorsement communications and marketing research for decades, with multiple studies revealing its intricate influence on consumer perceptions and behaviors. These dimensions of credibility can significantly affect how consumers perceive and engage with content with financial incentives and, by extension, the brands associated with these influencers. (Lou & Yuan, 2019; Driel & Dumitrica, 2020)

Expertise, reflecting an influencer's knowledge or skills in a specific context is often linked to an educational background, professional experience, or a demonstrated skill in content creation. This form of credibility is essential as it influences the perceived persuasiveness of the influencer's content. When influencers showcase their expertise, they are more likely to be seen as reliable sources of information, which often positively impacts brand evaluations. (Eisend & Langner, 2010; Maddux & Rogers, 1980).

The second dimension, trustworthiness, relates to the perceived sincerity, honesty, and ethical standards expected from influencers. Trustworthiness can be a more significant determinant of persuasive power than expertise, as it underscores the ethical bond between the influencer and their audience. While celebrity endorsement efficacy concerning the covert aspects present, influencers who transparently justify their endorsements are often perceived as more congruent with the brands they represent, thus bolstering perceived trust. (Stubb, Nyström & Colliande, 2019; McGinnies & Ward, 1980).

Homophily, the perceived similarity between the influencer and their audience can also have a significant impact on consumer perceptions. When followers see an influencer as relatable or sharing similar interests and values, it can enhance the likelihood of influence. This perceived similarity fosters a sense of connection, making the influencer's endorsements appear more genuine. (Aral, Muchnik, & Sundararajan, 2009; McCroskey et al., 1975).

While celebrity endorsement has traditionally harnessed these elements of source credibility, not all have the same effect. Celebrities are known for their expertise in relevant fields can have a positive impact on brand knowledge valuations, but the overall trustworthiness as an endorser does not always correlate with positive effects. (Ohanian, 1990; Rossiter & Smidts, 2012).

Furthermore, the physical appeal of celebrities has been shown to influence consumer attitudes toward endorsements, although this has not been a uniform effect and can be reliant on the context and audience's identification with the celebrity. (Kahle & Homer, 1985; Till & Bussler, 2013; Kamins, 1990) However, attractiveness has been mainly studied in the context of offline celebrity endorsements, where appearance potentially has a greater association with the endorser than in the context of micro-influencers. Therefore, this attribute is subtracted as an individual variable in this study.

The persuasive influence of credible sources is a well-documented phenomenon in classical theories of persuasion, such as the Hovland-Yale model, and the subject remains relevant in contemporary influencer marketing. A credible source can significantly shift attitudes and even behaviors, although the extent of this influence often varies. (Hovland & Weiss, 1951) A noteworthy detail about expertise is that under certain conditions, sources with less expertise might have a stronger impact on behavior change (Dholakia & Sternthal, 1977).

The need for a nuanced understanding of how different dimensions affect the source credibility and the interplay between the attributes as well as the context in which they are presented creates complexity and sometimes contradictory findings in research. Despite these complexities, the fundamental role of source credibility in effective influencer communication is unequivocal. As influencers continue to shape consumer behavior online, their credibility remains a key feature of their persuasive power. (Lou & Yuan, 2019)

By recognizing the unique characteristics of influencers, focusing on the correct attributes can be a significant strategy that can increase the effectiveness of the marketing strategy. As

previously mentioned, physical attractiveness, might not be as relevant in influence marketing as authenticity and relatability of their content. Therefore, this study shifts focus from traditional metrics of attractiveness to more substantive attributes such as expertise, trustworthiness, and homophily. This transition acknowledges the evolving criteria of influence in the contemporary digital landscape, where content relevance, connection with the audience, and the authenticity of the message are of paramount importance over mere physical allure. (Lou & Yuan; Janssen, Schoute, & Croes, 2021)

In summary, source credibility in influencer marketing is not solely about possessing knowledge or appealing aesthetics; it involves fostering a genuine connection with the audience through shared values and transparent communication. As the digital realm continues to develop, the interplay between these elements of credibility will remain instrumental in the evolving paradigms of influencer marketing and consumer engagement.

2.3.2   Message Credibility

Message credibility is the second crucial aspect of how consumers process and respond to advertising and marketing efforts in a social media context. In the digital landscape, where peer recommendations and social proof can exhibit significant value, the trustworthiness and reliability of the message become crucial. This chapter delves into the nuances of message credibility and its influence on consumer behavior.

Message credibility refers to how consumers perceive the trustworthiness, reliability, and objectiveness of content or information expressed across media advertising channels. The importance of message credibility has escalated with the advent of social media platforms and peer-to-peer marketing, where direct brand messaging takes a back seat to consumer-shared experiences and opinions. These peer endorsements that rely heavily on eWOM can have a profound impact on brand perceptions, often carrying more weight than traditional advertisements due to their perceived authenticity and intimacy. (Choi & Rifon, 2012; Lou & Yuan, 2019)

In the landscape of digital marketing, consumer behavior is heavily swayed by recommendations from peers as discussed in Chapter 2.1.3 about eWOM. These peer-generated contents play a pivotal role in shaping brand attitudes and purchase intentions. Marketers sidelined by the development of social media have started to capitalize on this trend, leveraging the power of eWOM marketing to enhance message credibility, which lies

at the core of influencer marketing. (Cheung, Luo, Sia, & Chen, 2009; De Bruyn & Lilien, 2008).

The prevalence of eWOM interactions, facilitated by digital platforms is a driving force in developing consumer behavior. Consumers often engage with content without thorough evaluation of its quality, relying instead on shared commonalities with the source and their credibility, which can create perceived credibility that may not always be founded on factual or unbiased information. (Flanagin & Metzger, 2000; Doh & Hwang, 2009)

According to Artz & Tybout (1999), message characteristics can profoundly influence source credibility, with the potential to either enhance or diminish the credibility of the presented information. In influencer marketing, the influencer's credibility can also bolster the credibility of their message. However, it's perceived authenticity and lack of bias in the message that shapes consumer trust and perceptions.

Influencer-generated content value is deeply connected to the influencer's perceived trustworthiness, expertise, and homophily – their similarity to the audience. These aspects can significantly affect the audience's trust in the influencer's shared content, influencing brand awareness and purchase intentions (Lou & Yuan, 2019). When there is a high congruence between an influencer's persona, values, interests, and the endorsed products, it fosters a sense of authenticity and trustworthiness in the conveyed message, enhancing message credibility. (Belanche, Casaló, Flavián & ibàñez-Sànchez, 2021).

In conclusion, message credibility can have a crucial role in shaping consumer behavior, significantly affecting how consumers interact with and perceive brands. Yet, it's heavily tied to the credibility of the influencer, meaning that they often go hand in hand. Marketers and influencers alike must navigate the delicate balance of providing persuasive yet authentic and trustworthy messages to effectively engage with their audiences and foster positive brand relationships. As the digital marketing landscape continues to evolve, understanding and leveraging message credibility will remain crucial for the success of consumer engagement strategies.

2.3.3 Assessing Information Credibility

Assessing information credibility is a cornerstone of understanding consumer behavior within influencer marketing. Information credibility is the synthesis of source and message credibility that shapes consumer perception and, ultimately, their behavioral intentions, such

as making a purchase. This synthesis of information credibility scrutinizes not just how consumers perceive influencer credibility and the authenticity of the message, but also how recognition of advertising affects these perceptions. (Lou & Yuan, 2019; Xiao, et al.,2018)

In this context, authenticity and transparency are key roles as if they are involved in clarifying the motives behind promotional messages, revealing the connections between influencers and brands, and emphasizing the authenticity of opinions shared online. Different types of advertising disclosures affect perceived source trustworthiness because they vary in authenticity. Clear communication about the nature of posts as advertisements is essential for maintaining trust with the audience and mediums. (FCCA, 2019; Hollebeek & Macky (2019).

Recent legislative changes have forced a move for marketers away from traditional marketing techniques in social media towards greater transparency in sponsorships. Emphasizing transparency has been shown to enhance both source and message credibility, resulting in more favorable consumer attitudes than mere sponsorship disclosure. (Lou & Yuan, 2019). Authenticity is becoming an increasingly central strategy for marketing communications, with consumers showing a preference for genuine brand messages. Clear sponsorship disclosure that articulates the rationale behind the collaborations between brands and influencers can bolster credibility and foster trust. (Grayson & Martinec, 2004; Hollebeek & Macky, 2019).

However, explicit disclosure that breaks the illusion of native advertising, such as "Paid ad" or "Sponsored" can produce more negative attitudinal and behavioral responses compared to more subtle or no disclosures. These disclosures can increase ad recognition but may also lead to more negative brand attitudes. (Evans et al., 2017; Boerman, Van Reijmersdal, & Neijens, 2015)

Moreover, as consumers become more adept at discerning persuasive tactics, their reactions can become more sophisticated. While some may grow skeptical and resistant, others might respond positively if they perceive the persuasion to be presented in a transparent and timely manner (Isaac & Grayson, 2017; Kirmani & Campbell, 2004). The context and clarity of disclosures thus play a crucial role in shaping consumer responses to influencer marketing efforts.

In sum, information credibility is a crucial construct that encapsulates the complex interaction of various factors influencing consumer decisions. As influencer marketing continues to evolve, understanding and strategically managing information credibility will be vital for marketers aiming to engage consumers effectively and ethically.

2.4   The Mechanics of Influencer Marketing

Influencer marketing has solidified itself as a dynamic and compelling marketing technique, leveraging individuals with extensive social media influence to promote products or services. (Brown & Hayes, 2008; Khamis el al., 2017) This modern approach involves collaborating with a spectrum of influencers – from celebrities and industry experts to everyday individuals who command considerable social presence in smaller niches. The effectiveness of influencer marketing is grounded in its strategic employment of these individuals to amplify brand awareness and sway consumer decision-making processes. (Lou & Yuan, 2019)

Historically, employing influential figures for marketing is not a novel concept, tracing back to the 19th century (Erdogan, 1999). However, the rise of social media over the past two decades has solidified its role in contemporary marketing, especially as resistance to traditional advertising grows. (Choi & Rifon, 2012; Brown & Hayes, 2008; Lou & Yuan, 2019 Lee, Kim, & Kim, 2018; Lou, Tan, & Chen, 2019). Influencer marketing leverages the source credibility of individuals with social media influence to mitigate consumer skepticism and foster authentic engagement. (Cheung et al., 2009) In social media, influencers have a pivotal role in effectively cultivating engagement within niche segments due to higher perceived authenticity and relatability. (Khamis et al., 2017; Chae, 2017; EASA, 2018)

As a fundamental element of marketing strategies, influencer marketing endeavors to steer consumer behavior, enhance brand image, and drive conversions. The efficacy hinges on the influencer's credibility and the transparency of their partnership with the brand (FCCA, 2019), and the degree to which these partnerships align with the attitudes and norms of the target audience, as per the TRA framework. (Fishbein & Ajzen, 1975). Micro-influencers with their deep niche expertise, foster a relatable and authentic connection with their audience (De Veirman, et al., 2017). Consequently, influencer marketing represents an integration of traditional charm and cutting-edge marketing approaches, drawing on the influence of celebrity endorsements. Consequently, influencer marketing represents an

integration of traditional charm and cutting-edge marketing approaches, drawing on the influence of celebrity endorsements. (Childers, Lemon, & Hoy, 2019)

The strategic investment in influencer marketing by brands is directed towards creating branded content that resonates well with organic and authentic appeal, contrasting with traditional brand-generated advertisements. (Lou & Yuan, 2019). Despite its efficacy, influencer marketing grapples with the challenges around ensuring transparency and upholding the high standard for authenticity, leading to the formulation of regulatory guidelines to safeguard consumer interest. (Childers et al., 2019; Evans et al., 2017; FCCA, 2019)

2.4.1 Key Success Factors in Influencer Marketing

Influencer marketing is a vital part of any contemporary brand strategy, and it relies heavily on the interplay between the influencer's credibility and the message's authenticity. As discussed in Chapter 2.3, influencer marketing leans on expertise, trustworthiness, and homophily, to imbue their positive attributes into the brands they endorse, a phenomenon supported by the halo effect. (Nisbett & Wildon, 1977). The TRA would further suggest that the attitudes towards these celebrities and the social norms surrounding their endorsements contribute to consumer intentions to follow their product recommendations. (Fishbein & Ajzen, 1975)

The authentic narrative crafted by influencers does more than capture attention; it resonates with consumers, creating a deeper influence than traditional marketing messages. This persuasion through narratives is a testament to the strategic engagement tactics that define influencer marketing, potentially leading to significant shifts in consumer behavior and brand perceptions. (Djafarova & Rushworth, 2017; Lou & Yuan, 2019)

Visual storytelling and emotional connection are at the heart of these engagement strategies. As de Veirman et al. (2017) have shown, content that is both engaging and aesthetically pleasing is naturally appealing, making it a crucial part of influencer marketing, and leaving a longer-lasting impression on consumers. Such content not only captivates but also fosters transformative consumer engagement, pivotal for success in the digital marketing landscape.

As mentioned earlier, the rise of social media and eWOM has provided ordinary individuals with an opportunity to achieve a similar status as celebrity endorsers within their niche segments. Recent studies, such as Woods (2016) validate this demonstrating the high levels

of trust millennials place in influencers, equating their recommendations with peer advice. The study also posits that millennials regard influencer input as genuine and personal, viewing influencers as credible sources of eWOM.

In conclusion, the alliance between source and message credibility as well as the perceived interpersonal relationships formulates a strong foundation for altering consumer behavior. These elements collectively enhance the persuasiveness of influencer marketing, as they align with the evolving paradigms of accessibility and relatability that social media provides. Consequently, influencers have emerged as a formidable force in shaping consumer behavior. (Lou & Yuan, 2019)

2.5 Congruence in Influencer Marketing

In the realm of influencer marketing, congruence refers to the alignment perceived by the audience between an influencer's brand and endorsed products. This congruence transcends mere compatibility; it signifies a harmonic convergence of values, lifestyle, and image that resonates with consumers, fostering trust and augmenting the influencer's credibility. Belanche et al., (2021) assert that congruence can be as compelling as physical attractiveness in source credibility, with empirical studies reflecting this shift in the digital influencer era. (Fleck, Korchia & Le Roy, 2012)

Research indicates that congruence potentially mitigates the source bias often associated with endorsements, particularly in how endorsers are perceived relative to the brand or product category. Choi and Rifon (2012), along with Kamins & Gupta (1994), highlight congruence as a significant predictor of favorable brand evaluations, a finding corroborated by empirical evidence suggesting that consumers respond more positively to brands when the influencer-brand fit is authentic (Misra & Beatty, 1990). This fit between the influencer and the endorsed entity is discerned through the lens of similarity and relevance, specific to the endorsement context.

The discourse on endorsements and brand congruence is far from settled within the academic community. Investigations into the magnitude of congruence effects under varying levels have yielded mixed outcomes. Misra & Beatty (1990) illustrate that congruence modulates the relationship between celebrity liking and brand, intensifying under both high and low-fit scenarios, an observation that has been substantiated through quantitative analysis. Conversely, other studies, such as those by Kamins & Gupta (1994) and Till & Busler

(2013), present a more convoluted picture, suggesting a complex interplay between attractiveness, expertise, and congruence.

The complexity of congruences is a blend of interactions between the endorsers and the consumers. Prior endorsements can have a potentially significant influence on future brand evaluations. The research into congruence demonstrates varying effects based on the volume of prior endorsements and the perceived credibility and homophily of the endorser. (Tripp, Jensen, & Carlson, 1994). Theories related to the correspondence bias, as elucidated by Gilbert & Malone (1995), suggest that people often attribute genuine affinity for the products rather than financial motive during celebrity endorsements. The psychological prediction rooted deeply in attribution theory is further clarified through methodological studies on consumer perceptions.

In conclusion, congruence in influencer marketing is a multifaceted dimension that can have a profound impact on brand evaluations and consumer attitudes. This concept adds to the nuanced interplay between the influencer's credibility and the authenticity of the endorsement. As the digital landscape evolves, the inclusion of congruence will remain central to fostering genuine connections and driving consumer engagement.

2.6 Engaging with Influencers

To gain a competitive edge in the saturated influencer marketing landscape building long-term relationships is vital with customer engagement playing a pivotal role in creating this connection. This engagement comprises both passive and active consumer interactions with influencers, which cultivate trust and a sense of community. (Hollebeek & Macky, 2019) Through such engagement brands deepen their connection with consumers, deepening their emotional investment in the influencer's content and, subsequently, with the brands and product being endorsed, potentially leading to brand loyalty and advocacy. (Kim & Kim, 2021).

Co-creation emerges as a dynamic engagement strategy where consumers actively participate in the creative process, often leading to user-generated content initiatives. (Hollebeek & Macky, 2019) This collaborative approach bolsters consumer loyalty and advocacy by nurturing a profound sense of belonging and ownership towards the brand, while simultaneously providing invaluable consumer insights for product and marketing innovations. (Kim & Kim, 2021).

The rise of social media has shone a spotlight on the multi-dimensional concept of engagement. Rappaport (2007) emphasizes the importance of brands in consumers' lives by fostering emotional connection. Yet, the interpretation of "engagement" is context-dependent and varies among proponents. (Brodie, Hollebeek, Jurić, & Ilíće,) The scholarly consensus asserts that engagement can pivot consumer behavior and attitudes toward brands, necessitating a dynamic interplay between consumers and media entities. Engagement is increasingly seen as a dialogic process that drives influencer advocacy. (Mollen & Wilson, 2010)

From a psychological standpoint, engagement involves co-creation and customer involvement, with factors such as commitment and loyalty being critical in heightening customer engagement. Loyalty evolves through continuous brand interaction, fostering a long-term commitment and enhancing engagement. (Colliander & Dahlén, 2011; Frederick, Lim, Clavio, & Walsh, 2012; Jin & Ryu, 2020)

In social media' unique ecosystem, which encourages consumer-to-consumer dialogue, direct brand control over communication becomes elusive. Engagement in this space is often characterized by an emotional bond with the influencer and active consumer participation. Practical manifestations of engagement include browsing, interacting, and seeking information on social media platforms, highlighting the role of knowledge exchange and robust customer interaction. (Chen, Ching, Tsai, & Kuo, 2011; Cheng, Wan, Lin, & Vivek, 2009)

2.6.1 Para-Social Interactions

Para-social interactions (PSI), as introduced by Horton & Wohl in 1956, describe the one-sided bonds individuals form with media figures such as celebrities, athletes, and influencers. These interactions are often intensified by the mere-exposure effect, where consumers develop a preference for familiar figures. Despite the absence of actual interaction, consumers foster feelings of intimacy and familiarity, as if they were in a reciprocal relationship with influencers, thereby shaping consumer behavior. (Perse & Rubin; 1989; Dibble, Hartman & Rosaen, 2015).

Regular exposure to an influencer's content can lead to increased affinity and trust in consumers, laying the foundation for PSI. Passive and active interactions both help reinforce

this bond, which often leads to a robust para-social relationship (PSR) that can have a significant effect on swaying consumer perceptions and behaviors. (Dibble, et al., 2015).

This journey towards para-social relationships can be intensified by the mere-exposure effect, which is influenced by the frequency and nature of interactions between consumers and the influencer. While time is necessary for cultivating PSRs, the mere exposure effect suggests that consistent exposure can also fortify these relationships, potentially accelerating the trust and familiarity that underpins PSI (Giles, 2002; Zajonc, 1968).

The research also suggests that PSI, bolstered by the mere-exposure effect, can strengthen consumers' identification with the influencer, fostering a stronger connection that potentially translates into consumer loyalty and increased trust in the influencer's endorsements. Influencers who embody a lifestyle or values that resonate with consumers are particularly influential.

Research suggests that PSI, bolstered by the mere-exposure effect, can strengthen consumers' identification with influencers, fostering a connection that translates into consumer loyalty and increased trust in the influencer's endorsements. Influencers who embody a lifestyle or values that resonate with consumers are particularly influential (Choi & Rifon, 2012).

The influencer's interactivity plays a key role as a mediator in the formation of PSI. Active engagement can mitigate the potential negative effects of overfamiliarity and influencers who balance consistent presence and meaningful interactions often nurture more profound, stronger effects through more positive para-social relationships. (Frederick et al. 2012; Thorson & Rodgers, 2006).

Open communication may also interrupt or completely disrupt the one-sided nature of PSI. Factors such as perceived intimacy, homophily, and openness can expedite the formation of PSI. Conversely, the number of endorsed products can quickly dilute the PSRT and affect attitudes toward the influencer by reducing perceived attributes (Tripp et al., 1994)

In conclusion, the synthesis of para-social interactions and the mere-exposure effect offers a robust framework for understanding the intricate details of influencer-consumer relationships. Strategies that utilize both phenomena can cultivate enduring loyalty and trust, reshaping consumer behavior in a digitally connected world. Fostering, genuine connections and thus transcending traditional marketing paradigms.

2.6.2 Navigating Social Media Marketing Legislation

The subtle nature of Influencer marketing strategies has given rise to ethical concerns. This technique operating at the intersection of authenticity and persuasion, often manifests in native advertising format, embedding commercial intentions to organic content, leading to potential confusion and spread of misinformation among consumers within the influencer marketing landscape. (Jung & Heo, 2019)

These practices, which may not always involve a formal agreement between parties, can include undisclosed transactions, where the exchange of money or products is not overtly disclosed to the audiences. The presence of these advertising labels, which are not immediately visible or recognizable, further complicates the issues, as it may hinder the effectiveness of communication and consumer understanding. (Wei, et al., 2008; Friestad & Wright, 1994)

The European Union, recognizing the potential risks involved in influencer marketing, has brought forward its legislation to protect individuals and society from potential harm. These laws cover a large range of issues, including but not limited to privacy and copyright violations, which are present in the realm of social media and influencer marketing. (European Union, 2018; Jung & Heo, 2019) In 2019, the Finnish Competition and Consumer Authority (FCCA) established strict guidelines for influencers, requiring that all advertisements be clearly labeled and identifiable as such. This regulation is a testament to the FCCA's dedication to ensuring transparency in all marketing communications to protect consumer rights. (FCCA, 2019)

Guidelines for influencer marketing are primarily focused on enhancing the recognizability of covert tactics in social media marketing. This is achieved through visual cues for sponsorship disclosure across various platforms and measures to protect vulnerable groups from being the targets of these marketing efforts.(Grewal & Krishna, 2018; Amazeen & Wojdynski, 2020) This approach not only protects the consumers but also provides a basis for fostering a more honest and trustworthy environment for influencer marketing, ensuring that the commercial content behind content, such as lack of transparency or unclear disclosure, is never misleading is intentionally obscured. (FCCA, 2019; Jung & Heo, 2019, 2022; European Union, 2018)

In summary, establishing comprehensive regulations and clear guidelines for the utilization of influencer marketing is crucial for maintaining consumer trust and ensuring the integrity of marketing practices. The legal landscape is progressively adapting to help protect consumers from covert marketing tactics, ensuring they can discern the marketing practices without deception.

3. THE ROLE OF PERSUASION IN INFLUENCER MARKETING

Within the dynamic realm of digital marketing, influencer marketing has emerged as a key strategy that efficiently combines the strategic goals of brands with the influence on individuals with increased persuasiveness in social media. An integral part of this strategy is the application of well-established psychological principles that have elucidated the role of persuasion effectiveness and its origins. This chapter introduces two influential frameworks: The Persuasion Knowledge Model (PKM) and the Elaboration Likelihood Model (ELM)

The PKM, developed by Friestad & Wright (1994), provides a framework for understanding how consumers develop and use their knowledge about persuasive tactics when interacting and discerning marketing efforts. This model introduces consumers as active and discerning consumers capable of cognitive and affective processing when interacting with persuasive communication, challenging the previous notion of consumers being simple passive receivers of marketing messages. The relevance of this theory is highlighted by the increased consumer power brought forward by the introduction of social media. (Friestad & Wright, 1994; Boerman et al., 2012).

Complementing the PKM in this study, the ELM, pioneered by Petty & Cacioppo (1986) proposes there are two distinct routes to persuasion: the central route, which includes considerable exploration of the marketing effort, and the peripheral route, which relies on visual cues and cursory analysis often disregarding the message content. This model suggests that the efficacy of persuasive communication relies on the tendency of the consumers to engage in the elaboration of the persuasive (Petty & Cacioppo, 1986).

Within the influencer marketing landscape, these theoretical models can be utilized as analytical tools to dissect and comprehend the principles of persuasion. These models can offer significant insights into the cognitive and affective responses from consumers when they interact with influencer content and how these responses can eventually lead to changes in attitudes and behaviors.

The subsequent sections of this chapter will delve into the effects of PKM and ELM in the context of influencer marketing, detailing how influencers function as the agents of persuasion, and the critical role ad disclosure has when building trust and adhering to the

ethical considerations present in these persuasive practices. Through this examination of persuasion, the aim is to provide a robust understanding of the underlying mechanisms of influencer marketing and the implications these have for consumer engagement and brand communications.

3.1 The Persuasion Knowledge Model (PKM)

The theoretical framework, as conceptualized by Friestad & Wright (1994), introduces a dynamic framework for understanding how persuasion affects the interaction between the three core concepts of the agent, the message, and the target as shown in Figure 1 below. The model acknowledges consumers as active processors of persuasive information, employing cognitive strategies and heuristic cues to discern and evaluate the persuasive attempts based on criteria such as their knowledge of the topic and the persuasion agent, as well as their persuasion knowledge which refers to their experience with previous persuasion knowledges and persuasion attempts in general. (Friestad & Wright, 1994; Boerman et al., 2012)
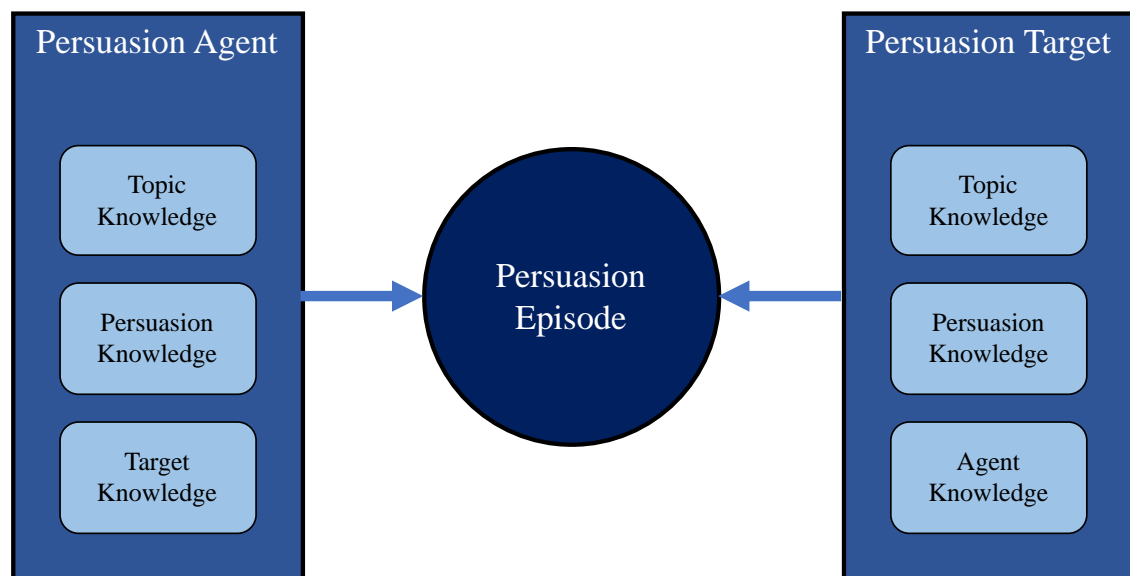
Figure 1: Persuasion Knowledge Model (Friestad & Wright, 1994)

Within PKM, the cognitive dimensions refer to an individual's skill in identifying and understanding persuasion attempts. This awareness evolves as consumers encounter an increasing variety of persuasive messages and learn to critically appraise such attempts. In contrast, the affective dimensions refer to the consumer's emotional responses to persuasion attempts, such as their skepticism or trust in the message, which can significantly influence

the motivation to engage, disregard, or resist a message. (Boerman et al., 2012; Rozendaal, Lapierre, & Van Reijmersdal, 2011 Wojdynski & Evans, 2012; Campbell & Kirmani, 2008)

This framework is instrumental in understanding how and why consumers, as active participants interact and discern marketing messages. The theory considers both the cognitive and affective dimensions giving a thorough understanding of persuasion knowledge and allowing for a more nuanced understanding of how people process and respond to different persuasive messages. (Hibbert, Smith, Davies, & Ireland, 2007; Rozendaal et al., 2011).

Context also plays a pivotal role in shaping the activation and application of persuasion knowledge. The PKM posits that individuals' responses to persuasive communication can vary depending on the situation. For instance, consumers may be more receptive or resistant to persuasion in contexts where they feel vulnerable or skeptical, respectively. One prime example of this is the use of native advertising, leaving consumers vulnerable to wrongfully disregarding the commercial intent (Friestad & Wright, 1994; Wojdynski & Evans, 2020).

Applying the PKM to influencer marketing involves understanding the intricacies of how influencers, as persuasion agents, can craft messages that resonate well with, or sway their audience in a positive direction. The influencer's roles extend beyond that of traditional marketing agents, as they generally interact with their consumers, often in nuanced manners that blend authentic content creations with persuasive intent. This blending has implications that marketers must navigate in this new terrain with a deeper understanding of how affective and cognitive components of persuasion knowledge work in the digital world. (Grewal & Krishna, 2020)

3.2 Elaboration Likelihood Model (ELM)

The Elaboration Likelihood Model (ELM) is also a theoretical framework that elucidates how consumers process and react to persuasive communications. The framework developed by Petty & Cacioppo (1986) posits that there are two primary routes to persuasion. The central route, which is characterized by the consumer's meticulous and reflective contemplation of the information, leads to a more thorough discerning of the message and its argument quality often leading to a more durable attitude change. Conversely, the peripheral route involves the cursory examination of the message and relies more on external cues such as the source's credibility, and the aesthetic appeal of the content or heuristic,

resulting in more transient changes in attitudes. These two paths are depicted in detail in Figure 2.
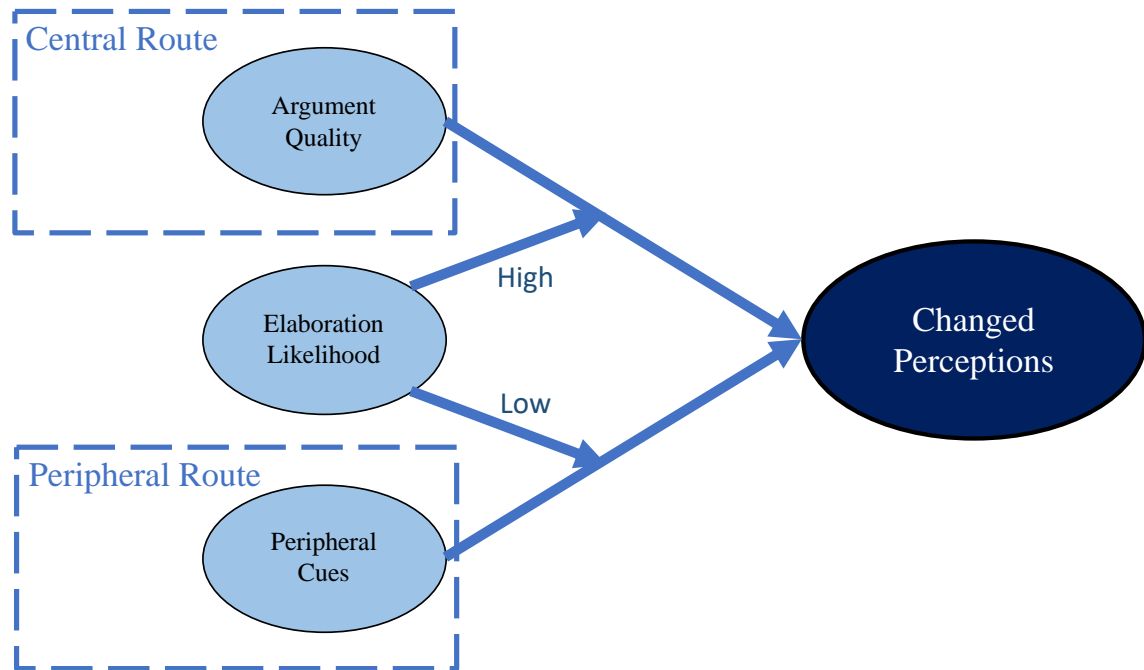
Figure 2: Elaboration Likelihood Model (Petty & Cacioppo, 1986)

The ELM provides insight into the processes through which consumers might be persuaded by content in influencer marketing. When influencers present well-structured and logical arguments or share personal stories that require active engagement from their audiences, they activate the central route path. Alternatively, when influencers rely on their popularity, perceived credibility, or aesthetics of the content, they are engaging the peripheral route of persuasion either on purpose or by accident. (Petty & Cacioppo, 1986)

The likelihood of elaboration – the probability that the target will engage in processing the message through the central route – is influenced by various factors. These include the individual's motivation and ability to process the message. Motivation can be affected by the personal relevance of the topic, the need for cognition, or the perceived responsibility of forming an opinion. Conversely, this ability might be diminished by distractions, prior knowledge, or the complexity of the message. (Petty, Cacioppo, & Goldman, 1981)

The marketers applying ELM into digital strategies, particularly influencer marketing should consider their goals concerning both the content of the message and the attributes of the consumers. Messages intended to persuade consumers through the central route should be

rich in fact and logical arguments, requiring the audience to actively engage with the material. For audiences, more likely to be influenced by the peripheral route, marketers might want to focus on the aesthetic presentation, the influencer's credibility, and high congruence with the brand (Andrews & Shimp, 1990; Teng, Khong, & Goh, 2014; Choi & Rifon, 2012)

A Challenge in implementing the theories of ELM within influencer marketing is the difficulty in distinguishing between central and peripheral cues, which often become intertwined due to the multifaceted nature of social media content. Additionally, the dynamic interactivity inherent in social media platforms can facilitate instant feedback mechanisms and engagement, which can alter the path of persuasion as the consumer interacts with the content in real time. (Wojdynski & Evans, 2016)

3.3 Combining ELM and PKM in Influencer Marketing Strategies

Understanding the synergies between the Persuasion Knowledge Model (PKM) and the Elaboration Likelihood Model (ELM) provides a comprehensive approach to understanding influence mechanisms. This chapter aims to find a synthesis between these models to illustrate how influencers can strategically employ both cognitive engagement and peripheral cues, enhancing the impact of marketing communications.

The ELM posits two pathways for processing persuasive communications, the central route, which necessitates a high level of elaboration, and the peripheral route where less scrutiny is applied to the content, and more on the external cues. Simultaneously, PKM recognizes consumers as active and discerning consumers equipped with a spectrum of persuasion knowledge, they can use to discern and critique the persuasive efforts they encounter. (Petty & Cacioppo, 1986; Friestad & Wright, 1994)

When influencers integrate the principles of both ELM and PKM, they can craft resonant messages that acknowledge the audience's sophistication in recognizing persuasive attempts, while engaging them through the most effective communicative route. (Lou & Yuan, 2019) This dual application ensures that whether through the central route's demand for cognitive investment or the peripheral route's heuristic simplicity, the message can be tailored to the audience's current level of persuasion knowledge and their preferred processing style.

The strategic design of messages with the audience's persuasion knowledge in mind allows influencers to navigate between in-depth, logical content and content that leverages aesthetic appeal or authority, aligning with the central and peripheral routes, respectively. Such flexibility in approach enables influencers to connect authentically, whether through elaborate narratives or the compelling simplicity of visual storytelling. (Friestad & Wright, 1994; Petty & Cacioppo, 1986; Lou & Yuan, 2019)

Ultimately, influencers can harness situational contexts that elevate audience engagement, such as cultural or even-driven high points. Recognizing moments when the audience is more open to influence – whether due to heightened interest, emotional engagement, or identified needs – allows for strategic communication that combines the insightful depth of ELM with the pragmatic awareness of PKM. This union not only fortifies the message's persuasive power but also fortifies the trust and aspirational connections forged between the influencer and their followers. (Petty & Cacioppo, 1986; Friestad & Wright, 1994; Eisend, 2006)

3.4 Recognizing Advertising

The intricacies of ad disclosure are underpinned by their dual potential to enhance the brand when perceived as authentic or to incite skepticism when deemed formulaic or insincere. (Friestad & Wright, 1994; Campbell & Kirmani, 2008) The Persuasion Knowledge Model (PKM) offers a lens to scrutinize consumer reactions to ad disclosures, spotlighting the cognitive development of younger users on social media platforms as they hone their skills in detecting persuasive intents. (Friestad et al., 2005; Boerman et al., 2017)

The PKM also posits that for consumers to effectively utilize, they must first acknowledge the persuasive nature of an advertisement. This process often referred to as ad recognition, is pivotal for consumers as it empowers them to counteract persuasive attempts with informed skepticism. (Boerman, van Reijmersdal, & Neijens, 2015; Friestad & Wright 1994; Wojdynski & Evans, 2016).

Authentication in advertising, augmented by the Elaboration Likelihood Model (ELM), forces us to consider how consumers process such disclosures. The ELM suggests that disclosures and as mere peripheral cues or more complicated central arguments, depending on how they are presented to consumers and the level of engagement of the audience. (Petty & Cacioppo, 1986) When disclosure is clearly and prominently presented to consumers, they

may encourage consumers to engage on a deeper level to better discern the advertisement, aligning with the central route to persuasion. Conversely, when disclosure is subtle less obvious, or absent, they may serve as peripheral cues that affect consumer attitudes without detailed cognitive professing.

However, authenticity in advertising is not necessarily only about disclosure, but more about understanding and recognizing the content. Insufficient disclosure may disguise consumers into perceiving sponsored content as a personal endorsement, undermining the consumer's resistance to persuasive content. (Amazeen & Wojdynski 2020) The placement and phrasing of the advertisement are also crucial for fostering or impairing brand perceptions and further consumer behaviors. (Wojdynski & Evans, 2016)

In summary, for ad disclosure to serve its purpose, the advertisement must be noticed and comprehended, or in other words, the ad must be recognized. While the research has delved into the probabilities of ad recognition, a detailed investigation into the factor that enhances noticeability is ripe for exploration. (Wojdynski & Evans, 2016) The interplay between the PKM's focus on consumers' cognitive engagement with ads and the ELM's delineation of the pathways of persuasion, indicates that there is sophistication required when designing disclosure that both informs and influences consumers while adhering to the evolving standards of ad disclosure legislation.

3.5 Unmasking Subtle Techniques

The landscape of influencer marketing leverages a spectrum of different techniques to captivate consumers, which balance between overt and covert strategies to optimize the persuasiveness of the message. Visual stimuli and the following ad recognition emphasize the overtness of the messages, which directly appeals to the consumer's conscious processing, aligning with the use of a central route to persuasion within the Elaboration Likelihood Model (ELM). Conversely, the covert methods harnessed to avoid recognition to avoid a deeper discerning of the message, focusing on the use of the peripheral route, where persuasion is subtly presented as part of the content, often using the benefits of native advertising, without the consumer's explicit awareness of the persuasive intent. (Petty & Andrews, 2008; Petty & Cacioppo, 1986; Wojdynski & Evans, 2020)

Covert marketing is built on the premise, that focuses on limiting consumers' access to information about marketing intentions in a context, where such an objective is present. In

the contemporary landscape, this is achieved using native advertising and ambiguous hashtags to seamlessly integrate promotional messages with organic content. And effectively leveraging their weakest points. (Wojdynski & Evans 2016; Akdoğan & Altuntaş 2015) This approach capitalizes the ad recognition requirements posited in the Persuasion Knowledge Model (PKM) as well as the peripheral route of the ELM, where the marketers try to guide the consumers through the peripheral route, where consumers rely more on presentation and source credibility rather than messages substance.

In contrast, overt marketing places a higher emphasis on allowing consumers to engage deeply with the message and discern the message using their knowledge of persuasion knowledge, by using clear and transparent content. Explicit disclosures such as "#ad" or "#sponsored" can serve as visual cues to clarify the commercial nature of posts further, fostering an environment, where the consumers are invited to critically evaluate the persuasive content (Petty & Cacioppo, 1986; Evans el a., 2017). This authenticity is expected to enhance the consumers' ability to recognize advertisements and the commercial intent, potentially fostering a more critical stance towards the message and the influencer, but also leading to well-informed purchase decisions when executed appropriately. (Amazeen & Wojdynski, 2020; Greawal & Krishna, 2018)

The ethical implications brought forward by these strategies are significant. Covert marketing techniques can lead to consumer deceptions, eroding the trust of consumers and inviting legal scrutiny. (Martin & Smith, 2008). Conversely, authentically disclosed partnerships can help mitigate negative consumer reactions, even enhancing consumer attitudes toward the ad and the brand. (Evans et al., 2018). However, companies must navigate the delicate balance between authenticity and persuasion, ensuring that the transparency of disclosure does not undermine the effectiveness of the influencer's endorsements.

Legal regulations and consumer advocacy groups have set demands for transparency in influencer marketing practices to ensure consumer interest and their right to privacy. (Kaikati & Kaikati, 2004). These regulations are a response to the covert tactics that blur the line between authentic recommendations and sponsored content, promoting the global movement toward the elimination of deceptive marketing practices.

The strategic use of covert and overt marketing techniques in influencer marketing campaigns can be advantageous for leveraging the strengths of both routes to persuasion as outlined by the ELM. By attracting consumers initially through the use of aesthetically pleasing and contextually appropriate covert techniques, and further promoting informative and authentic overt techniques to solidify interest, marketers can craft nuanced campaigns that resonate with consumers through authentic communication while maintaining the persuasiveness of the message. (Boerman et al., 2012; Evans et al., 2016)

In conclusion, influencer marketing strategies that skillfully integrate both covert and overt techniques can create effective engagement through a harmonious blend of authenticity and persuasion. Marketers must continue to innovate within this framework, ensuring that as they navigate the complexities of consumer persuasion, they do so with unwavering commitment to ethical practices and consumer empowerment. The future of influencer marketing relies on this delicate balance, which respects the consumer's intelligence and right to autonomy while delivering impactful and persuasive messages.

3.5.1 The Influence of Visual Stimuli

In the rapidly developing landscape of influencer marketing, the role of visual elements has become increasingly pivotal, especially in the context of Instagram, serving as a part of the bridge between covert and overt marketing strategies. The strategic integration of these visual elements can enhance the ad recognition of sponsorships, as well as empower consumers with critical information that can emphasize the authenticity of the brand. (Grewal & Krishna, 2015) This is echoed by the findings of Evans et al., (2017), which suggest that presenting cues such as "Paid Ads" can have positive effects on brand attitudes and purchase intentions.

As the cornerstone in this transformative process toward ad recognition, ad disclosure acts as the conduit between covert and overt marketing techniques. Its purpose is to communicate the commercial nature behind native advertising effectively (Wojdynski & Evans, 2020). Furthermore, the legislative changes such as the guidance by FCCA specify that all advertisements must ensure disclosure is as clear and visible as the claim itself, mandating that the visual elements are easy to notice, read, and understand (FCCA, 2019) The research by Grewal & Krishna (2015), further elaborates on this by stating that visual cues such as hashtags, labels, or clear identification elements can be strategically employed to enhance the effectiveness during influencer marketing. These visual cues also serve as peripheral

cues in the ELM, particularly when the audience is not motivated to engage with the content deeply, while also conceivably activating persuasion knowledge in consumers, as conceptualized by the PKM (Petty & Cacioppo, 1986; Friestad & Wright, 1994)

The importance of visual elements can extend beyond their simple use of ad disclosure. They can serve as a tool that fortifies the brand's connection with its audience, emphasizing the brand's values and identity to consumers. This is aligned with the work of Grewal & Krishna (2018), which posits that the use of visual elements can set the brand apart from competitors and facilitate the delivery of resonant brand messages and thus purchase intentions.

In summary, the strategic use of visual stimuli in influencer marketing represents a significant shift in marketing strategies. It helps empower consumers by providing them with valuable information, but also places the brand and its authenticity at the forefront, adhering to the principles of digital content marketing and legislative mandates for transparency. This can potentially create a mutually beneficial scenario, that fosters authentic connections and equips consumers with valuable information, further contributing to the overall success of influencer marketing campaigns.

3.6 *Moving Towards Authenticity*

The shift towards overt underscores the creation of consumer value and the cultivation of loyalty through authentic communication over covert practices. These strategies highlight the integration of brands into specific communities and subculture through authenticity in communications, providing them a chance to foster genuine relationships with consumers. (Holliman & Rowley 2014) Hollebeek & Macky (2019) highlight the importance of authentic communication, identifying it as a key driver for consumers to connect with brands.

Jung & Heo (2019) emphasize the necessity of recognition in the saturated influencer marketing landscape, with consumers increasingly underscoring preference for authenticity in brand communications. The role of transparent ad disclosure becomes a crucial factor in this context, acting as the gateway to authenticity by revealing the sponsorship behind the message. However, it is important to note that there are contradictory results for authenticity, where disclosure can sometimes weaken consumer attitudes (Liljander et al., 2015). The research suggests that the credibility of the source can help mitigate these negative effects.

The previous research shows a trend of hesitance towards authentic communications due to concerns about potential negative reactions (Liljander et al., 2015; Evans et al., 2016). Research on the activation of persuasion knowledge on consumer behavior has also shown that while disclosure can lead to negative brand evaluations, this effect can be mitigated when consumers perceive the tactics as fair and they already have a connection with the brands. (Wei et al., 2008)

The long-term effects of the disclosure are still under investigation, with emerging research in this area. Boerman, Tessitore, & and Muller (2020) explored the potential enduring impacts of authentic communication on the development of consumer persuasion knowledge and the following reactions toward brands and found that ad disclosure can enhance brand memory through ad recognition over time. This showcases potential long-term benefits to authentic communications as well.

Authenticity in influencer marketing is primarily achieved through clear and explicit ad disclosure, where companies share their commercial intentions with the audience. This practice is crucial for authentic communication, as it enables consumers to make informed decisions, discerning the commercial nature of the content they are engaging with. Visual cues such as hashtags and labels play a vital role in this process, serving as indicators of commercial intent to maintain the integrity of the message. (Grubbs Hoy & Andrews, 2004; Evans et al., 2017; Wojdynski & Evans, 2016)

Authenticity in influencer marketing is closely tied to transparency, as it relies on the genuineness of the influencers' communication and the credibility of their relationship with the brand. Authentic communication, which refers to the willingness to participate in the overt sharing of commercial intentions, represents a paradigm shift towards more authentic practices. This approach helps empower consumers to make educated decisions as well as enhance the credibility of both the message and the influencer, leading to stronger brand relationships and improved consumer evaluations. (Wojdynski & Evans, 2016).

However, the journey toward authenticity is not simple or without challenges. Research on ad disclosure has presented conflicting results, particularly in aspects related to the timing, position, and language of these disclosures. (Campbell et al., 2013; Wojdynski & Evans, 2016; Evans et al., 2017). These discrepancies between results highlight the complexity of

influencer marketing and underscore the need for a deeper understanding of how best practices for authentic communications.

In conclusion, to truly grasp the impact of transparency and authentic communication in influencer marketing it is essential to delve into the dynamic balance between source credibility, message credibility, and consumer behavior. By doing so, marketers can gain valuable insights into the effectiveness of authentic communication and identify strategies with the potential to reshape consumer perceptions and redefine the standards of online advertising, thus strengthening the relationship with consumers and creating meaningful connections.

4. THEORETICAL FRAMEWORK & HYPOTHESES

This chapter introduces the theoretical framework used in this study, which is built upon the theoretical contributions presented in this study to empirically examine the effects of authentic communication on consumer behavior. By building upon the theoretical contributions, the empirical research aims to elucidate the effects of persuasion in the contemporary digital marketing landscape

Section 4.1 will synthesize the foundational theories of critical for understanding consumer behaviors. The focus is on the review of the Persuasion Knowledge Model (PKM) by Friestad & Wright (1994) to elucidate the role of persuasion when engaging with influencers and the theory of Elaboration Likelihood Model (ELM) by Petty & Cacioppo (1986), given its relevance to the processing of persuasive communications through engagement and peripheral visual cues. This section will refine the essential theories and models from a vast array of literature, focusing on key concepts such as source and message credibility and the dynamic interplay of these factors within the medium of Instagram.

In Section 4.2 the hypotheses will be articulated that are grounded in the theoretical contributions brought forward by the theoretical framework's synthesis. These propositions, designed for empirical testing, will reflect a blend of continuity and divergence from the existing literature, thus highlighting their originality and relevance. They will act as bridges between the presented theoretical groundwork as well as the empirical analysis of this study, exploring the interaction of credibility factors within Instagram's unique marketing environment.

By building upon the work of esteemed scholarship, this study seeks to explore new prospects in consumer behavior in the contemporary digital marketing landscape as well as fill specific gaps in the existing body of knowledge. It strives to provide a dependable framework for future research and to provide practical implications for marketers in the field of digital consumer behavior.

4.1   Introduction to the Framework

This section presents the theoretical underpinnings of the empirical study, emphasizing influencer marketing's impact on consumer behavior during authentic communications. Central to the framework are the concepts of source credibility, message credibility, and the dynamic nature of information credibility within the social media landscape, with a specific focus on Instagram as the controlled medium of the study. Furthermore, the moderating role of ad recognition is discussed as part of the contributions.

In this research, Instagram is employed as a stable and controlled medium that facilitates the examination of credibility and consumer behavior. The distinct characteristics of Instagram, which include the visual-centric content, open network structure, and its significant role as an influencer marketing platform, establish an ideal setting for this study. The credibility of the platform is relatively high with the content regulation policy in place, as well as a track record of content accuracy, this provides a reliable element for the analysis.

For this study, information credibility plays a pivotal role, as it includes the commonly used variables source credibility and message credibility in measuring consumer behavior concerning influencer marketing. Source credibility remains a central concept, involving attributes; expertise, trustworthiness, and homophily. In the context of influencer marketing on Instagram, these factors can significantly affect how consumers perceive, discern, and engage with influencer content. The visual and interactive nature of Instagram also impacts consumer perceptions of source credibility through peripheral cues

Message credibility focuses on the perceived authenticity and impartiality present in the communication during a persuasion episode by influencers on Instagram. The unique features of the platform, such as the use of visual images, videos, and stories, can have an impact on messages that are designed and perceived to engage or divert attention away from the central pathway presented by the ELM.

Finally, ad recognition can play a crucial role in this context, as it has the potential to moderate consumer perception of information credibility. Previous research has highlighted the benefits of high ad recognition when combined with authentic communication and contradictory results when content is seen as overly promotional. A thorough exploration of how moderating effects of ad recognition impact consumer perceptions is crucial to this study.

4.1.1 Instagram

Instagram stands as a testament to the power visual content can have in social media, offering a platform for users to share glimpses of their personal lives through images and videos that narrate their stories. With its mobile-centric design, Instagram has rapidly grown to two billion monthly active users in 2023, highlighting its expansive reach (Statista A, 2023) The platform promotes fostering connections through shared visual experience, enabling users the ability to engage with familiar faces as well as global interest (Meikle, 2016).

Instagram is predominantly frequented by young adults and its user demographics reflect a trend towards visually dominant social interaction. The platform relies on an open network structure, which doesn't necessitate mutual connectivity requirements, and it has paved the way for new forms of celebrity and influencer status, exemplified by the rise of community champions or "instafamous" personalities and micro-influencers. (Marwick, 2015).

In recent years, Instagram has emerged as a popular marketing platform for companies looking to regain power from the consumers, due to the fall in effectiveness of traditional marketing strategies. (Lou & Yuan, 2016) The unbalanced power dynamics inherent in social media and Instagram specifically have provided opportunities for companies to reach specific audiences through social media influencers. (Marwick, 2015)

The platforms' high engagement rate with users, in general, leans in to give power to influencers as well, presenting a lucrative opportunity for businesses to effectively reach their audience segments through influencers. (Tuten, 2020). Overall, Instagram's distinctive features and its place in the heart of social media marketing have cemented its status as a highly effective tool for influencer-based marketing campaigns.

4.2 Theoretical Contributions

This section lays the theoretical groundwork for the research, highlighting influencer marketing's impact on consumer behavior through the integrated lens of the Persuasion Knowledge Model (PKM) and the Elaboration Likelihood Model (ELM). These models provide a comprehensive understanding of how consumers process persuasive communications on social media, particularly within Instagram's ecosystem.

The PKM conceptualized by Friestad & Wright (1994), is key to understanding how the consumer discerns persuasive attempts using their knowledge of persuasion when faced with marketing tactics. This understanding is deepened by employing the ELM, which explains

the processes, where consumers engage and discern the message thoroughly, versus when they rely on the credibility of the influencer and visual cues to base their decisions on. (Petty & Cacioppo, 1986) The focus on the combination allows the research to account for the varying degrees of consumer involvement and motivation when processing information while accounting for their persuasion knowledge activation.

The coexistence of these theoretical frameworks provides a more nuanced way to assess how consumers interact with influencer marketing. It considers the dual pathways of persuasion in detail, one that scrutinizes the message content's strength in the light of confirmed persuasion knowledge activation, and another one that responds mainly to the peripheral cues present in the communication, such as the credibility of the influencer and the role of visuals on a post. The synthesis allows for a more detailed examination of the interplay between source credibility, message credibility, and the authenticity of communication.

Drawing on Li & Suh's (2015) examination of information credibility in the social media context, the study expands to consider the roles of medium credibility, source credibility, and message credibility in shaping consumer perception and behavior on Instagram. This approach recognizes the visual and interactive nature of Instagram and how it influences the perceptions of credibility in both the influencer and the presented message.

Finally, as the premise set for the activation of persuasion knowledge necessitates that consumers are aware of the commercial intent, ad recognition also possesses a key role in this examination, focusing on the moderating effect of discerning and evaluating authentic communication in influencer marketing efforts. Understanding the role of ad recognition is critical, as it can either enhance the message's perceived credibility or diminish it based on perceptions of the message. (Evans et al., 2016)

4.2.1 The Framework

Figure 3 provides a visual framework for the dynamic interplay between authentic communication, influencer credibility, and message as well as the moderate variable ad recognition. This representation as a diagram underscores the pivotal role of authentic communication and its role in shaping consumer behavior towards the influencer and the message, through the lens of paths posited by the ELM, and the persuasion episode explored in the PKM, which also necessitates ad recognition for the activation of persuasion knowledge, and thus ad recognition is used as the moderating variable to understand its effect

in alongside authentic communication. By employing the empirical method of A/B testing, the model gauges the impact of these components on consumer perceptions of the influencer and the messages
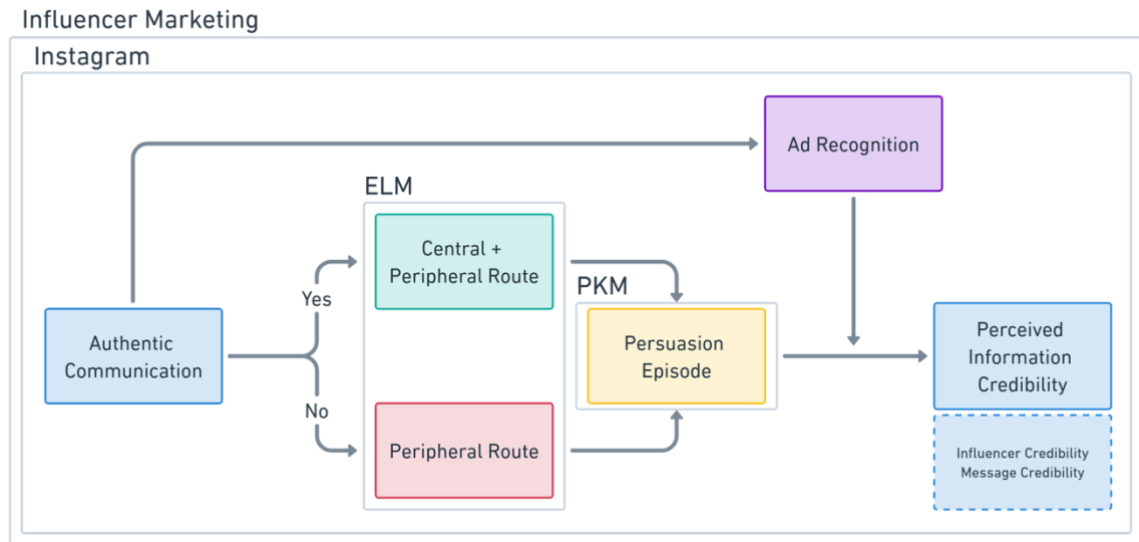
Figure 3: Theoretical Framework Visualized

At the core of this conceptual model is the symbiosis between source credibility, rooted in the influencer's attributes, such as expertise, trustworthiness, and homophily, and message credibility, focusing on the perceived authenticity and impartiality of the content. At their intersection is the combination of these variables, termed "information credibility" a multifaceted construct derived from the theoretical underpinnings of Li & Suh (2015). This study enriches the existing literature on information credibility by exploring it in the context of authentic communication, thereby building the understanding of information credibility.

Ad recognition has emerged as the main moderator in this framework, surpassing the role of transparency and including the perception of ad recognition in the equation. Ad recognition can critically shape how consumers discern and engage with advertising, influencing their credibility attributed to the message and its source. This research delves into the effects of ad recognition as the moderating variable, exploring the moderating effect it can have on consumer behavior.

The theoretical underpinnings behind the framework are grounded in the literature on the Persuasion Knowledge Model (PKM) and Elaboration Likelihood Model (ELM), which have been synthesized to benefit from both of the theoretical contributions of these persuasion-focused models. In the framework, consumers are aligned with the dual pathways

provided by the ELM, where authentic communication leads to the activation of both central and peripheral routes and nonauthentic communication surpasses the activation of the deeper engagements posited by the central pathway. Both pathways lead to the persuasion episode introduced by the PKM, which provides insight into how consumers discern and counteract persuasive attempts. This integration allows for a nuanced understanding of the effects of the persuasive communication process in influencer marketing, where the two groups follow different pathways to the point in the persuasion episode.

In conclusion, this theoretical framework offers a visual presentation of the foundational elements present in this study, offering a sophisticated lens for examining influencer marketing on Instagram. The framework highlights the role of authentic communication in shaping source and message credibility, as the ad recognition in shaping consumer perceptions through the theoretical underpinnings of ELM's central and peripheral routes and exploring the results of the persuasion episode introduced by the PKM.

4.3 Hypotheses

This section builds upon the presented theoretical framework and delineates the hypotheses used in this study, each grounded in the theoretical constructs discussed in the theory chapters of this study as well as the empirical insights from the existing body of literature. These hypotheses have been crafted to be specific, measurable, achievable, and relevant to the study, testing specific aspects of consumer behavior in the digital environment of Instagram. They are employed as the crucial link between the theoretical underpinnings and the practical examination of the impact authentic communication has on consumer behavior.

The hypotheses, presented in Figure 4, rationalized and constructed from prior literature, create a conceptual model that serves as the foundation for the study. The first two hypotheses concentrate on the role of authenticity in perceived information credibility through perceptions of source credibility and message credibility respectively. The third hypothesis focuses on how authentic communication changes ad recognition in consumers, and the fourth hypotheses focus on the potential moderating role of ad recognition on the formation of influencer credibility.
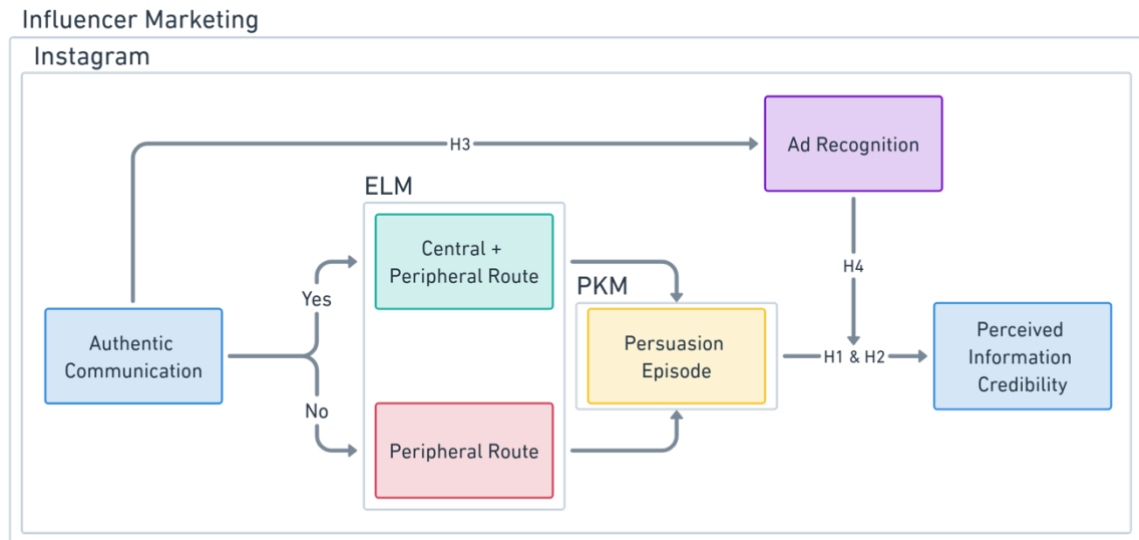
Figure 4: Hypothesis in the Theoretical Framework

Hypothesis 1: *Consumers are more likely to exhibit positive perceptions toward influencers who engage in authentic communication*

Grounded on the Persuasion Knowledge Model (PKM), this hypothesis proposes that the authenticity of influencer communications – a multidimensional construct including genuineness and authenticity – bolsters source credibility. Metzger & Flanagin (2013) and Moulard, Garrity, & Rice (2015) emphasize authenticity's role in consumer trust. This hypothesis operationalizes authenticity in the context of influencer marketing and its correlation with consumer trust and attitude.

Hypothesis 2: *Authentic communication enhances perceived message credibility during influencer marketing.*

The presence and prominence of the brand in ad disclosure enhance the credibility of the message. This enhancement is theorized to activate the central route of persuasion, when the brand is recognized, leading to a deeper cognitive engagement, as well as through the peripheral route, where visual aesthetics can influence attitudes without extensive cognitive processing. (Erdem & Swait, 2004; Petty & Cacioppo, 1986)

Hypothesis 3: *The absence of authenticity and explicit visual elements in influencer communication leads to reduced ad recognition, impacting consumers' ability to identify commercial intent.*

The absence of authenticity and brand prominence may impair ad recognition in consumers, affecting the advertisement's correct identification of consumers. This hypothesis is based on Boerman et al. (2017), who demonstrated that explicit visual presence of cues in ads is crucial for correct recognition. This hypothesis implicates the peripheral route of the ELM, where the absence of such cues is not sufficient and leads to less critical processing of the message as well as the activation of persuasion knowledge. (Friestad & Wright, 1994; Petty & Cacioppo, 1986)

Hypothesis 4a: Recognition of commercial intent coupled with authentic communication leads to increased message and influencer credibility.

Hypothesis 4b: Recognition of commercial intent coupled with non-authentic communication leads to increased message and influencer credibility.

The recognition of commercial intent, as moderated by ad recognition, has a dual-purpose impact on the perceived influencer and message credibility. Specifically, a higher authenticity in ad disclosure in communication tends to increase perceived credibility (Hollebeek & Macky, 2016) contrary, when low authenticity is detected the perceived credibility is expected. (Evans et al., 2016) This effect is pronounced among consumers with limited recognition of the commercial intent due to reduced activation of persuasion knowledge, through the lack of central pathway engagement. (Friestad & Wright, 1994; Petty & Cacioppo, 1986

Each hypothesis is a logical extension of the prior theoretical framework presented, and the validation of each hypothesis will contribute to the nuanced understanding of influencer marketing dynamics. This set of hypotheses will direct the following data collection and analysis methods, ensuring that the research is empirically grounded and contributes meaningful insight into the digital marketing landscape.

5. RESEARCH DESIGN & METHODOLOGY

Section 5 will detail the research design and methodology adopting a quantitative approach, elaborating on the methods of data collection, types of data sources, analytical tools employed, and the interpretation of results. The methodological choices, alongside reasoning, will be discussed to ensure their alignment with research objectives. This section will conclude by addressing measures implemented to ensure the reliability and validity of the data for this research.

5.1 Research Design

At the heart of the study's empirical examination is an experimental design that employs A/B testing of an actual Instagram advertisement, where the influencer with an athletic profile endorses a Gatorade hydration drink to present a high congruence between the brand and the influencer in theory. The decision to use a real advertisement, coupled with an influencer known for achievements is intended to enhance the validity of the study, by aligning the two with the message. Such influencers often have a dedicated follower base with shared interests, which could lead to a more genuine engagement experience and reliable data for consumer perceptions.

In the experimental setup, the control group will be shown a post with standard levels of authenticity that has been originally posted on Instagram, following the authentic communication standards set in this study (Appendix I). This serves as the baseline, against which the perceptions towards the alternative version will be measured. The experimental group will engage with the variation of the advertisement that has been modified to disregard authentic communication through hiding features of affiliation transparency and visual cues. These modifications aim to assess the direct impact on consumer perception. (Appendix II)

The experimental design was selected and crafted to examine the effects of authentic communication on consumer perceptions, during persuasion episodes on influencers' content on Instagram – a platform selected for its robustness in consumer behavior analysis. Adhering to the classical design principles, clearly defined independent and dependent variables, and an established control group enable a clear analysis of the causality chosen,

as supported by Saunders, Lewis & Thornhill, 2016; Maxfield & Babbie, 2014; Heikkilä, 2014)

The independent variable, authentic communication, was selected to capture the aspects of influencer communication and sponsorship transparency. The dependent variables are the perceived attributes of influencer credibility (expertise, trustworthiness, & Homophily) and several attributes commonly used to measure message credibility. Ad recognition serves as the moderating variable, posited to influence the relationship between authentic communication and the perceived credibility of both the influencer and their message further.

The research employs a 7-point Likert scale to induce comprehensive insights from participants' attitudes, capitalizing on the nuanced ability to capture detailed opinions of the Likert scale. While there is a recognized tendency for respondents to prefer the middle, or neutral, options – a phenomenon known as central tendency bias (Chomeya, 2010) – strategies have been implemented to mitigate this effect. More specifically, the scale attribute options have been randomized to help limit the potential influence on participants' responses, thus enhancing the integrity of the data collected for each attribute.

The advantage of using a Likert scale, with its tendency to capture subtle variations in opinions, generally outweighs concerns regarding possible biases. (Bertram, 2007; Dawes, 2008) The adaptability of the scale is particularly applicable in the context of the research, which requires discerning the participants' perceptions along a continuity of agreement and disagreement.

Data collection is conducted through an online survey, a method that aligns seamlessly with the digital context of the study and allows for easy access to a broad demographic. (Kohavi & Longbotham 2016; Heikkilä, 2014; Saunders et al., 2016) This digital approach assists in the data-gathering process and ensures consistency across responses. Furthermore, the incorporation of A/B testing is critical in distinguishing levels of engagement relative to variations in authentic communication, adhering to the benchmarks for social media engagement analysis. (Xu, Chen, Fernanzed, Sinno, & Bhasin, 2015).

5.2 Data Collection Methods

The participant pool was deliberately concentrated on university students, a group recognized for their active engagement with social media and their influence on contemporary digital marketing trends. The survey employed progressive disclosure techniques, which helped ensure the sustained participant focus and compliance with the demographic criteria for the study, thus enhancing both the relevance and representativeness of the data gathered.

The strategy for collecting survey participants leveraged university forums on Facebook, effectively targeting the specific demographic already active on social media. Participants were required to consent to an informed consent form before taking the survey. This form clarified the objectives of the study without giving away information about the goals of the research, guaranteed the anonymity of respondents' data, and explained the intended use of the data, thus upholding the ethical standards of academic research.

After providing consent, the participants completed the survey, which was open for responses for two weeks, a timeframe determined to balance the participation opportunity with the research schedule. A total of 145 complete responses, useful for the study were collected, with the survey's voluntary nature and non-intrusive outreach expected to mitigate the potential for self-selection bias.

The survey, constructed using the Qualtrics Survey Software, was presented in Finnish (Appendix III) aligning with the primary native language of the target audience. It predominantly utilized the 7-point Likert scale for attitude assessment, complemented by a semantic differential 7-point scale for certain queries. Avoiding the bias in participant responses towards any specific response trends, the survey's focal point was not disclosed during the period it was open. Additionally, the absence of a participation incentive helped protect the integrity of the study, ensuring an impartial collection of data.

5.3 Data Analysis Techniques

This section discusses the deployed sed data analysis techniques used in this study, detailing the statistical techniques and their reasoning, data handling procedures, and software tools applied throughout the analysis phase. The objective is to transparently outline how the collected data is methodically processed, scrutinized, and interpreted to extract significant insights that align with the theoretical constructs of the study and allow the following studies

to reiterate the study if needed. The findings from all the statistical tests are interpreted against a predetermined significance threshold, conventionally set at $p < 0.05$ to confirm the statistical validity of the results.

While the initial plan for the analysis method included t-tests for the individual attributes analysis for comparing group means, the preliminary evaluations using the Shapiro-Wilk test indicated a non-normal distribution of the Likert scale responses. Given the ordinal nature of the data and its distribution, the study's analytical approach has been adapted to include the Mann-Whitney U test for the individual attributes. This non-parametric test allows for the comparison of ranks between two independent groups, providing a robust alternative to the T-test, where the assumption of normality is not met.

To address the problem of multiple comparisons and control the false discovery rate often present in large variable studies, the Benjamini-Hochberg correction test will be applied post hoc to all p-values obtained from the Mann-Whitney U tests. This step is crucial in maintaining the integrity of the study's findings and is reflective of the rigid approach to empirical research.

In addition to the Mann-Whitney U test and the Benjamini-Hochberg correction test, the Point-Biserial correlation analysis is a crucial part of the data analysis process. These statistical measures assess the strength and the direction of the relationship between dichotomous and continuous variables used in this study. This analysis helps evaluate the effect sizes and associations between specific variables of interest found in the Mann-Whitney U tests.

Following the creation of the summation scales, the Shapiro-Wilks test confirmed a normal distribution for the influencer attributes of expertise, trustworthiness, and homophily. This allows for the use of T-tests to compare mean scores between control and experimental groups as part of hypothesis 1. For the message credibility scale, which did not show a normal distribution, alternative Mann-Whitney U tests will be required.

With the established summation scales of expertise, trustworthiness, and homophily, the study is well-positioned to utilize linear regression models to explore the effects of advertisement recognition on these scales. The regression analysis will enable the determination of whether the influence of ad recognition changes the impact of authentic communication on influencer credibility.

The study leverages R Studio for all statistical computation, capitalizing on its advanced capabilities to manage extensive datasets and perform various statistical tests accurately. The process begins with the transfer of survey data from Qualtrics to a CSV file, followed by importation into R Studio. Subsequently, data cleansing is undertaken to identify and rectify any discrepancies or missing entries, ensuring the reliability and readiness of the dataset.

In summary, this section delineates the comprehensive data analysis techniques designed to validate the empirical findings and support the broader goal of elucidating consumer behavior in the influencer marketing landscape. The introduction of the Mann-Whitney U test, T-tests, and linear regression models marks a significant methodological approach to the study conclusions through the use of Likert-scale data.

5.4   Data Validity and Reliability

The section articulates the measures undertaken to ascertain the validity and reliability of the data, which are fundamental to the accuracy of the study results. These measures are carefully aligned with the theoretical foundations embedded within the theoretical framework and the underpinnings of the Persuasion Knowledge Model (PKM) and the Elaboration Likelihood Model (ELM), as well as the empirical rigor necessary for evaluating the postulated hypotheses.

The validity of the study is scrutinized through multiple dimensions. Construct validity is addressed to ensure the metrics of the survey effectively reflect the intended theoretical construct. Internal validity is upheld by the methodical design of the study, which attributes any observer effects to the experimental manipulations being tested, instead of external factors. External validity is also considered to ascertain the degree to which these findings are generalizable beyond the specific context of the study.

In the research, summation scales are utilized to combine responses into pre-determined variables, expertise, trustworthiness, and homophily based on the study by Xiao et al. (2018), who studied factors affecting information credibility differently from many other studies that investigated source and message credibility as a general construct. They divided the variable into multiple subcategories, such as expertise, trustworthiness, likability, and homophily for source credibility and argument quality for message credibility. The original study was conducted on YouTube and some adjustments have been made to the original variables to better fit this study on Instagram.

To further quantitatively evaluate the reliability for each of the summation scales a factor analysis, which identifies whether items cluster as hypothesized, and a Cronbach's Alpha is used to measure the scale reliability, indicating internal consistency. High values of Cronbach's alpha suggest reliability, but lower values may prompt a reassessment of the scale through further factor analysis.

5.4.1 Factor Analysis

This chapter discusses the results of the factor analysis for influencer and message credibility across the independent variable groups control and experimental. The analysis aimed to elucidate the dimensions of credibility ascribed to influencers and their messages, crucial for understanding the impact of influencer marketing. The results for influencer credibility are delineated in Tables 1 and 2, and message credibility is presented in Tables 3 and 4. The questionnaire and the creation of summation scales can be found in Appendix III

Control Group 1 (Table 1): The factor analysis revealed that the three-factor structure aligns reasonably well with the established dimensions of influencer credibility. Factors are in numerical order following the dimensions of influencer credibility, 1: expertise, 2: trustworthiness, and 3: homophily. Generally, acceptable factor loadings with a range of 0.81 – 0.57 were found for all items, indicating a relatively strong association within the set of items to each construct. The communalities suggest that a considerable proportion of each item's variance is captured in these factors, ensuring that these concepts have explanatory power. The internal consistency is also confirmed through satisfactory Cronbach's Alpha values: 0.74 for Expertise, 0.72 for Trustworthiness, and 0.75 for Homophily, which indicates reliable measures.

Table 1: Factor Analysis Influencer Credibility in the Control Group

Item	Factor 1	Factor 2	Factor 3	Communalities	MSA
Knowledgeable	0.81			0.66	0.64
An Expert	0.67			0.45	0.69
Unprofessional	0.63			0.74	0.71
Dishonest		0.76		0.66	0.64
Sincere		0.71		0.45	0.65
Reputational		0.57		0.4	0.73
Friendly			0.71	0.51	0.69
Approachable			0.68	0.46	0.71
Relatable			0.75	0.56	0.68
Cronbach's Alpha	**0.74**	**0.72**	**0.75**		

Experimental Group (Table 2): The factor loadings in the experimental group are relatively consistent with the results from the control group, reinforcing the stability of the crafter credibility dimensions under different authenticity conditions. A notable variance in "Reputational" reflects the experimental conditions' influences potential on the perception of this attribute. The Cronbach's Alpha scores for Expertise (0.64), Trustworthiness (0.68), and Homophily (0.67), though slightly lower for each variable than in the control group, remain within an acceptable range, validating the reliability of the constructs.

Table 2: Factor Analysis Influencer Credibility in the Experimental Group

Item	Factor 1	Factor 2	Factor 3	Communalities	MSA
Knowledgeable	0.55			0.3	0.66
An Expert	0.72			0.52	0.61
Unprofessional	0.56			0.31	0.66
Dishonest		0.82		0.67	0.56
Sincere		0.78		0.6	0.56
Reputational		0.37		0.14	0.8
Friendly			0.56		0.67
Approachable			0.79		0.61
Relatable			0.57		0.66
Cronbach's Alpha	**0.64**	**0.68**	**0.67**		

Control Group (Table 3): Initially (Factor 4, Communalities & MSA), the model's fit was deemed acceptable. However, the item "Persuasive" exhibited low factor loading and inadequate MSA, which indicated a weak association with the construct of message credibility. Therefore, the analysis was refined during the process, and upon its removal, the mode's coherence was significantly improved, underscored by the improvements in the Cronbach's Alpha score and enhanced stability in the remaining factor loadings (Factor 4*, Communalities*, and MSA*) This indicated that the item "Persuasive" did not synergize with the other pre-selected factors within this context.

Table 3: Factor Analysis Message Credibility in the Control Group

Item	Factor 4	Factor 4*	Com…	Com…*	MSA	MSA *
Honest	0.71	0.71	0.51	0.5	0.83	0.83
Credible	0.70	0.72	0.42	0.52	0.78	0.87
Convincing	0.75	0.74	0.60	0.55	0.76	0.76
Unbiased	0.54	0.54	0.26	0.29	0.89	0.88
Accurate	0.82	0.81	0.69	0.65	0.83	0.81
Appealing	0.67	0.68	0.42	0.46	0.79	0.79
Persuasive	0.18	**DELETED**	0.08	**DELETED**	0.45	**DELETED**
Cronbach's Alpha	0.82	0.85				

Experimental Group (Table 4): The factor analysis for the experimental group underwent a similar refinement process. The removal of "Persuasive" led to the increase in Cronbach's Alpha, suggesting enhanced scale precision and reliability in the Experimental group as well. The post-removal analysis mirrored the results of the control group by indicating a more coherent factor structure, confirming the decision to remove "Persuasive" from the scale.

Table 4: Factor Analysis Message Credibility in the Experimental Group

Item	Factor 4	Factor 4*	Com…	Com…*	MSA	MSA *
Honest	0.60	0.60	0.5	0.36	0.69	0.65
Credible	0.66	0.65	E-C	0.43	0.80	0.72
Convincing	0.48	0.47	0.36	0.22	0.78	0.84
Unbiased	0.63	0.64	0.43	0..41	0.76	0.76
Accurate	0.69	0.69	0.23	0.47	0.80	0.76
Appealing	0.77	0.76	0.40	0.58	0.64	0.80
Persuasive	0.08	**DELETED**	0.48	**DELETED**	0.41	**DELETED**
Cronbach's Alpha	0.76	0.8				

The refined results from the analysis of the factors for both influencer and message credibility across control and experimental groups highlight the importance of factor selection and scale validation when constructing credible measures from previous studies. The observed changes in both experimental groups highlight the potential impact of experimental manipulations on perceived credibility factors, which builds a great premise for this study.

In conclusion, the factor analysis conducted provides a good understanding of the dimensions of influencer and message credibility in influencer marketing on Instagram. The adjustments made to the scales have resulted in more robust and reliable measures, enhancing the validity of the study's conclusions and further interpretations.

5.4.2 Cronbach's Alpha

Table 5 presents the Cronbach's Alpha coefficients for each construct created with factorial analysis for both control and experimental groups, which measure the internal consistency and reliability of the summation scales used in the study.

Table 5: Cronbach's Alpha Values

Cronbach's Alpha:	Control	Experiment
Expertise	0.74	0.64
Trustworthiness	0.72	0.68
Homophily	0.75	0.67
Message Credibility	0.85	0.80

The constructs of Expertise, Trustworthiness, and Homophily consist of three items each, reflected in Cronbach's Alpha values that are generally above the commonly accepted threshold of 0.7 for acceptable reliability. The smaller number of items used in each summation scale could limit the alpha coefficients' upper bounds due to the fewer inter-item correlations present. This could explain the experimental group expertise scale (0.64), where the alpha is close to the marginal acceptability threshold of 0.6. The message credibility scale, which consists of 6 items, shows greater internal consistency in both control and experimental groups.

The variance in alpha values between the control and experimental groups underscores the potential impact of the experimental manipulations of authentic communication present in this study. These differences necessitate careful consideration for the interpretation of the study outcomes, as they may well reflect the influence of authenticity or the moderating effects of ad recognition introduced by the experimental design.

In conclusion, the chapter delineates the strict protocols employed to ensure the validity and reliability of the research and the following findings. The careful analysis of the summation scale items and their influence on Cronbach's Alpha provides essential insights into the internal consistency of the measures. Adhering to these methodological standards facilitates credible and reliable insights into the intricacies of influencer marketing and consumer behavior dynamics.

6. RESULTS AND ANALYSIS

This chapter delves deeper into the empirical findings from the study, systematically exploring the posed research questions and the crafted hypotheses within the context of influencer marketing on Instagram. The focus of the study is twofold: Understanding how the authentic communication of influencers affects consumers' perceptions of credibility and ascertaining the role of authenticity in ensuring ad recognition, and the following changes in perceptions of credibility. Employing A/B testing in the approach, the research can dissect the interplay of authentic communication and the complex changes in perception and ad recognition, offering insights into consumer behavior in the digital environment.

The chapter is divided into several structured sections, logically discerning the collected data through the exploration of descriptive statistics to gather an overview of the data, followed by the subsequent in-depth analytical approach to the data through the posited hypotheses and finally discussing the initial findings provided by the exploration and analysis. The core of the chapter is dedicated to finding the answers to the following hypotheses.

Hypothesis 1: Consumers are more likely to exhibit positive perceptions toward influencers who engage in authentic communication

Hypothesis 2: Authentic communication enhances perceived message credibility during influencer marketing.

Hypothesis 3: The absence of authenticity and explicit visual elements in influencer communication leads to reduced ad recognition, impacting consumers' ability to identify commercial intent.

Hypothesis 4a: Recognition of commercial intent coupled with authentic communication leads to increased message and influencer credibility.

Hypothesis 4b: Recognition of commercial intent coupled with non-authentic communication leads to increased message and influencer credibility.

6.1 Descriptive Statistics

The descriptive statistics provide a foundational understanding of the study's participants' demographics. With a total of 145 respondents, the data reveals a substantial representation of female individuals, particularly within the younger age demographic of 18-24 years. This demographic distribution consists of the broader trend of higher social media engagement in younger individuals.

Participants were randomly assigned to either the control group (N = 66) or the experimental group (N = 79). Important to note that during the course of the study, some participants did not fully complete the questionnaire, and as a result, their responses were excluded from the final analysis explaining the discrepancy in the sizes. Any significant differences between the groups will be highlighted in the study.

The age groups and gender distributions are visualized in Figure 5, underscoring the predominant participation of female respondents in the youngest age group. The youngest age group also significantly outnumbers the other two categories. In the age group of 25-2 years, the number of female respondents again slightly surpasses that of male respondents. For the last age group, 30+, participation drops substantially, which is expected of the university population.
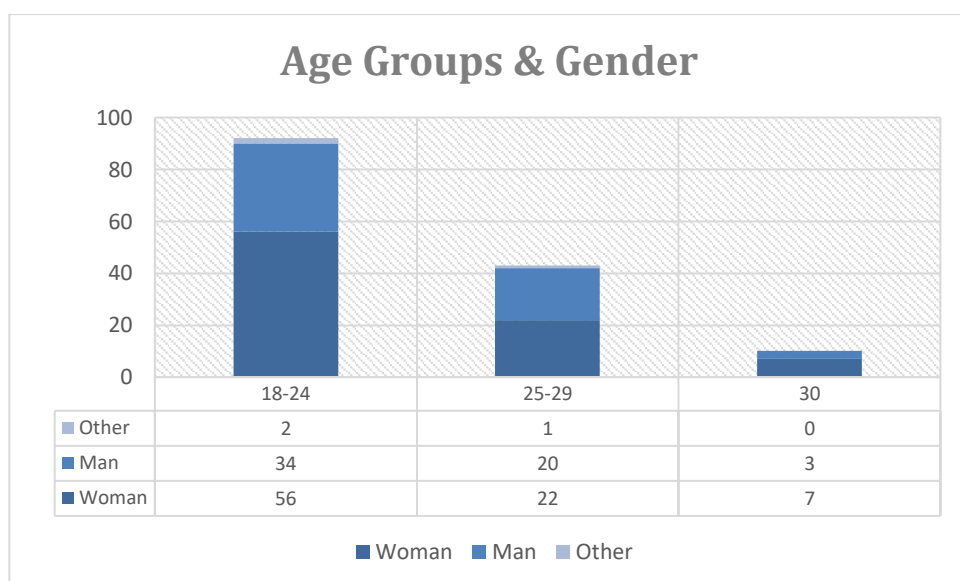

Age Groups & Gender	18-24	25-29	30
Other	2	1	0
Man	34	20	3
Woman	56	22	7

Figure 5 Gender and Age Distribution of Respondents

Building on the demographic profile of the participants, an examination of their academic progression provides additional depth for the understanding and generalizability of the results. The data reflects a broad spectrum of academic stages among the participants. The largest group consists of those beyond their fourth year, logically as it consists of a potentially larger pool, totaling 41 respondents. This is followed by a nicely distributed group of 29 in their fourth year, 28 in their third, 25 in their second, and 22 in their first year as university students.

Figure 6 details this distribution and indicates a relatively well-balanced representation across the different stages of university life, lending a degree of the university to the perspectives and experiences captured by the survey. This balance is essential for ensuring that the insights from the study are not overly skewed and that the respondesnts' study experience does not interfere with the results, providing a more generalized understanding of the research questions at hand.

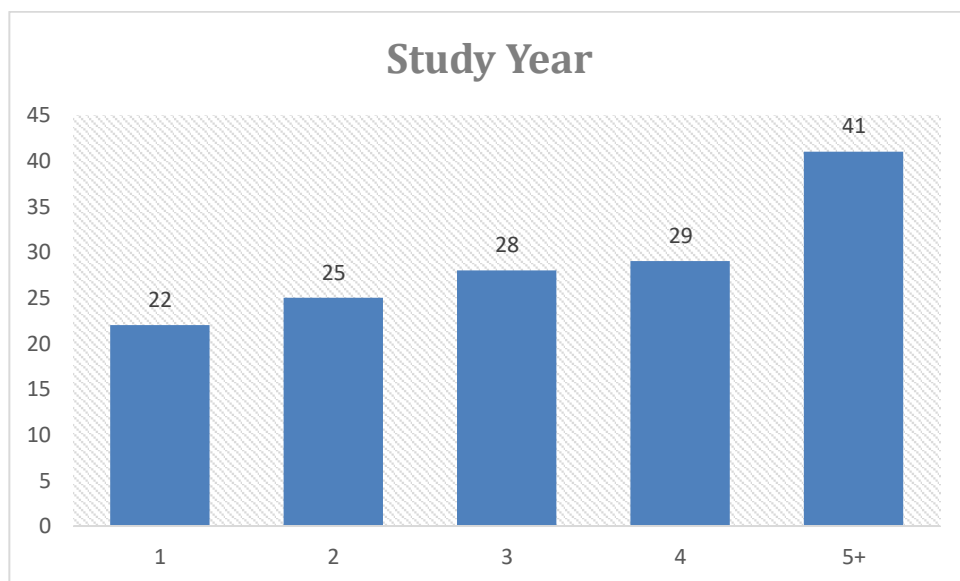*Figure 6: Study Year*

Figure 7 below, unfolds a compelling narrative about the respondent's Instagram usage patterns. It shows a distinctive level of previous experience with the platform and highlights that the results from this study provide information on well-experienced uses of the Instagram platform and that the results do not provide insights into non-experienced users of the platform.

A substantial portion of the participants, 112 individuals, report having used Instagram for a period that extends beyond 6 years. This level of long-term engagement with the platform surpasses the combined total of the other groups. The second significant group is with user experience ranging between 4-5 years with 32 participants, and those with less than 4 years of previous experience equals only a single user. Significantly, the data indicates a complete absence of respondents with less than 2 years of Instagram experience, hinting at a potentially lower engagement rate among new users or a deliberate choice to not use the platform. Notably, the query did have an exit clause for people not using Instagram, which could help explain this gap.

The analysis of activity levels reveals that there might be correlation between the experience of Instagram usage and the frequency of engagement with the platform. Those with a longer history of usage tend to engage with the platform multiple times per day, which is the case for both groups in the dataset, which is logical as both groups have long history (+4 years) of Instagram use. This trend of high frequency of engagement among experience used of the platform suggests a potential influence on their perceptions and engagements with influencers, and ad recognition, given their extended exposure to Instagram's evolving content landscape.
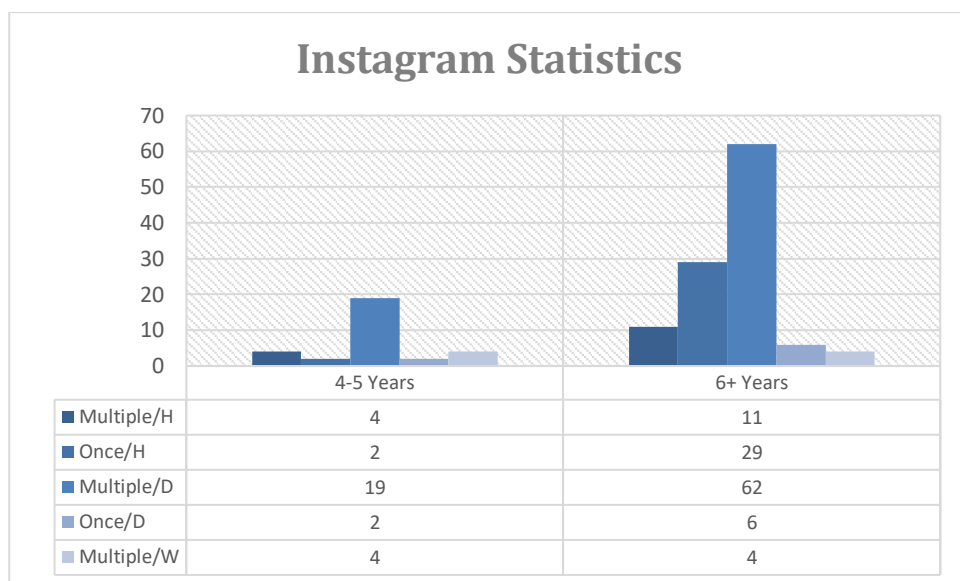

Instagram Statistics

	4-5 Years	6+ Years
Multiple/H	4	11
Once/H	2	29
Multiple/D	19	62
Once/D	2	6
Multiple/W	4	4

Figure 7. Instagram Experience in years & Activity

The clarify the notations used in this graph, the notation "Multiple/H" is designated for users who access Instagram multiple times per hour, "Once/H" corresponds to those who use the platform approximately once per hour. The term "Multiple/D" is used for users who log into Instagram several times throughout the day "Once/D" represents individuals who report using Instagram once per day, while "Multiple/W" applies to those who engage with Instagram multiple times per week. **The study's dataset included a single response, once per week, as well as a single individual with 2-3 years of experience. These have been omitted from the visual graph for easier readability.**

Moreover, the relationship between the respondents and the influencer used in this study presents interesting information. A total of 49 individuals recognized the endorsed influencer, which correlates to approximately 34% of the sample size, conversely, a significant 96 individuals (66%) reported that they did not recognize the influencer. This observation resonates with the nature of micro-influencers, who often have a more niche but potentially more engaged audience. Due to the low levels of recognition, confirming congruence between the influencer and brand is not feasible in this study.

Overall, the descriptive statistics underscore a significant engagement with Instagram among the respondents. This engagement reflects the experience and depth of user engagement with the platform, which is likely to affect their responsiveness to authentic communication. However, this does provide a robust backdrop for exploring the effectiveness of influencer marketing strategies, and more importantly the role of authenticity in experienced users, where ad recognition is most likely high.

6.1.1 Preliminary Analysis

The preliminary analysis encapsulated in Table 2 delineates the descriptive statistics for the relevant variables of the study that focus on consumer perceptions of influencer and message credibility, as well as perceived ad recognition. This table synthesizes data from the sample comprised of 145 respondents, offering a statistical overview that reflects the assessment of the dimensions. These metrics, including minimum, median, mean, max, standard deviation, and variance, provide a foundational understanding of the key attributes explored in this study. The attribute retracted from the summation scale for message has been highlighted in red.

Table 6 Variables used in the study and their descriptive statistics

Attribute	Min	Median	Mean	Max	Std Dev	Variance
Relevance - Message	1	4	4,289	7	1,532	2,346
Relevance - Source	1	4	3,938	7	1,334	1,781
Source - Knowledgeable	2	4	4,490	7	1,015	1,029
Source – An Expert	2	5	4,910	7	1,111	1,235
Source – (Unprofessional)	2	5	5,179	7	1,103	1,212
Source – (Dishonest)	1	5	4,717	7	1,217	1,482
Source – Sincere	1	4	4,290	7	1,236	1,527
Source – Reputational	2	5	4,738	7	0,993	0,986
Source – Friendly	2	4	4,352	7	1,038	1,077
Source – Approachable	2	4	4,131	7	1,107	1,226
Source – Relatable	2	4	4,02	7	1,152	1,326
Message – Honest	2	4	4,186	7	1,434	2,055
Message – Credible	1	5	4,248	7	1,530	2,341
Message - Convincing	2	4	4,166	7	1,328	1,764
Message – Unbiased	2	4	3,910	7	1,333	1,777
Message - Accurate	2	4	4,345	7	1,396	1,950
Message – Appealing	1	4	4,345	7	1,249	1,561
Message - Persuasive	1	5	4,924	7	1,477	2,182
Ad – Payment	2	7	6,214	7	1,107	1,225
Ad – Visual	1	6	5,738	7	1,141	1,302

The utilization of the 7-point Likert scale for all variables presented in the table ensures that the width of respondents' perceptions from least to most credible is captured. The table reveals that respondents have engaged with the full spectrum of scales, as evidenced by the ranges of minimum and maximum, which reach the maximum for each variable, and the minimum for around half the variables. This range indicates that the respondents felt comfortable using the entire scale to express their opinions and creates a good antecedent for finding nuances from the dataset.

In assessing the central tendency of the responses, the mean values are predominantly above the midpoints of 4, with only the "Unbiased" mean falling under the midpoint, suggesting an overall positive inclination toward the credibility of the source and messages used in this study. The median values, which are rigid, due to the limitations of the Likert scale, align closely with the means scores, further reinforcing the symmetry of the data distribution, indicating that for more variables, a consensus might be forming around a central point.

However, the narrative becomes more nuanced when considering that this preliminary analysis includes both control and experimental group respondents, leading to a relatively high standard deviation and variance for a Likert scale study. The variation in these values across different attributes indicates that there is diversity in agreement among participants, which could be explained by the differences brought forward by the experimental design. A closer exploration of the summation scales will provide more information about the responses in the dataset.

6.1.2 Summation Scale Analysis

The visual exploration of the creates summation scales, presented in Graph 8 through the histograms showcases the collective impact of the Likert-scale items on consumer perceptions of message, expertise, trustworthiness, and homophily. By summing the individual attributes into a scale for each dimension, the analysis facilitates a more robust exploration of these constructs in influencer marketing. The visualization of the variable also allows for easy comparison between the control and experimental groups on the overall score that represents these created constructs.
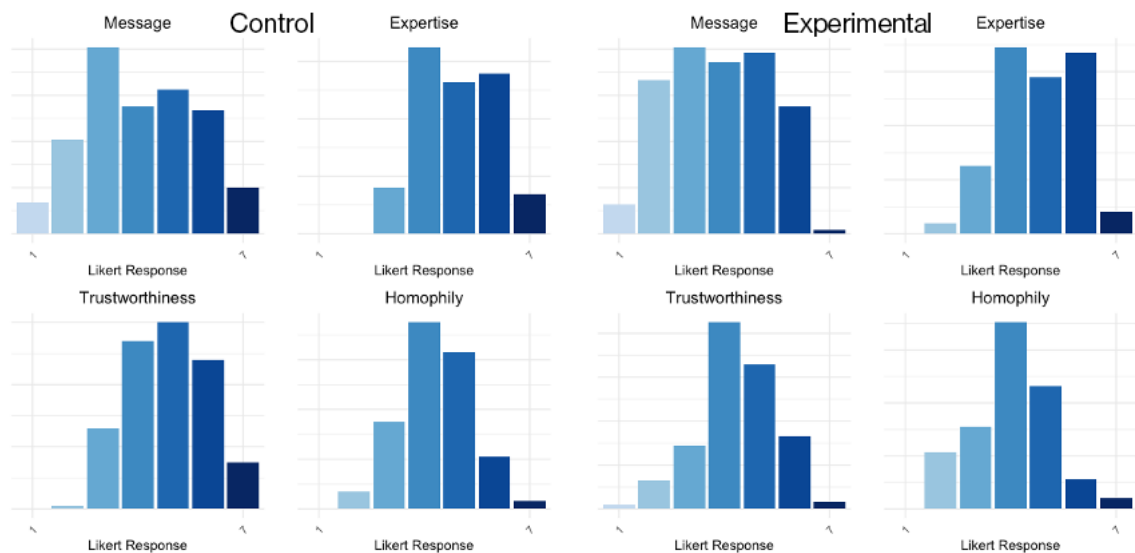
Figure 8: Visual Exploration of the Summation Scales Through Bar Graphs

The visual symmetry of the bar charts indicates that patterns consistent with normal distribution are present. The central tendencies typical of Likert-scale data are present in the bar graphs, explaining the lack of statistical confirmation of normality in these datasets. However, this symmetry suggests that parametric statistical methods, such as the t-test, could be appropriate for comparing mean scores between the control and experimental groups.

6.1.3   Selected Key Findings

A noteworthy observation is the relatively high mean scores for the negatively worded variables that have been inverted In Table 6: "Dishonest" and "Unprofessional". The high mean scores may imply that the respondents are more prone to viewing the influencer in a more favorable light, shying away from attributing negative traits. It could also posit that the young participants aren't fully confident in using the Likert scale when it comes to perceptions that assign negative attributes to the influencer.

The preliminary analysis of ad recognition offers a snapshot of how respondents recognize advertisements in general. With high mean scores for "Payment" (6.214) and "Visual" (5.738), the data suggests that both control and experimental groups were able to identify ad disclosure well. Despite the smaller control group (N=66) versus the experimental group (N=79) with less authentic communication, the experience highlighted in Figure 7, could explain the particularly high ad recognition in these two variables

Despite the high averages across the board, the presence of some variability indicates that there are differences in individual perceptions. This diversity, captured by the standard deviation, hints at some variance in ad recognition and perceptions of authenticity among the respondents. Inferential statistics will be leveraged to explore these differences further, testing the significance of authenticity on consumer perceptions. The subsequent analysis will also provide insights into the potential moderating role of ad recognition.

In conclusion, the statistical properties presented in Table 6 articulate a story discerning the perceived credibility according to the source and the message by the participants. The data reflects a generally positive assessment of source credibility, with certain attributes such as the expertise and professionalism standing out. Simultaneously, the data on message credibility, hints that the participants could have higher critical expectations on objectivity, suggesting a discerning and possibly skeptical audience.

6.2   Results of Statistical Tests

Upon initial examination of the dataset, it became evident that there are significant deviations from normality present in the individual attributes. This observation holds particular significance given the nature of the data, contributed by the Likert-scale responses – a common methodology employed in exploring perceptions and attitudes in influencer marketing studies. The Shapiro-Wilk test, utilized to assess the normality of the distributions

yielded p-values above the 0.05 threshold for all individual variables, indicating non-normal distributions.

Confronted with the non-normality of the data and the constraints it places on the parametric testing, this study pivoted towards the Mann-Whitney U test as an appropriate alternative for the individual attributes. This non-parametric test, ignoring the necessity for normal distribution, compares the medians of the two groups, control and experimental, by analyzing the ranks of the data rather than their raw scores. Such an approach is apt for exploring ordinal data obtained from the Likert scale, as it neutralizes the effects of outliers and non-standard distribution shapes, such as central bias.

The application of the Mann-Whitney U test in this context is designed to evaluate whether differences in the central tendencies of the two independent groups – representing alteration in authentic communication – exhibit statistical significance. The results, expressed through the U statistic and p-values, will be interpreted to infer the influence of authentic influencer communication on consumer trust and attitudes. This methodological adjustment ensures that the inferences drawn are not undermined by the non-normal nature of the data, fortifying the analytical validity.

6.2.1   First Hypothesis Testing

The application of the Mann-Whitney U test for the source variable "Relevance" was used to confirm the efficacy of the A/B manipulation within the experimental design. The test yielded a p-value of 0.4093, which exceeds the conventional alpha level of 0.05, confirming the stability of this control variable, and indicating no significant influence from the experimental conditions. The confirms the robustness of the experimental design, allowing for any observed differences in the forthcoming dependent variable analysis to be confidently attributed to the intentional variation in authentic communication by the A/B test.

The initial findings for Hypothesis 1, which posits that consumers are more exhibit positive perceptions towards influencers engaging in authentic communication, are summarized in Table 3. This table presents the "W" statistics and p-values for each attribute.

Before adjusting for multiple comparisons, the attributes "Knowledgeable" (p=0.031), "Sincere" (p=0.001), "Reputational" (p=0.007), "Approachable" (p=0.016), demonstrate statistically significant differences between the control and experimental groups.

Conversely, the Attributes "An Expert" "Unprofessional", "Dishonest, "Friendly" and "Relatable" exhibit p-values greater than 0.05, indicating no statistically significant differences in median scores between the control and experimental groups for these attributes.

Following the application of the Benjamini-Hochberg correction, the attributes "Sincere" (corrected p-value=0.009), "Reputational" (corrected p-value=0.0315), and "Approachable" (corrected p-value=0.048) retained their statistical significance. These findings reinforce the hypothesis that attributes associated with the authenticity of communication robustly differ between groups, beyond what would be expected by chance. However, "Knowledgeable", although significant initially, does not retain its significance post-correction, with a corrected p-value of 0.070, suggesting a marginal effect.

Table 7: Mann-Whitney U Test results - Hypothesis 1

Attribute	W	p-value	Corrected p-value
Knowledgeable	3135	**0.031 ***	(0.070)
An Expert	2548	0.775	
Unprofessional	2706.5	0.716	
Dishonest	2989	0.129	
Sincere	3417.5	**0.001 ***	**0.009 ***
Reputational	3265.5	**0.007 ***	**0.0315 ***
Friendly	2832.5	0.361	
Approachable	3201	**0.016 ***	**0.048 ***
Relatable	2911	0.231	

Furthermore, the effect sizes were explored through point-biserial correlations, as presented in Table 6. These correlations provide insights into the direction and strength of relationships between the attributes and consumer perceptions. Notable, each statistically significant attribute exhibits negative effect sizes, indicating a negative relationship between consumer perceptions and influencers not engaging in authentic communication.

The explorations uncovered a range of negative effect sizes for Sincere (-0.305), Reputational (-0.247), and Approachable (-0.223). These effect sizes underscore the presence of a significant impact. Notably for the variable "Sincere", which exhibited moderate effect size, indicating the notable influence on consumer perceptions. The other two attributes are displayed within the typical range of small effects. These findings elucidate the varying degrees of influence the perception of these attributes exerts on influencer credibility.

Table 8: Point-Biserial Correlation - Hypothesis 1

Attribute	Effect Size (r)	Direction of Effect
Sincere	-0.305	Negative
Reputational	-0.247	Negative
Approachable	-0.223	Negative

To gain a more comprehensive perspective, the summate scores introduced in Table 3 and their normalization confirmed visually in Graph 8 were calculated using T-tests. These summation scales summarized in Table 8, include Expertise (p=0.1767), which is not statistically significant (p>0.05) This suggests that there is no significant difference in perceived expertise between the two groups. However, for the variables Trustworthiness (p=6.89e-06), and Homophily (p=6.983e-03), there is a statistically significant higher mean score in the control groups. Trustworthiness specifically boasts a relatively large T-value (4.560) indicating a robust difference between the two groups. The T-value for Homophily is also significant at 2.710, meaning the control group scored higher in perceived homophily when the authenticity is high

Table 9: Summation Scale T-test Results Hypothesis 1

Variable	Mean (Control)	Mean (Experimental)	T-value	Df	p-value
Expertise	4.936	4.792	1.353	429.825	0.1767
Trustworthiness	4.848	4.346	4.560	424.545	6.891e-06
Homophily	4.319	4.035	2.710	432.916	6.983e-03

The analysis suggests that Hypothesis 1 is supported by certain variables, presented in Table 8. The significant results for "Sincere", "Reputational" and Approachable" provide a clear indication that authentic communication by influencers is likely to exhibit positive perceptions in consumers.

Furthermore, the summates scales for trustworthiness and homophily are likely to be perceived more positively by consumers during authentic communication. This is consistent with the significant findings for the individual variables sincere, reputational, and approachable, reinforcing the overall hypothesis. Conversely, expertise, while showing positive direction, does not reach statistical significance, suggesting that this attribute alone may not have a strong differential impact, which could be explained by the limited recognition and thus limited knowledge of the expertise of the influencer.

In conclusion, these findings suggest that while not all aspects of perceived influencer attributes are statistically significant between the control and experimental, the authenticity of communication is strongly present in trustworthiness and homophily, supporting the Hypothesis 1.

6.2.2   Second Hypothesis Testing

The application of the Mann-Whitney U test on message credibility aimed to evaluate consumer perceptions when authentic communication is present or absent. Notably, the control variable exhibited a p-value of 0.466, surpassing the previously set alpha threshold of 0.05. This outcome indicates that the control conditions remained unaffected by the experimental variations, thus increasing confidence in the analysis of the individual variables.

Table 10 outlines the Mann-Whitney U test results for attributes associated with message credibility. The standard test for $p < 0.05$, indicated that all the attributes such as "Honest, "Convincing", and "Unbiased" did not exhibit significant differences between control and experimental groups. The validity of the attributes used in the study are not as rigorous and tested as the variables presented for influencer credibility.

Table 10: Mann-Whitney U Test Results - Hypothesis 2

Attribute	W	p-value
Honest	2982	0.141
Convincing	3034.5	0.092
Unbiased	2732.5	0.643
Accurate	2835.5	0.380
Appealing	3084	0.058
Persuasive	2994	0.124
Credible	2634.5	0.948

The absence of statistically significant findings suggests that in this context, no further research is necessitated to explore the hypothesized attributes of message credibility. The outcomes indicate that the examined attributes did not exhibit differential effects between the groups.

For the summation scale created for Message credibility, the results conclude that there is a statistically significant difference between the control and experimental groups, with the control group having a higher mean score with statistical significance (p= 0.0021). The significance of the results presented in Table 9, confirms that there is a noticeable change in

consumer perceptions of message credibility during authentic communication when the variable persuasive is omitted. This finding is particularly important as the individual attributes alone did not present statistical significance.

Table 11: Summation Scale T-test Results Hypothesis 1

Variable	Mean (Control)	Mean (Experimental)	T-value	Df	p-value
Message	4.080	3.842	2.312	827.76	0.0021

In the light of corrected p-values, the evidence does not lend support to the second hypothesis for individual variables, which postulated that authenticity in marketing communication could enhance message credibility. However, when measured as the summation scale of message credibility there is a significant result. The support for Hypothesis 2 isn't unambiguous, as there is a discrepancy between the results. This could be due to the limited sample size, where the individual results lack statistical power due to the low number of participants (n=145) especially for the group's control (n=66) and experimental (n=79).

6.2.3   Third Hypothesis Testing

The third hypothesis focused on assessing the role of authentic communication in perceived ad recognition, specifically examining whether visual elements explicitly have measurable impacts on audience perceptions.

For the attribute that measures general ad recognition "Payment", a Mann-Whitney U test was conducted, comparing responses between the control and experimental groups. The analysis revealed a W statistic of 3524.5 and an exceptionally significant p-value of 8.029e-05, indicating a substantial and statistically significant difference between the two groups for perceived ad recognition.

For the more specific inquiry when investigating the "Visual" elements of advertising content, the W statistic was 3091.5, with a p-value of 0.050, hovering near the conventional threshold of statistical significance. This suggests that visual elements explicitly, can have an enhancing effect on perceived ad recognition between the groups, although the evidence is not strong enough to assert a significant effect definitely without further scrutiny with $p > 0.05$ set as standard.

To provide a more comprehensive view, the summation scale for advertising referred to as "Ad score", encompasses both the generalist approach and the visual effects, for a broader

range of advertising effectiveness measures. The analysis revealed a W statistic of 3454, and a p-value of 0.00007, indicating a significant difference between the groups. This was expected, as the "Payment" category was so statistically significant.

Table 11 presents the effect sizes for the ad variables and the summation scale. These effect sizes are indicative of moderate relationships for "Payment" and "Ad scale" and a small effect size for the "Visual" variable. The effect sizes suggest that changes in authenticity have a notable, higher ad recognition perception in the authentic control group. Thus, supporting the hypothesis that authenticity does indeed influence audience perceptions of ad recognition Interestingly, the "visual" variable bordering on statistical significance has a smaller effect size, indicating a relatively weaker relationship between these explicit elements and audience perception.

Table 12: Point-Biserial Correlation - Hypothesis 2

Attribute	Effect Size (r)	Direction of Effect
Ad - Payment	-0.346	Negative
Ad - Visual	-0.181	Negative
Ad Score	-0.319	Negative

In summary, the results support the third hypothesis based on the data for "Payment" and "Ad scale". The significant p-values and the negative moderate effect sizes underscore that the employed authenticity has a notable impact on audience perceptions, affirming the hypothesis that authenticity in advertising leads to higher recognition of commercial intent.

6.2.4   Fourth Hypothesis Testing

In this section, a deeper examination of the fourth Hypothesis, which explores the moderating effects of ad recognition and the various summation scale measures presented in Tables 1-4. The scales for expertise, trustworthiness, homophily, and message credibility are measures. The central objective is to discern whether ad recognition plays a significant role in influencing these variables.

To assess the hypothesis, a regression analysis was conducted, treating ad recognition as the potential moderated within the control and experimental groups. The results of this analysis are presented in Tables 13 and 14, for control and experimental groups respectively. These tables detail the coefficients, standard errors, and p-values for each variable's relationship with the summation scale measure of ad recognition.

In the control group, the positive coefficients for expertise and trustworthiness, and homophily, indicate a directionally expected positive relationship with ad recognition. However, none of these variables reaches a level of statistical significance, as indicated by their p-values. (Expertise = 0.224; Trustworthiness P=0.265; Homophily 0.106) or the message credibility the coefficient is relatively strong at 2.416 and the p-value is close to the threshold of significance at 0.071. This suggests that ad recognition might have a stronger positive impact on message credibility during authentic communication. With a larger sample size or slightly stronger effects, this could become statistically significant.

Table 13: Mediating Effects of Ad Recognition for the Control Group

Dependent Variable	Coefficient (AD)	Std. Error (AD)	p-value (AD)
Expertise	0.224	0.182	0.224
Trustworthiness	0.217	0.193	0.265
Homophily	0.106	0.176	0.550
Message Credibility	2.416	1.316	0.071

For the experimental group, the analysis reveals a negative coefficient for each of the influencer credibility variables concerning perceived ad recognition. This suggests an inverse relationship between ad recognition and the dependent variables measures. Nevertheless, similar to the control group, none of the coefficients achieved statistical significance (Expertise p=0.669; Trustworthiness p=0.763; Homophily p=0.480). Similarly to the control group, the p-value is relatively close to the threshold of significance further implying that perceived ad recognition has a stronger effect on message credibility

Table 14: Mediating Effects of Ad Recognition for the Experimental Group

Dependent Variable	Coefficient (AD)	Std. Error (AD)	p-value (AD)
Expertise	-0.027	0.062	0.669
Trustworthiness	-0.021	0.068	0.763
Homophily	- 0.050	0.071	0.480
Message Credibility	-0.421	0.234	0.078

The results indicate that while the direction of the relationships for most variables aligned with the hypothesized expectations the absence of statistical significance suggests that Ad recognition may not robustly moderate the perceptions of influencer attributes in the context of Instagram advertising. These findings hold across both control and experimental conditions, despite differing levels of brand visibility.

Previous tests, including T-tests, had identified Trustworthiness, Homophily, and Message credibility as significant. This was mirrored when incorporating the summation scale of ad recognition, where they showed a trend towards significance. This disparity in significance across different tests suggests that the role of Ad recognition is complex and may be influenced by the specific attributes of the ad itself, rather than being a straightforward moderator.

Considering the high baseline of Instagram experience among participants and the generally elevated Ad recognition, the ceiling effect may have diluted the potential moderating impact of Ad recognition. Participants' familiarity with the platform and advertising content could mean that variations in Ad recognition do not substantially alter their perceptions of influencer credibility and message credibility.

In conclusion, the fourth hypothesis testing did not provide evidence to support the moderating role of Ad recognition in the context of brand visibility and influencer marketing on Instagram for either hypothesis 4a or 4b. These findings contribute to the nuanced understanding of consumer perceptions of digital advertising, highlighting the necessity for further research to unravel the complexities of Ad recognition and its interplay with other variables in influencing user perceptions

6.3   Initial Interpretation of Results

The results have yielded some significant insights, particularly regarding the relationship between authentic communication and perceived influencer credibility. The data supporting Hypothesis 1 indicates that authentic communication significantly bolsters perceived trustworthiness and credibility among consumers. This could be attributed to the value placed on genuineness in social media interactions, which tends to foster a sense of reliability and integrity associated with the influencer's content.

Regarding Hypothesis 2, the absence of significant findings for independent attributes and the contradictory statistical significance of the summation scale message credibility calls into question the assumed influence of message credibility attributes. This lack of impact from conventional expectations suggests that consumers may prioritize other aspects of influencer content over the studied credibility attributes, or that the sample size is too small for the individual variables to offer statistical significance. The summation scale that

combines the responses allowed for better analysis which was showcased by the statistically significant summation scale.

The findings from Hypothesis 3 demonstrate the significance of authenticity in advertising when it comes to ad recognition as evidenced by the substantial results for "Payment" and "Ad scale". These elements seem to play a crucial role in consumer in consumer perceptions of ad recognition, with moderate effect sizes indicating a notable impact. "Payment" is the role of authenticity in ad recognition among consumers, highlighting that authentic communication has a larger role than explicit visual elements when it comes to ad recognition.

In contrast, the exploration of Hypothesis 4 has presented a complex scenario. Although ad recognition was posited to be a moderating factor between brand visibility and perceived credibility, the anticipated influence was not strongly supported by the data. The prevalence of Instagram experience among the study's participants, coupled with generally high ad recognition, suggests the presence of a ceiling effect. This phenomenon may imply that the sample's proficiency with the platform has reached a saturation point, making them less susceptible to variations in ad recognition and its subsequent impact on their perception of credibility.

6.4 Limitations of the Analysis

The sample's demographic skew toward younger female individuals, particularly those aged 18–24, introduces a degree of bias that could affect the generalizability of the conclusions drawn. This demographic concentration means that the results may not entirely encapsulate the broader Instagram user base, particularly the older age brackets, where participation was markedly lower.

Further compounding this issue is the high level of Instagram experience among participants. While beneficial for understanding engaged users' behaviors and perceptions, this attribute may lead to a ceiling effect. Such an effect poses the risk of limiting the range of observed responses, especially in the context of ad recognition, and may diminish the study's capacity to detect more subtle variances in less experienced users' perceptions.

The operationalization of construct via self-reported Likert scales also presents challenges. The subjective nature of these scales can sometimes obscure the depth and nuance of individual perceptions, making it difficult to ascertain the true sentiments and reactions of

respondents with precision. Additionally, some areas of the study lacked significant findings, which could be attributed to the limited statistical power. This becomes evident when analyzing data within the groups of control (n=66) and experimental (n=79). A sample size larger than that of the current study (n=145) could potentially reveal more subtle effects and trends that were not detected here.

Efforts were made to account for adjusting the variables used in this study based on previous literature, but from the results of specific message credibility, the possibility remains that unmeasured factors could have swayed the results. The impact of such variables on the outcomes cannot be discounted and serves as a reminder of the complexities inherent in social media marketing research.

Within the realm of influencer recognition, the fact that many participants did not recognize the influencer in question may suggest that the results pertain more to a general perception of influencers rather than to the specific individuals endorsed. The congruence between the brand and influencer could not be confirmed for this study. This raises questions about the transferability of the findings to scenarios involving influencers with different levels of recognition and audience connection.

Lastly, the variability in standard deviations and variances across different measured variables suggests that responses were not uniform across the board. High mean scores for negatively worded variables that were inverted could potentially indicate a response bias or the effect of the wording itself on the responses, which could color the findings related to influencer and message credibility.

In light of these limitations, the interpretations of the results must be approached with judgment. While the study offers valuable insights into the dynamics of influencer marketing, the outlined constraints underscore the need for a measured understanding of the data. The nuances and complexities revealed through this research pave the way for a deeper dive into the multifaceted world of influencer marketing and the factors that shape consumer perceptions within this digital ecosystem.

6.5 Preliminary Conclusion

This chapter synthesizes the empirical insights drawn from the analysis of the data, drawing preliminary conclusions about the results of authentic communication on consumer perceptions of influencers and messages. The examination in the study has offered pivotal insights into the realm of influencer marketing, focusing on authentic communication and explicit visual elements.

Authenticity as a Credibility Enhancer: Supporting Hypothesis 1, the findings reveal that authenticity in influencer communication significantly enhances perceived influencer credibility. This underscores the pivotal role of genuine engagement in social media dynamics. Authenticity, characterized by sincerity and transparency in the influencer's content, emerges as a crucial determinant of credibility, potentially leading to a more favorable evaluation by consumers.

Rethinking Message Credibility Impact: The results of Hypothesis 2 suggest that while authentic communication was anticipated to affect message credibility, their impact was not as pronounced as expected. This observation promotes a re-evaluation of the attributes contributing to message credibility and indicates that factors beyond the studied attributes, such as the context of the message and the congruence with the influencer's perceived values, may be more influential in shaping consumer perceptions.

Transparency in Spotlight: Findings for Hypothesis 3 emphasize the value consumers place on transparency in advertising. "Payment" and "Ad Scale" scores illustrate that transparent communication regarding brand endorsements significantly correlates with the perceived credibility of the advertisements and, by extension, the influencer.

Dissecting the Role of Ad Recognition: Addressing Hypothesis 4, the analysis does not provide robust evidence to suggest a moderating effect of ad recognition on the influence of brand visibility on credibility assessments. The prevalent expertise among the participants with Instagram may have created a ceiling effect, indicating that their familiarity with advertising content lessens the impact of ad recognition on their credibility evaluations.

Demographic Concentration and Methodology: The study's demographic leanings toward younger females and the predominant use of Likert scales for self-reporting pose considerations for generalizability and data interpretation. These factors necessitate a cautious approach in projecting the results to wider audiences

Limitation in Scope: It is essential to note that while the study explores the relationship between authentic communication and credibility evaluations, it does not extend to consumer behaviors or outcomes such as purchase intention. The focus remains on the cognitive evaluations of influencers and messages rather than behavioral actions.

In light of these focused insights, the study contributes to the nuanced understanding of influencer marketing by establishing the link between authentic communication and subsequent credibility perceptions. While authenticity has been identified as a key factor in enhancing influencer credibility, the implications for message credibility require a broader context consideration. The complexities unraveled in this exploration pave the way for future research to delve deeper into the factors influencing consumer perceptions.

7. INTERPRETATION AND DISCUSSION OF RESULTS

This chapter delves deeper into a detailed discussion of the results obtained from the inferential statistical analysis. The aim is to bridge the gap between the theoretical implications and the empirical findings providing a structured interpretation of the results that aligns with the research questions posed at the beginning of this study. The following sections are designed to summarize key findings, compare them with the existing literature, and explore the practical and theoretical contributions to the field of consumer behavior and influencer marketing brought forward by this study.

7.1 Summary of Findings

The empirical investigation focused on the roles of influencers and message credibility in the context of authentic communication. The statistical analysis provided several significant insights, particularly contributing to the theory based on the role of influencer credibility in creating authenticity and thus shaping consumer trust and credibility perceptions. Notably, the authentic communication used by influencers emerged as a crucial factor, fostering trust and bolstering the perceived credibility of influencers among consumers. This discovery underscores the essence of authenticity as an integral component of influencer marketing strategy, resonating well with the previous theoretical contributions of social media marketing, where genuineness is highly valued. (Hollebeek & Macky, 2019)

Contrastingly, a lack of substantial findings for message credibility individual attributes may suggest that consumers do not uniformly prioritize these specific attributes, or that message credibility is a more complex topic that requires summation scales to provide statistical significance. It could be that message credibility needs to be dissected into smaller scales similar to the influencer credibility division into expertise, trustworthiness, and homophily instead of individual attributes. It could also mean that the congruence of the influencer of audience-specific characteristics plays a significant role in the interpretation of terminology. The terminology of the study has been translated from the original text and the individual names do share similar meanings in Finnish, which could help explain this phenomenon.

The role of authenticity in guiding transparency was highlighted by the findings related to ad recognition. Specifically, the question related to the potential earnings from the post was highly significant. The role of visibility barely failed at $p = 0.05$, but the combined effect measured as "Ad Scale" was significant and it had a moderate effect size indicating a

tangible influence. These elements of transparency were recognized by the audience and the respondents generally had high levels of ad recognition.

However, the anticipated moderating effect of ad recognition on the relationship between authentic communication and perceived information did not manifest in the dataset. Based on the high ad recognition present in the dataset posits that there could potentially be a ceiling effect at play. This is also supported by the high baseline of Instagram experience as well as activity among the participants. Therefore, the sample's familiarity with the platform may be such that additional ad recognition does not significantly alter their perception of influencer or message credibility.

In conclusion, while certain hypotheses received empirical support, others exposed the intricacies underlying influencer marketing elements and consumer perceptions. The complex nature of these relationships calls for a deeper exploration to unravel all the underlying conditions at play, which may be achieved through further qualitative research and a reevaluation of the construct used to measure credibility and ad recognition.

7.2 Discussion

The research questions introduced in the introduction chapter are at the heart of this study and they delve into the intricate dynamics of influencer marketing and the complex interplay between authenticity, influencer credibility, and message credibility, and ad the empirical results offer a sophisticated analysis of these elements providing a foundation for addressing the research questions and drawing informed conclusions.

RQ2: *How does authentic communication affect perceived Influencer credibility?*

The study indicates a statistically significant impact of authentic communication on several key attributes of influencer credibility. Using the Mann-Whitney test the independent attributes such as "Sincere", "Reputational", and "Approachable" have statistically significant differences between the control and experimental groups, which signifies that authentic communication positively influences these perceptions.

Furthermore, the summation scale for trustworthiness (p=6.891e-06) and homophily (p=6.983e-03), also exhibit significant differences, suggesting that authentic communication by influencers correlates with an overall increase in perceived trustworthiness and credibility. The presence of negative effect sizes for all these attributes, as indicated by point-

biserial correlations, further supports the idea that the absence of authentic communication hurts consumer trust and attitudes toward influencers.

In summary, the data strongly supports the notion that authentic communication in influencer marketing substantially shapes consumer perceptions of the influencer's attributes, particularly in terms of sincerity, reputability, and approachability. Thus, **Research Question 2** can be answered affirmatively, with the extent of the impact of authentic communication being significant and measurable through the variables tested in the study. This aligns well with the previous research by Metzger & Flanagin, (2013) and Moulard et al., (2015) who both emphasize the role of authenticity in consumer perceptions. Interestingly the research by Artz & Tybout (1999) that suggests that message credibility could increase influencer credibility could also explain some of the results in high influencer credibility, while perceived message credibility is also high.

RQ3: How does authentic communication affect perceived message credibility?

Based on the data provided from the second hypothesis testing, the influence of authentic communication on the perceived credibility of the message appears to be inconclusive. The application of the Mann-Whitney U test indicated that the attributes associated with message credibility did not show significant differences between the control and experimental groups.

Based on the outcomes of the hypothesis testing that focused on the summated scale of message credibility, a different narrative was present. The T-test between the groups yielded a p-value of 0.0021 for the scale indicating a significant statistical difference, with the control group exhibiting a higher mean score. These significant results suggest that the combined effect of the attributes is surprisingly altered by authentic communication. Because the recognition of the influencer was relatively low, the congruence between the brand and the influencer could not be confirmed. Therefore, the findings of this study posit that authentic communication can have a positive effect on consumer perceptions of the message when the consumers are not familiar with the influencer.

Therefore, we must acknowledge that **Research Question 2** is partially supported for message credibility. The summation scale did provide statistically significant results, but the lack of independent variables does constitute further research into the independent variables, and if there are variables excluded from the study that could affect these results. This is

highlighted by the previous research focused on authenticity such as Hollebeek & Macky, (2016), and the increased requirements on authenticity by Lou & Yuan. (2018)

Applying the Theory of Reasoned Action provides a theoretical foundation for understanding the influence of influencer marketing and its effects on behavioral intentions. The data suggests that influencer credibility exerts a greater influence on experimental outcomes than message credibility. This aligns with the tenets of TRA, positing that influencers shape consumers potentially enhancing the efficacy of persuasive communication. (Fishbein & Ajzen, 1975).

RQ4: How does authentic communication affect ad recognition?

The data from the third hypothesis testing indicates a clear influence of certain advertising elements on audience perception of ad recognition. The attribute "Ad – Payment" measures the perception of commercial intent behind the influencer post revealing a statistically significant difference between the control and experimental groups with a W statistic of 3524.5 and a substantial p-value of 8.0239e-05. These findings suggest that the presence of authenticity in influence communication affects the audience's recognition of commercial intent., aligning with the current advertising norms and regulations that aim to ensure transparency in sponsored content.

Moreover, the Score measure of advertising effectiveness, "Ad Scale", which includes both payment and visual-related questions, also showed a significant difference with a W statistic of 3454 and a p-value of 0.0007. Furthermore, the effect sizes for "Ad–Payment" and "Ad Score" were -0.346 and -0.319, respectively, indicating a moderate negative relationship between these advertising elements and ad recognition.

However, the "Ad – Visual" attribute, while showing a trend towards significance with a p-value of 0.0501, did not achieve a statistically significant difference, indicating a more nuanced relationship between visual elements in advertising and ad recognition. Although not statistically significant, the effect size of -0.181 points to a potential impact that merits further investigation. In light of these findings, we can affirm that for **Research Question 3** authentic communication increases ad recognition in consumers. This impact is seen in the audience's recognition of the commercial intent, which aligns well with the authentic requirements for ad recognition and that the central pathway has a stronger effect than the peripherals (Lou & Yuan, 2018; Petty & Cacioppo, 1986) However, it barely misses out on

statistical significance to support Boerman et al., (2017), who demonstrated that explicit visual presence of cues is crucial for higher ad recognition.

RQ5: Does ad recognition have a moderating effect on the relationship between authentic communication and perceived information credibility?

The data provided from the fourth hypothesis testing indicates that ad recognition was considered a potential moderator between authentic communication and the influencer's attributes and the message attributes, respectively. However, when testing the moderating role of ad recognition between the attributes in control and experimental groups, the regression analysis did not yield statistically significant results for any of the variables when considering ad recognition as a moderator. For the control group, positive relationships were expected, and the coefficients for Expertise, Trustworthiness, homophily, and message credibility were indeed positive, but not statistically significant. For the experimental group, all coefficients were negative, yet again, non-reached statistical significance.

The message credulity is relatively close to the statistical significance (0.05) with both groups control (p=0.071) and experimental (p=0.078) suggesting a trend that with increased statistical power – potentially achieved through a larger sample size or enhanced effect size through better selection of individual variables – could help message credibility cross the threshold into significance for message credibility. The trend indicates that while the current study does not provide conclusive evidence of ad recognition's robust moderating role, there is a suggestion for an underlying effect on the perceived authenticity and credibility of the message.

Furthermore, the potential presence of a ceiling effect due to the high baseline of Instagram experience among participants and the generally elevated ad recognition could imply that participants' familiarity with advertising on the platform might overshadow any potential moderating effect ad recognition could have.

In conclusion, the data does not support hypotheses 4a or 4b that ad recognition has a moderating role on the perceived authenticity and credibility of influencer marketing messages or the influencers themselves in the context of authentic communication on Instagram. Therefore, we can conclude that for **Research Question 5** ad recognition does not have a moderating effect on influencer credibility or message credibility when it comes to experienced Instagram users with the necessary skills to properly discern lower levels of

authenticity. The results, although not statistically significant, mirror the previous research that has showcased that ad recognition with different authenticity can have positive effects (Hollebeek & Macky, 2016) or negative when the overtness doesn't feel authentic (Evans et al., 2016)

The comparison of these findings with existing literature reveals both congruence and divergence, with the study notably suggesting that changes in authentic communication affect perceptions of influencer credibility in both individual variables and the summation scale. For message credibility, the results are not as unambiguous. The results did not show statistical significance for the individual variables. However, the summation scale, did show a statistically significant result, and the exploration of the moderating effects of ad recognition had a more robust effect on message credibility, although not statistically significant.

In summary, the study's findings underscore the essential role of authentic communication when brands want to create robustness of influencer and message credibility. Based on the theoretical and empirical analysis the research clearly states that authentic communication has a positive effect on perceived information credibility, and we can state that the answer to **Research Question 1:** *How does authentic communication in influencer marketing affect perceived information credibility?* is that authentic communication is essential in invoking positive perceptions of information credibility for both measures of influencer credibility as well as message credibility.

The study of influencer marketing perceptions is a very intricate and multi-layered subject, where further research is warranted to explore the implications of these perceptions on the effectiveness of influencer marketing, particularly regarding the attribution of message strategy.

7.3   *Theoretical Contributions*

This study enriches the theoretical landscape of influencer marketing by highlighting the nuanced roles of authentic communication and explicit visual elements in shaping influencer and message credibility. The empirical findings reinforce the pivotal role of influencer authenticity, as theorized by the Persuasion Knowledge Model (PKM) and Elaboration Likelihood Model (ELM), in fostering trust and credibility among consumers.

The PKM framework is particularly instrumental in this context. It suggests that consumer's awareness of persuasive tactics can influence their perceptions of influencer credibility. The study's data confirms this and suggests that high ad recognition does not automatically lead to skepticism about the message's credibility, but rather it prompts a more critical evaluation of the message's credibility. This nuanced understanding of the PKM adds depth to the role of consumer persuasion knowledge in digital marketing environments.

In addition, the ELM offers a dual-route explanation for processing persuasive messages: central and peripheral. The study's findings indicate that even with high ad recognition, which is often associated with central processing, consumers do not discount the message's credibility if it aligns well with the influencer's content style. This highlights the ELM's applicability in digital contexts, where both the strength of the message and the peripheral cues (such as authenticity through explicit visual elements) can significantly affect consumer attitudes.

The study used the synthesizing of PKM and ELM theories providing a composite view of how authentic communication can be strategically leveraged to enhance credibility. By reflecting on these theoretical frameworks, the study contributes to a more comprehensive understanding of the dynamics of consumer perceptions in the digital landscape. This theoretical contribution is substantial, as it addresses a gap in existing literature regarding the impact of influencer authenticity and ad recognition in the context of authentic communication

In summary, this study not only verifies the significance of established theoretical models but also extends their application to the landscape of influencer marketing. It provides empirical evidence that enhances the theoretical understanding of how authenticity and transparency in influencer marketing can shape consumer evaluations of credibility within the digital landscape.

7.4 Managerial Implications

The theoretical and empirical findings of this study illuminate several key areas that marketers can use when executing influencer marketing as a strategy. These insights are translated into direct, actionable recommendations for marketers, aimed at optimizing influencer selection, communication authenticity decisions, and overall campaign effectiveness.

Marketers are advised to prioritize authenticity over overtness in communications as the cornerstone of any influencer marketing campaign. Marketers must ensure that sponsored content is clearly marked, utilizing straightforward and recognizable ad disclosures such as specific hashtags, or otherwise clearly indicating the brand within the marketing message. This level of authenticity not only aligns with regulatory guidelines but also fosters consumer trust through upfront acknowledgment of the commercial relationship between the influencer and the brand. Contrary to concerns, authenticity in advertising has not been shown to invite negative sentiment; instead, it fortifies the credibility of the influencer as a source as well as the overall perceptions of message credibility.

Finally, recognizing the dual routes of persuasion – central and peripheral – is fundamental. For audiences inclined toward the central route, marketers should focus on crafting content that encourages thoughtful engagement focusing on high authenticity in communications and offering depth and detail that invites consumers to evaluate the message critically. For those swayed by the peripheral route, the emphasis should be on the influencer's perceived attributes, leveraging the influencer's popularity to subtly influence attitudes, without neglecting authentic communication.

7.5   Limitations and Suggestions for Future Research

The current study has the pivotal role of authenticity in influencer marketing and more specifically consumer perceptions brought forward by the changes in communication authenticity, it is essential to address its limitations to refine the understanding of these dynamics and propose routes for future research. With a modest sample size (n=145), some study areas lacked significant findings, such as the individual attributes linked to message credibility, likely due to the limited statistical power in the sample size. Subsequent research should increase the sample size to enhance the power and potentially uncover more nuanced effects and trends.

The sample's skew towards younger female demographics, predominantly aged 18-24, may limit the generalizability of the findings to the younger users of Instagram. Future research should include a more representative demographic spread, including older age groups and a balanced gender mix, to ascertain whether the identified trends in influencer and message credibility perceptions hold across a broader user base.

The high level of Instagram experience among the participants has also limited the generalizability of the findings to the more active users of Instagram and potentially highlighted a ceiling effect on ad recognition, conceivably constricting the range of responses, especially concerning the moderating effects of ad recognition. Further studies could assign participants based on their social media usage levels to discern if and how varying degrees of platform familiarity affect credibility assessments and ad recognition differently.

Furthermore, addressing the challenges of measuring authenticity in organic settings through queries is a difficult task but imperative for measuring these effects in a natural format. Future experiments could seek to find Instagram posts with covert strategies to manipulate the creation of authentic posts from the covert version. Noteworthy, that finding Instagram posts with covert strategies might be difficult due to the recent changes in ad disclosure legislation. This inverted manipulation could provide interesting results.

Particularly, the proximity of the message credibility measure to the alpha levels of 0.05 denotes a potential effect that, while not statistically significant in this study, could prove to be very significant in explaining the moderating effects of ad recognition, illuminated with a larger sample size. The improvement of selection for individual variables used for the message credibility could also unfold interesting data about how consumer perceptions of variables help build the spider web of message credibility.

Finally, in optimal conditions, influencer marketing should be researched as a continuous engagement rather than singular or even multiple isolated occurrences. Singular victories in influencer campaigns do not guarantee repeated success. This is due to the evolutionary nature of consumer expectations and behavior; audiences adapt and modify their responses based on their experience. In theory, Influencer marketing research that focuses on singular events easily omits the negative long-term effects of covert marketing strategies and often ignores the long-term effects of the benefits gained from authentic communication that could lead to long-term benefits for the influencer and the brands.

7.6 Conclusion

Influencer marketing is a complex field where the credibility of influencers and their messages, along with communication authenticity have crucial roles. This research has explored these concepts and how they collectively influence consumer perceptions. The

research has provided a detailed cross-section of the complex nature of the contemporary digital landscape

The findings of this study underscore the central role of authenticity in influencer marketing, revealing their role in influencer communications and their subsequent effects on the perceived credibility of influencers and their messages. In the digital age, where consumers' voice is amplified and their ability to discern content is intensified, these insights prove invaluable for academics and practitioners alike.

Reflecting on the research journey, the study has illuminated the path to a more profound understanding of factors that shape consumer perceptions. It has expanded the application of the Persuasion Knowledge Model and the Elaboration Likelihood Model, enriching the theoretical dialogue on the strategic utilization of influencer marketing. Furthermore, the study's empirical findings offer a guide for marketing practices, emphasizing the importance of authenticity and sustained authenticity as key strategies to effectively engage with consumer attitudes and perceptions.

As the study concludes, it's important to remember that the research does not mark the end but rather a waypoint in the ongoing exploration of influencer marketing. This research has contributed vital pieces to a larger puzzle of digital consumer behavior, highlighting multiple interesting results and inviting future scholars to delve deeper into the unveiled complexities.

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APPENDICES

Appendix I: Control Group Visual

Appendix II: Experimental Group Visual

Question	Variable Type	Segment
1. **Sukupuoli?**	Category	Demographic
2. **Ikä?**	Category	Demographic
3. **Opiskeluvuosi?**	Category	Demographic
4. **Käytätkö Instagramia?**	Category	Demographic
5. **Kuinka kauan olet käyttänyt Instagramia?**	Category	Demographic
6. **Kuinka usein käytät Instagramia?**	Category	Demographic
A Picture of an Instagram post is shown (A/B)	A/B	Authentic Communication
7. **Kuvan julkaissut henkilö on mielestäni… (Random order)**		
a) Relevantti	Likert 7-scale	Control
b) Asiantunteva c) Asiantuntija d) Epäammattimainen	Likert 7-scale	Expert
e) Epäluotettava f) Vilpitön g) Maineikas	Likert 7-scale	Trustworthiness
h) Ystävällinen i) Lähestyttävät j) Samaistuttava	Likert 7-scale	Homophily
8. **Instagram julkaisu on mielestäni… (Random order)**		
a) Relevantti	Likert 7-scale	Control
b) Rehellinen c) Luotettava d) Vakuuttava e) Puolueeton f) Uskottava g) Suostutteleva h) Houkutteleva	Likert 7-scale	Message
i) **Kuvan julkaisijalle on maksettu kuvan julkaisemisesta**	Likert 7-scale	AD
j) **Julkaisussa on käytetty visuaalisia vihjeitä mainoksesta**	Likert 7-scale	Visual

Appendix III: Survey Instrument