

UDK 658.8

The Effect of Co-Created Advertisements in Comparison to Firm-Generated ads: the Moderating Role of Source Disclosure on Viewers' ad and Brand Evaluation

Marcel Weber

Independent researcher, 3CI Customer Co-Creation, Waalwijk, the Netherlands, marcelweber4@gmail.com

Julia Heinze

Amsterdam Business School, University of Amsterdam, the Netherlands

Received (15.02.2017.); Revised (08.06.2017.); Accepted (28.07.2017.)

Abstract

Companies realize more and more that the integration of the customer as source of innovation, i.e. customer co-creation, enables the achievement of unique competitive advantages along the value chain. A growing trend is the co-creation of advertisements, also referred to as consumer generated advertising (CGA). Even though the phenomenon started with consumers initiatively engaging in the creation and dissemination of brand related video content, firms soon recognized the value of actively soliciting consumer-generated ads. As this, however, refers to co-creating consumers in the first place, research was interested in how CGA is perceived by customers not involved in ad-creation. As prior studies yielded opposing results, thereby suggesting a moderating role of the ad itself, the present study extended the analysis of the effect of source disclosure on viewers' ad and brand evaluation using two different ads. Additionally, it responds to a call for more research by examining whether and how the differential timing of source disclosure is influential. Based on an online experiment with 191 international respondents, it was found that source disclosure increases ad evaluation in a significant, and brand evaluation in a not significant way. Regarding the timing; disclosure prior versus post exposure has a meaningful but not statistically significant effect. Disclosure post exposure consistently yields higher ad evaluation than conventional, firm-generated ads. However, the ad itself has a moderation effect, yielding differences in strength and direction of the effect.

Key words: Co-creation, Consumer-Generated Advertising, CGA, Brand Evaluation, Advertising, Ad Evaluation, Source Disclosure Timing

1. INTRODUCTION

The way companies compete in the marketplace is in evolution. Whereas conventional models of value creation had a company- and product-centric view, and clearly differentiated between production and consumption, contemporary models are more customer-centric, and production and consumption move closer together. There is a "paradigm shift from value creation for to value creation with customers" [28]. In order to be able to accurately respond to customers' ever more complex and fast changing needs, and to grow, survive and diversify in the dynamic global market, companies are opening up their value creation processes.

The customer is no longer seen as a passive agent but an active partner, a source of innovation and competence with whom firms interact to co-create value. To a large extent, this is enabled and realized by making use of new technologies and virtual collaboration concepts. Customers are asked to

contribute creativity, ideas and knowledge, as well as skills, effort and resources [32, 48]. In using these external capabilities is where unique and sustainable competitive advantage resides. Advantages can come in the form of reduced research and development costs, superior products and services [18] and even the creation of powerful advertisements [42]. In that respect, a growing trend is the co-creation of advertisements, also referred to as consumer-generated ads. Brands increasingly address consumers asking them either to develop advertisement concepts which will then be realized by an ad agency; or even to submit produced ads ready for broadcasting. This appeal on consumer involvement commonly takes place in company-initiated contests [48] which lead to a so-called winner ad that will be used by companies in ad campaigns.

By involving the consumer in ad-development, companies not only gain valuable insights, but can also respond to the need of collaboration and engagement-building with them. While this, however, applies to those

consumers participating in the co-creation-advertisements in the first place, studies were also interested in the effect of co-created ads on customers not involved in the ad-creation process, the 'ordinary' ad-viewers. Since winner ads, in most cases, are subsequently broadcasted online and even on television, and therefore replace companies' self-generated communication, this is important to know. Past studies already probed into this direction, but yielded opposing results. Whereas the study by Lawrence et al. [22] revealed that ads labelled as co-created enhance viewers' advertisement and brand evaluation as compared with firm-generated ads, Thompson and Malaviya [42] found that source disclosure decreases evaluation.

However, in both studies, the samples were informed about the ad being co-created prior to exposure. Thompson and Malaviya [42] suggested that the timing of viewers' learning about the source (before or after ad exposure) deserves further investigation. As an experiment by Lee et al. [24] showed, information disclosure prior to exposure can negatively influence evaluation compared to information disclosure following exposure, the latter yielding results nearly as positive as when no information was given*.

Given these results, it seems valuable to carry out a follow-on study that could strengthen either position of a positive or negative effect of source disclosure on viewers' advertisement and brand evaluation, and to test the role of the timing of source disclosure. Therefore, the twofold research question of the present article reads as follows: "How does source disclosure of co-created advertisements and its timing affect viewers' advertisement and brand evaluation, compared to traditional advertising by firms?"

The article is structured as follows. First, the literature on the phenomena of co-creation and consumer-generated advertising is reviewed, leading to the identification of the research gap and question. Expected contributions are outlined. Next, the research design is described. Results then are analysed in detail. Following this, results are discussed. Theoretical and managerial implications as well as limitations and

venues for future research are given. A conclusion closes the article.

2. REVIEW OF LITERATURE

2.1 Co-creation

While the creation of products and exchanges has been the focus of business for decades; the new millennium marked the beginning of a new era. Academics emphasize that, in order to develop and maintain a competitive advantage and their customer base, companies must alter their understanding of value and value creation [36]. The introduction of the service-dominant logic to marketing [45], and the call for brands that do not dictate culture but provide cultural materials [17] stimulated the debate for a stronger focus on co-creating value with the customer instead of creating value for the customer [28]. The product itself moves into the background. There is conviction that consumer-firm interaction processes mark the new "locus of value creation" [11, 28, 36, 46].

In order to respond to the unique and quickly changing needs of their users, being able to customize their products and to serve 'markets of one' [15], leading companies "abandon their increasingly frustrating efforts to understand users' needs accurately and in detail" [46]. Rather, they open up the value creation process and outsource (innovation) tasks to the customer "in order to get access to external ideas and solutions" [6, 11, 12, 28, 35, 36, 46]. Business understood that value creation is not restricted to the boundaries of the firm [36]. In fact, it can considerably be leveraged by actively engaging and interacting with the customer. Firms no longer see their customers as passive, external agents - but as partners, as valuable sources of innovation and competence [11, 13, 21, 28, 35, 51]. By "bringing production and consumption closer together" [1] companies co-create value with their customers [36, 45].

Conventionally, customer integration was limited to asking them about and examining their needs and desires [13]. Engaging customers as value co-creators, however, means working in close interaction and open dialogue [36]. To a large extent, this is enabled and realized by making use of new technologies and virtual collaboration concepts such as open innovation and crowdsourcing [11, 13]. Customers are asked and willing to contribute creativity and ideas, knowledge, experience and solutions as well as skills, effort and resources [13, 28, 51]. According to Hoyer et al. [18], co-creation can be used in all four phases of the NPD: ideation, product development, commercialization and post-launch. Research shows that co-creation in the early stages of the NPD can lead to more innovative ideas [48, 50]. Users are even assumed to have a better ability for idea generation than the employees of a company [21]. Co-creation with customers can be applied in later stages of the development process, but is less used by companies [47]. An exception on this rule is the co-creation of advertisements, also referred to as consumer-generated ads. Brands increasingly address consumers asking them either to develop

* Patrons of a pub evaluated regular beer and "MIT brew" (regular beer plus a few drops of balsamic vinegar) in one of three conditions. One group tasted the samples blind (the secret ingredient was never disclosed). A second group was informed of the contents before tasting. A third group learned of the secret ingredient immediately after tasting, but prior to indicating their preference. Not surprisingly, preference for the MIT brew was higher in the blind condition than in either of the two disclosure conditions. However, the timing of the information mattered substantially. Disclosure of the secret ingredient significantly reduced preference only when the disclosure preceded tasting, suggesting that disclosure affected preferences by influencing the experience itself, rather than by acting as an independent negative input or by modifying retrospective interpretation of the experience.

advertisement concepts which will then be realized by an ad agency; or even to submit produced ads ready for broadcasting. By involving the consumer in ad-development, companies not only gain valuable insights, but can also respond to the need of collaboration and engagement-building with them.

2.2 Consumer-generated advertising

The upsurge of the Internet did not only enable and facilitate communication from company to customer, but also from customer to customer. Especially through the emergence of social media platforms, customers were empowered to act and interact, and thereby to create and disseminate content [33] using platforms such as YouTube, Facebook and Twitter and broadly accessible media software and modern recording technologies such as smartphones and camcorders [2, 7, 10, 23, 33]. Often, consumer generated video content is brand-related and resembles company-created ads [7, 10, 30, 33]. Conventionally, firms used advertisements with the intention to trigger awareness, recall and recognition, by informing and reminding customers of their offerings as well as the organization as such; to build mind share by generating attitude and invoking positive associations and emotions; as well as to persuade and influence the behaviour of present and potential customers [2, 7, 10, 33]. Several models have been developed that conceptualize how advertisements work, like 'AIDA' [43], Vakratsas and Ambler [43], and the Dual-Mediation Hypothesis [5, 26]. All these models show that advertising is an important tool for companies to influence consumers' perceptions, attitudes and behaviour with respect to the brand. With CGA, however, this powerful tool is no longer privileged to companies only. The upsurge of CGA demonstrates that advertising has become liberated from companies' and agencies' exclusive control, and that ordinary consumers are willing and able to become advertisers [2, 7, 10, 30, 33]. This implies that consumers are no longer only passive recipients of brand communications [2, 33]. Now, they also actively "communicate on behalf of [...] firms and participate in creating brand images" [10]. Therefore, with consumers taking over tasks for companies that they traditionally performed themselves; the phenomenon of CGA "challenges the traditional view of advertising as a form of company-controlled [unidirectional] communication" [10]. Specialists acknowledge that a 'revolution in advertising', a 'branding reformation' towards 'brand co-creation' and 'co-promotion' is taking place [2]. Consumers are "influencing marketing strategy as never before". At the meeting of the Association of National Advertisers 2006, the sectors' most important conference, the speakers "declared that it's time to give up control and accept that consumers now control their brands" [9]. Supporting this view, Advertising Age awarded 'The Consumer' as Agency of the Year 2006 [9].

2.3 Effects of co-creation on customers

The co-creation concept matches the framework of brand equity creation [35], in which all types of sources, including places, things, people and other brands can

be connected to a brand [20]. Informing people about co-creation might affect factors composing the equity of a brand such as brand awareness, brand image, brand attitude and brand credibility. Brand attitude is of great importance to organizations, as it relies on the individual's brand perceptions, which are viewed as a reliable predictor of customer behaviour. Moreover, according to Liu et al. [25], a positive relationship between brand attitude and brand loyalty exists. Since brand loyalty drives customers to repurchase goods from the same brand, it can increase profits [31].

Extant research demonstrated various brand effects of co-creation on customers who were involved in the innovation process. The co-creating customers show more commitment and trust to the organization [19], exhibit enhanced loyalty and emotional connection [4], have a stronger tendency towards positive word-of-mouth [34], and demand for products that they co-created [38].

As for the effects on ordinary users or customers that have not been involved in the co-creation only a few studies have been executed. Such research does indeed signal positive changes in the perception of a brand, purchase intentions as a result of co-creation towards advertised co-created products [11, 39, 44, 47]. It is probably because of these positive changes, that the aforementioned research on the effect of co-creation on non-co-creating customers all focus on co-creation in the conception stage and not on later stages where more product-related expertise is required [49].

2.4 CGA's effect on its viewers

As consumers can have different motivations to engage in CGA, the messages they communicate with the ads they create can be positive or negative [33]. Chevrolet is an example of a firm that encountered negative consequences. When running a CGA campaign for their Tahoe brand, the company had to deal with one in five submissions being derogatory toward the brand by mainly criticizing the SUVs' environmental impact [3, 37]. Also brands such as United Airlines and Dove were confronted with "parody-heavy CGA campaigns" [23].

There is a popular belief and strong anecdotal evidence, that CGAs performs more effectively and beat out professional ads, not only in terms of production value [22, 23]. The fact, that they are consistently the most watched, the most memorable, and the most-often-talked-about ads hints at the potential psychological advantages of this communications form [23]. Several studies have been executed to investigate whether a CGA outperforms company-created ads with fascinating but contradictory results. The common belief of CGAs performing more effectively versus conventional company- or agency-crafted ads, cannot be supported or rejected per se. Whereas the study by Lawrence et al. [23] supports this belief, other studies [7, 10, 16, 22, 33, 41, 42] point to contingency based results. For example, Steyn et al. [41] did not find any difference in consumer preference of or response to either CGA or company-created advertising. According the theory of the Dual Mediation Hypothesis [5, 26], exposure to an advertisement leads

to the formation of attitudes towards the ad and subsequently towards the brand. So, it would be interesting to know how these specific factors are affected differently by CGA than by conventional advertising.

2.5 CGA's effect on advertisement and brand evaluation

We were able to identify two prior studies that analysed how viewers' advertisement and brand evaluation is affected by informing them that an ad had been co-created.

Lawrence et al. [22] tested the assumption that consumer-generated ads, compared to conventional ads, yield more favourable results in terms of attitude towards the ad and the brand. In their experiment, they tested viewer evaluation in two conditions: the sample in the first condition was told that they will see a co-created ad (solicited CGA), while the sample in the second condition got no information. With firm-generated ads, viewers are not explicitly told who created the ad, and thus, by not informing them on the source, implying that the ad is firm-generated. Indeed, the source disclosure condition rated the consumer-generated ad higher on all tested elements: attitudes toward the ad, perceptions of executional quality, personal relevance of the ad message, brand interest, and purchase intent. These results suppose that source disclosure positively impacts viewers' advertisement and brand evaluation, and that CGAs therefore outperform conventional ads. Lawrence et al. [22] conclude that consumer-generated ads are "inherently more persuasive" (p. 9). Based on their results, they claim that this is due to higher personal relevance of these ads.

This largely generalized statement was challenged by the study of Thompson and Malaviya [42].

Thompson and Malaviya [42] investigated "under what conditions informing viewers that another consumer created an ad enhances, or perhaps undermines, message persuasiveness" (p. 34). They hypothesized that knowing that an ad had been co-created could enhance message persuasiveness, as viewers perceive the co-creator as someone more similar to the self, with whom they can identify, and who is therefore more trustworthy than a professional persuader. On the other hand, they argue that knowing that an ad had been co-created could undermine message persuasion, as viewers are sceptical about peer consumers being able to create and produce effective, professional advertising. They tested this 'scepticism-identification' model by means of experiments.

Their results showed that under specific circumstances, both hypotheses hold.

In contrast to Lawrence et al. [22], who found a positive impact of source disclosure on advertisement and brand evaluation versus a control group, the study by Thompson and Malaviya [42] found a negative impact, which could be explained by viewers' scepticism, as hypothesized. However, they found that disclosing the source yields more positive ad and brand

evaluations compared to the control group, that received no information on ad source, under the following circumstances: (1) when specific background information was provided that made the co-creator easily identifiable with the self; (2) when viewers are loyal to the brand; and (3) when viewers see the ad under high distraction conditions and therefore cannot deeply process the information about the creator being an ordinary consumer.

It is questionable, whether the previously mentioned circumstances that were identified to favour persuasion, can be readily established in ordinary broadcasting situations. Above all, it is challenging to communicate ad-creator background information that reliably triggers feelings of identification with the entire target group. Also, the fact that brand loyalty is a necessary condition for co-created ads to yield positive evaluations, does not speak for their effectiveness, since the aim of advertisements is to appeal to new customers.

Finally, it can be criticized that the situation of high distraction in the experiment was created from outside and not by the ad itself. Even if ads often are not processed deeply, ad-creators cannot manipulate for that. With respect to these points, the results of the study by Thompson and Malviya imply that it is more likely that the communication of the ad-creator will yield negative advertisement and brand evaluation.

Another critical fact is that Thompson and Malaviya did not use the same advertisements across all their studies which puts the comparability of their results into question. The ads in the pilot study yielded more negative evaluations when depicted as consumer-generated; the ads in the following studies, where background information about the co-creator was provided and where it concerned an ad of a brand that viewers were loyal to, yielded more positive results under source disclosure, compared to the control group. It is, however, possible that results would have been consistently negative or positive for the source disclosure condition across all studies, if the researchers would have used the same ad. It can be supposed that the ad itself moderated the effect of source disclosure on ad and brand evaluation.

This explanation is supported by Miniard et al. [29], who found that message manipulation can considerably influence both advertisement and brand evaluation.

Further, it is to mention that source disclosure, in both studies, preceded exposure.

The samples received the information that the ad has been co-created prior to watching it. Thompson and Malaviya [42] claim that "the timing of viewers' learning about the source (before or after ad exposure) deserves further investigation" (p. 46). As the experiment by Lee et al. [24] shows (see footnote), information disclosure prior to exposure can negatively influence evaluation, compared to information disclosure following exposure, the latter yielding results nearly as positive as when no information was given.

3. RESEARCH OBJECTIVES AND DESIGN

3.1 Research questions

The fact that the studies by Lawrence et al. [22] and Thompson and Malaviya [42] basically measured the same effect, that is, the effect of source disclosure on viewers' advertisement and brand evaluation, but yielded opposing results, indicates that the issue deserves further investigation. Whereas Lawrence et al. [22] found a positive effect, Thompson and Malaviya [42] concluded that the effect is negative. Therefore, an additional extended study that could strengthen either result seems valuable. With respect to the discussion provided on the study by Thompson and Malaviya [42] the additional study will also use two different advertisements, in order to investigate to which extent different ad messages influence overall ad and brand evaluation. And since both studies looked at a pre-exposure source disclosure, it is also interesting to test the effect of the timing of source disclosure on viewers' advertisement and brand evaluation. It would be advisable to investigate whether prior ad and brand knowledge have an impact on this evaluation. Given these insights, the research question of the present article reads as follows: *"How does source disclosure of co-created advertisements and its timing affect viewers' advertisement and brand evaluation, compared to traditional advertising by firms?"*

From a managerial perspective, the study is another attempt to validate whether and how the application of co-created advertising impacts viewers' ad and brand evaluation. Above all, to the best of our knowledge this is the first study that investigates whether and how the timing of source disclosure of co-created advertisements impacts viewers' ad and brand evaluation. Thereby, it addresses the research claim made by Thompson and Malaviya [42] and adds to their research effort by investigating how the effectiveness of co-created advertisements could be improved. Next, it aims to demonstrate whether different ad messages lead to different ad and brand evaluations. In sum, this will give insight for a better management of co-created, consumer generated and general advertising.

3.2 Research design

To answer this research question, the authors executed a study to look into the earmarked effects of ad and brand evaluation. The study was executed at the Amsterdam Business School of the University of Amsterdam in the Netherlands by the second author as a qualification for her MSc in business administration under supervision of the first author.

As the studies by Lawrence et al. [22], Thompson and Malaviya [42], and Lee et al. [24], the research question of the present article was investigated by means of experiments. However, other than the mentioned studies, the experiments were not conducted in the field, but through an online survey using Qualtrics. The survey was distributed online amongst the student's and the supervisor's social and professional network and was active for a period of three weeks.

The online survey began with a short introduction text. Right after that, each participant was randomly assigned to one of the six conditions of the experiment's 3 (source disclosure condition) x 2 (ads) factorial between-subject design, using a balanced randomizer. Subsequently, participants were asked to evaluate the ad and the brand, to indicate their prior knowledge of both, and to provide demographic details. To investigate the effect of timing of source disclosure, respondents were randomly allocated to one of three timing conditions, similar to those used by Lee et al. [24]: no source disclosure (condition 1), source disclosure prior to ad exposure (condition 2) and source disclosure post ad exposure (condition 3). More specifically, participants in the first condition did not get any information on ad source at all. Participants in the second and third condition saw the following information on their screen, similar to that used by Thompson and Malaviya [42], prior or post advertisement exposure respectively: "The ad you are about to see [just saw] was created by a[n ordinary] consumer, [not an ad agency]. It is the winning commercial in a contest [for consumer-generated advertisements] sponsored by Doritos, which invited consumers to submit their ideas for an ad featuring the product. [The commercial was aired on American TV.]". These three conditions replicate natural viewing situations. With conventional ads, viewers are not explicitly told who created the ad, whereas CGAs typically are labelled as being created by ordinary consumers [23]. Therefore, it is expected that respondents in the first and initially also in the last condition intuitively assume that the ad was crafted by a company.

To investigate whether there is a 'moderating effect' of differing ad messages; each respondent was exposed to one of two consumer-generated advertisements. The study used the two winnings ads of Doritos' CGA campaign 2015[†] which aired during the Super Bowl of the same year. Both are very similar, they both use humour, in both ads someone does something funny in order to get something, and in both ads, someone aims to fool someone else and in the end, is fooled himself. But they differ in the quality of humour and ad message. Although we will not be manipulating any ad variable, we will observe to what extent they will differ in their effect on ad and brand evaluation.

Subsequently to ad exposure in one of three timing of source disclosure conditions, respondents were asked to evaluate the advertisement and the brand on seven-point semantic-differential items. This measurement method is prevalent in the literature investigating attitude toward the ad and the brand. The advertisement was to be evaluated on eight items: "dislike/ like", "bad/ good", "poorly made/ well made", "unenjoyable/ enjoyable", "unpleasant/ pleasant", "tasteless/ tasteful", "foolish/ wise" and "unconvincing/ convincing". Brand evaluation was measured on five items: "dislike/ like", "bad/ good", "unenjoyable/ enjoyable", "low quality/ high quality" and "unauthentic/ authentic".

[†] 'When pigs fly' (<https://www.youtube.com/watch?v=YQo0TfueeAY>)
+ 'Middle Seat' (<https://www.youtube.com/watch?v=2JqRXLQYF9o>)

Following the call by Machleit and Wilson [27], as well as subsequent studies on attitude toward the ad and the brand, the study controlled for brand familiarity (“Do you know the brand Doritos” - “yes/no”; respondents indicating “yes” also were asked “How much did you dislike/ like the brand before having seen the ad” - seven-point semantic-differential item “disliked/ liked”), as well as for ad repetition (“Have you seen the ad before?” - “yes/no”; respondents indicating “yes” also were asked “Did you know that this ad had been created by an ordinary consumer, not an ad agency?” - “yes/ no”). Both may impact ad and brand evaluation.

Finally, respondents were asked to provide some demographic details - gender, age, and nationality. Also, they were asked to indicate their e-mail address in case they liked to participate in the draw.

4. RESULTS

4.1 Sample and measurement quality

After the survey was shared online in the student’s and the supervisor’s networks, it was open for a three-week period from April 18 until May 8, 2016. Within that period, 228 people started the survey, of which 191 completed it. 37 incomplete answers were deleted from the dataset. Respondents were 72.3% female (27.7% male) and the average age was 25.36. The largely international sample comprised 32 nationalities (30% Germans, 15% Irish, 12% French, 7% Dutch, 5% British, 5% Mexicans, 26% others).

Table 1. Number of respondents, gender and average age per source disclosure x ad replicate condition

Source disclosure x ad condition	# resp.	% male	avg. age
No source disclosure x ‘When pigs fly’ ad	32	31,3%	24,7
No source disclosure x ‘Middle Seat’ ad	36	19,4%	25,1
Source disclosure prior exposure x ‘When pigs fly’ ad	28	28,6%	25,4
Source disclosure prior exposure x ‘Middle Seat’ ad	35	31,4%	27,2
Source disclosure post exposure x ‘When pigs fly’ ad	32	31,3%	26,3
Source disclosure post exposure x ‘Middle Seat’ ad	28	25,0%	23,1

As the six conditions of the 3 (source disclosure condition) x 2 (ads) factorial between-subject design were displayed using a balanced randomizer, but as incomplete answers were deleted from the dataset, the number of respondents and homogeneity for age and gender for each condition was as indicated in Table 1. Of the 191 respondents, 81.7% knew the brand Doritos, but 90.6% had not seen the ad before. Of the 18 respondents who had seen the ad before, four knew that it had been created by a consumer. These four were discarded from the data.

Ad and brand evaluation scales had high reliability with Cronbach’s Alpha = .886 for ad evaluation, and .860 for brand evaluation. Corrected item-total correlations indicated that all items had a good correlation with the total scores of the scales (all above .30). Also, no item would have substantially affected reliability if deleted ($\Delta < .10$ for all).

Next, a principal axis factoring analysis (PAF) was conducted on the scales of ad and brand evaluation taken together. Kaiser–Meyer–Olkin measure verified sampling adequacy for analysis, with KMO = .879. Bartlett’s test of sphericity yielded $\chi^2 (78) = 1497.752$, $p = .000$, indicating that correlations between items were sufficiently large for PAF. An initial analysis was run to obtain eigenvalues for each component in the data. Two components had eigenvalues over Kaiser’s criterion of 1 and in combination explained 61.66% of the variance. In agreement with Kaiser’s criterion, examination of the scree plot revealed a levelling off after the second factor. Thus, two factors were retained and rotated with an Oblimin with Kaiser normalization rotation. The items that cluster on the same factors suggest that one factor represents ad evaluation, and the second factor brand evaluation. Consequently, scale means were computed for both factors.

4.2 The effect of source disclosure

Based on prior studies we can expect a positive effect of source disclosure on ad and brand evaluation. Therefore, analysis should point out whether there will be a difference between no source disclosure (our first condition in both ads) and source disclosure, whether prior or after ad exposure (our second condition).

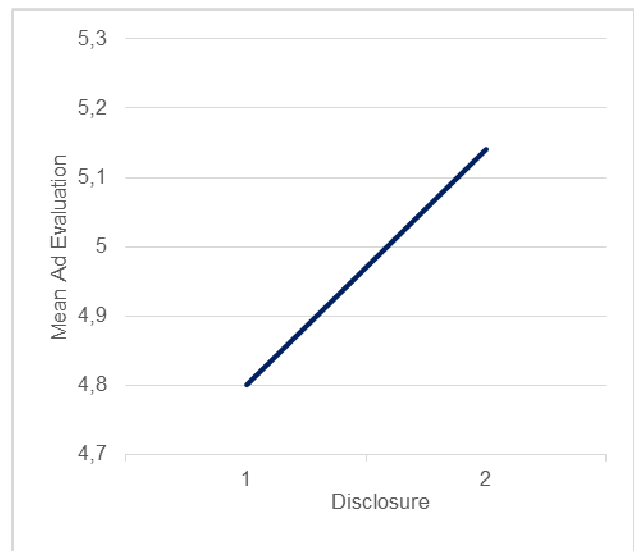


Figure 1. Ad evaluation at different disclosure conditions (1=no source disclosure; 2=source disclosure, prior and after)

A One-way ANOVA revealed that respondents in the source disclosure condition (2) evaluated the ad more favourably versus respondents in the control condition (1) that received no information on ad source (1: 4.80 vs. 2: 5.14, see Figure 1). This

positive effect of source disclosure on ad evaluation was significant, $F(1, 189) = 5.05, p = .02$. Also, brand evaluation was higher for the source disclosure condition (2) versus the control condition (1) (1: 4.81 vs. 2: 5.00, see Figure 2). However, this effect was not significant, $F(1, 189) = 1.40, p = .26$ (see Table 2).

Table 2. Means of ad and brand evaluation for each timing of disclosure condition and Tukey post-hoc test

	Ctrl	Prior	Post	□ Prior /Ctrl	sign.	□ Post /Ctrl	sign.	□ Post/ Prior	sign.
Ad Evaluation	4.80	5.06	5.22	.26	.27	.42	.04	.16	.63
Brand Evaluation	4.81	5.00	4.99	.19	.58	.18	.61	-.01	.99

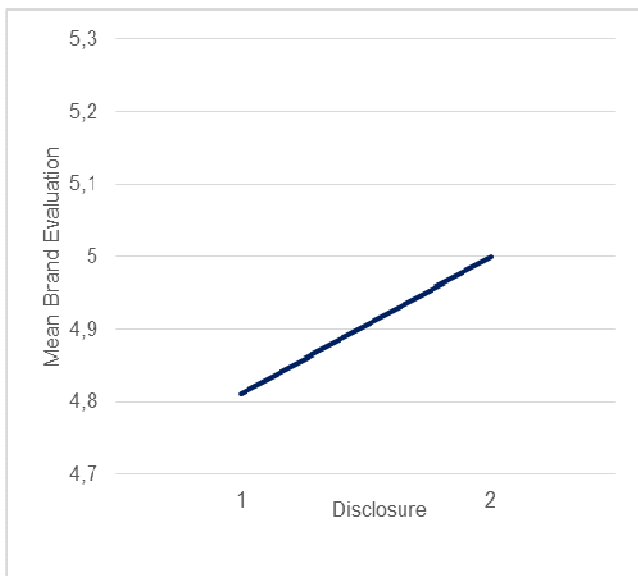


Figure 2. Brand evaluation at different disclosure conditions (1=no source disclosure; 2=source disclosure, prior and after)

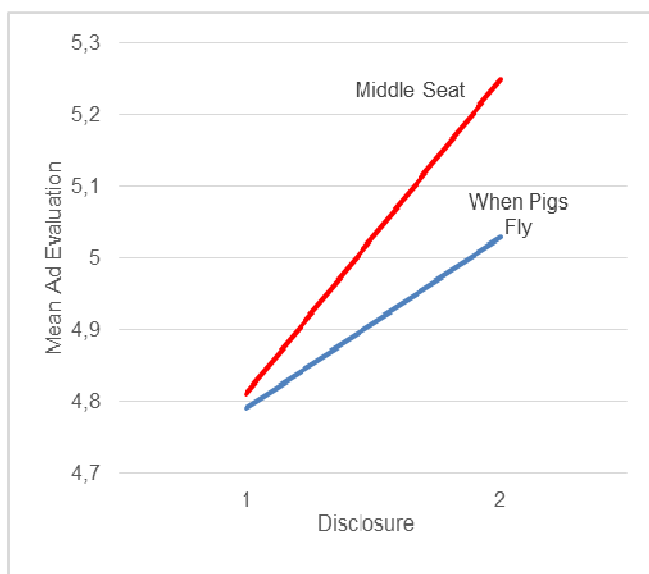


Figure 3. Ad evaluation at different disclosure conditions for different ads (1=no source disclosure; 2=source disclosure, prior and after)

Analysis of the effect of source disclosure for each ad separately, however, suggested some moderation effect of the ad itself. Whereas the positive but insignificant effect on overall brand evaluation was supported by both ads ('When pigs fly' - 4.80 vs. 4.81, $F(1, 90) = 0.00, p = .97$; 'Middle Seat' - 4.83 vs. 5.17, $F(1, 97) = 2.67, p = .11$, see Figure 4); the positive and significant effect of source disclosure on overall ad evaluation only was supported by the 'Middle Seat' ad (4.81 vs. 5.25, $F(1, 97) = 4.34, p = .04$, Figure 3). Ad evaluation for the 'When pigs fly' ad was not statistically significant more positive under source disclosure (4.79 vs. 5.03, $F(1, 90) = 1.40, p = .24$, Figure 3).

As has been shown, source disclosure generally has a positive effect on both, ad and brand evaluation. However, this was significant for ad evaluation only. More specifically, the significant effect on ad evaluation was observed for only one ad, i.e. the 'Middle-Seat' ad.

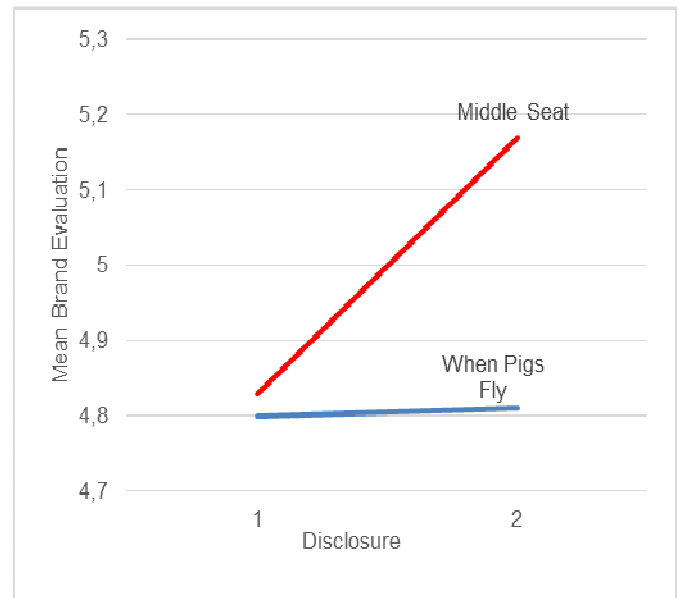


Figure 4. Brand evaluation at different disclosure conditions for different ads (1=no source disclosure; 2=source disclosure, prior and after)

4.3 The effect of the differential timing of source disclosure

As can be expected, a significant effect on ad evaluation between the three disclosure conditions could be found, with $F(2, 188) = 3.16, p = 0.045$. As shown by Figure 5, ad evaluation was higher for both disclosure conditions (2 & 3) than for the control condition (1: 4.80). Also, ad evaluation differed between the prior (2: 5.06) and the post (3: 5.22) condition. According to Tukey post-hoc test, ad evaluation in the post condition was significantly higher than in the control condition ($p = .04$). Ad evaluation in the prior condition, however, was not statistically significant higher than in the control condition ($p = .27$). Also, other than expected, the difference in ad evaluation between the prior and the

post condition was not statistically significant ($p = .63$). Additionally, the post condition (3) did not score a lower but a higher evaluation than the prior condition (2).

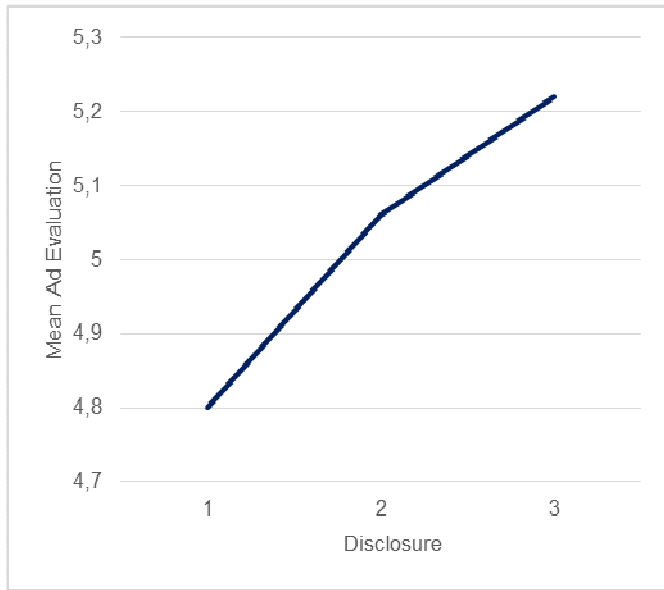


Figure 5. Ad evaluation at three different disclosure conditions: 1 = no disclosure, 2 = disclosure prior to ad exposure, 3= disclosure after ad exposure.

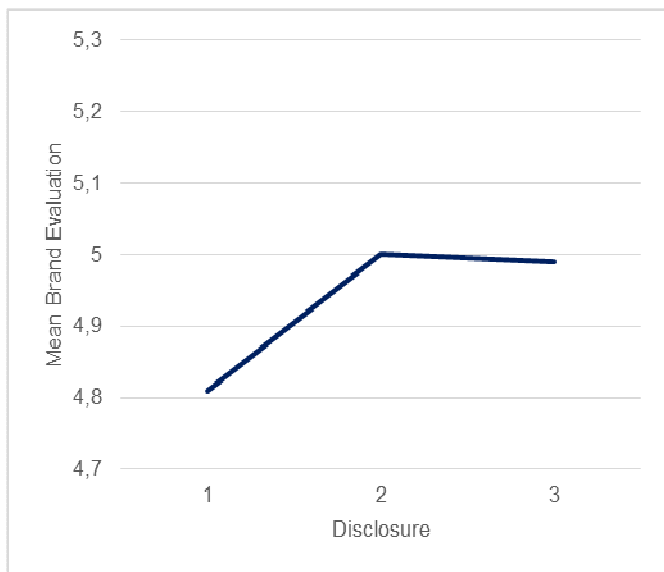


Figure 6. Brand evaluation at three different disclosure conditions: 1 = no disclosure, 2 = disclosure prior to ad exposure, 3= disclosure after ad exposure.

As to brand evaluation (see Figure 6), the differential timing of source disclosure did not have a significant effect, $F(2, 188) = .64$, $p = 0.53$. Evaluation was higher for both disclosure conditions (2 & 3) than for the control condition (1: 4.81), however, between the prior condition (2) and the post condition (3) evaluations did not differ essentially (2: 5.00 vs. 3: 4.99).

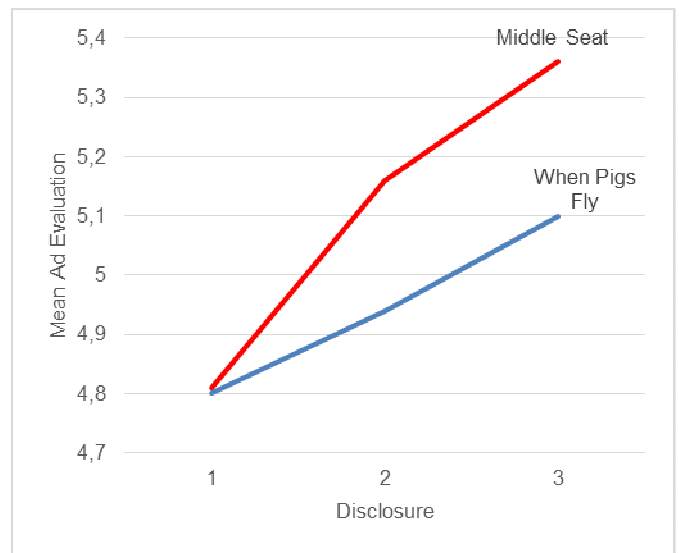


Figure 7. Ad evaluation at three different disclosure conditions for different ads: 1 = no disclosure, 2 = disclosure prior to ad exposure, 3= disclosure after ad exposure.

Analysis of the effect of the timing of source disclosure for both ads separately (see Figures 7 and 8), showed that previous results generally can be supported. For both, the 'Middle Seat' and the 'When pigs fly' ad, ad evaluations repeatedly showed a pattern of control < prior < post (see Figure 7). However, according to One-way ANOVA, evaluations were not statistically significant different across the three conditions for both ads ('When pigs fly' - $F(2, 89) = 0.94$, $p = .39$; 'Middle Seat' - $F(2, 96) = 2.45$, $p = .09$).

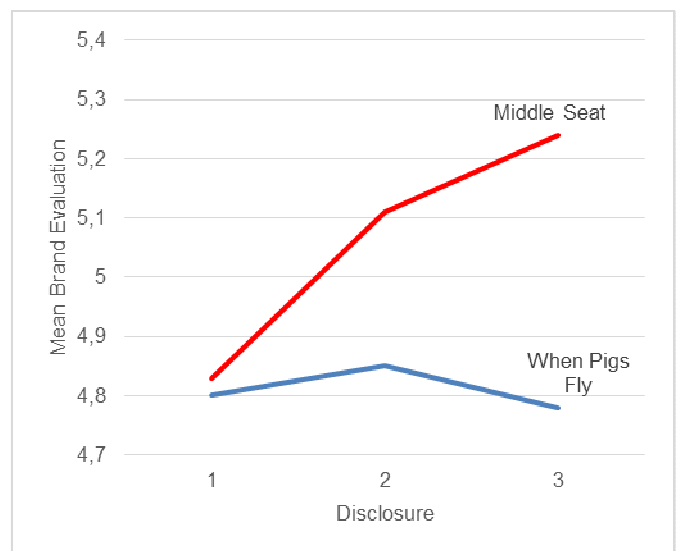


Figure 8. Brand evaluation at three different disclosure conditions for different ads: 1 = no disclosure, 2 = disclosure prior to ad exposure, 3= disclosure after ad exposure.

This was supported by Tukey post-hoc test. Yet, in case of the 'Middle Seat' ad, ad evaluations represented a Δ of 0.55 points across conditions (control: 4.81, prior: 5.16, post: 5.36). This is higher than the Δ of 0.42 both ads yielded in consolidation, which was statistically significant. The insignificance

possibly is due to the post condition sample of the 'Middle Seat' ad not satisfying the minimum of 30 (see Table 1). For the 'When pigs fly' ad, the Δ indeed was smaller, with 0.30 points (control: 4.80, prior: 4.94, post: 5.10).

As to brand evaluations, the effect of the timing of source disclosure was not significant for both ads ('When pigs fly' - $F(2, 89) = 0.04, p = .96$; 'Middle Seat' - $F(2, 96) = 1.44, p = .24$). This was supported by Tukey post-hoc test. However, other than brand evaluations for both ads in consolidation, when analysed separately brand evaluations for each ad differed between the prior and the post condition. For the 'Middle Seat' ad, brand evaluations showed a pattern of control < prior < post (4.83 vs. 5.11 vs. 5.24, see Figure 8), for the 'When pigs fly' ad however, they showed a pattern of post < control < prior (4.78 vs. 4.80 vs. 4.85, see Figure 8).

As has been shown, across different conditions of timing of source disclosure (control, prior, post), ad and brand evaluations are different. However, this was significant for ad evaluation only; more specifically, between the post and the control condition for only one of the two ads tested. Contrary to expectation, source disclosure post ad exposure yielded significantly higher ad evaluations compared to the control group. Disclosure prior to exposure yielded moderately higher ad evaluations compared to the control group. It needs to be emphasized that there was no statistically significant but a nevertheless meaningful difference between source disclosure occurring prior or post ad exposure. As to brand evaluation, a moderation effect of the ad itself was suggested, as the 'When pigs fly' ad in the post condition, contrary to the repeatedly observed pattern of control < prior < post, even yielded lower brand evaluations than the control condition, resulting in a pattern of post < control < prior.

4.4 Consistency of the evaluation pattern for different ads across timing conditions

One would expect that using different ads will result in consistent ad and brand evaluations across all timing conditions. Indeed, the two ads received different evaluations, where the 'Middle Seat' ad was evaluated better. Whereas the 'When pigs fly' ad scored 4.94 and 4.81 for ad and brand evaluation respectively, the 'Middle Seat' ad scored 5.09 and 5. Nevertheless, the differences in evaluations between the two ads were not significant, $F(1, 189) = 1.03, p = .31$ for ad evaluation, and $F(1, 189) = 2.51, p = .12$ for brand evaluation.

Depiction of ad and brand evaluation means for each combination of timing of source disclosure and ad (see Figures 7 & 8) supports previous findings and gives some additional insights. First, the positive influence on ad evaluation (see Figure 7) of source disclosure (conditions 2 and 3) versus the control condition (1) was supported. Second, the pattern of ad evaluation across timing of source disclosure conditions (control < prior < post) was replicated by both ads. Third, the ad and the brand were evaluated better by respondents who saw the 'Middle Seat' ad than by respondents who saw the 'When pigs fly' ad (see Figures 7 & 8). It now is visible

that this was the case within each timing of source disclosure condition. However, across timing of disclosure conditions evaluations did not differ consistently. That is, the 'When pigs fly' ad in the post condition (3) received lower ad and brand evaluations than the 'Middle Seat' ad in the prior condition (2). Still, between all six combinations of timing of source disclosure and ad, evaluations did not differ significantly, $F(5, 185) = 1.63, p = .15$ for ad evaluation, and $F(5, 185) = 1.05, p = .39$ for brand evaluation. This was supported by Tukey post-hoc test.

So far, it has been shown repeatedly that the effect of source disclosure and the timing of source disclosure on ad and brand evaluation can differ in strength and direction depending on the ad itself. However, as to this study, a moderation effect of disclosure and the timing of disclosure with ad on ad and brand evaluation, even if existent for brand evaluation according to means plot (see Figure 8), was not statistically significant, $F(5, 185) = 0.98, p = 0.43$ for ad evaluation, and $F(5, 185) = 0.80, p = 0.55$ for brand evaluation. However, with a more extensive and differentiated set of CGAs, the moderation of the effect of source disclosure and ad message, the timing of source disclosure and ad message, as well as a possible moderation effect of the ad itself should be tested.

4.5 Effects of control variables on ad and brand evaluation

Following the claim made by Machleit and Wilson [27], the present study controlled for prior ad and brand knowledge as they were shown to influence ad and brand evaluation. As to ad evaluation, respondents that had seen the ad before evaluated it better than those who did not (5.29 vs. 4.99), but not in a significant way, $F(1, 189) = 1.58, p = .21$. Also, knowledge of the ad being CGA (0.2% of respondents), had no significant effect on ad evaluation, $F(1, 16) = 1.05, p = .32$. People who knew about the ad being CGA even evaluated the ad slightly lower (5.03 vs. 5.37). However, this latter issue concerned only four people who weren't included in the analyses above. People who knew the brand evaluated the ad slightly better than those who did not know it (5.05 vs. 4.94), however, this effect was not significant either, $F(1, 189) = .31, p = .58$. Also, brand liking before having seen the ad did not have a significant effect on ad evaluation, $F(6, 146) = 1.64, p = .14$; a higher level of initial brand liking did not result in higher ad evaluation.

As to brand evaluation, there was a significant effect of brand knowledge, as people who knew the brand Doritos significantly evaluated the brand better than those who did not know it (5.07 vs. 4.29), $F(1, 189) = 17.481, p = .00$. The same was the case for brand liking before exposure, $F(6, 149) = 50.37, p = .00$. Especially respondents that initially had a lower level of brand liking (moderately disliked/ slightly disliked/ neither disliked not liked), except those who extremely disliked it, evaluated the brand substantially better after having seen the ad. No such effect could be found for ad knowledge. People who knew the ad, did not significantly evaluate the brand better compared to

those who did not know it before (5.01 vs. 4.92), $F(1, 189) = .12, p = .73$. This was also the case for people who knew it was created by a consumer (5.15 vs. 4.97), $F(1, 16) = .14, p = .71$. However, ad evaluation did have a significant effect on brand evaluation, $F(35, 155) = 2.02, p = .00$. Again these results are in line with the theory of the Dual- and the Reciprocal-Mediation Hypothesis [5]. Brand cognitions (knowledge of the brand, brand liking before exposure) have a direct effect on brand attitude. Ad cognitions (knowing the ad, knowing it is CGA) do not have a direct effect on brand attitude. However, ad attitude (ad evaluation) directly affects brand attitude (brand evaluation).

4.6 Effect for demographic differences

There was a significant effect of nationality on ad and brand evaluation, $F(31, 159) = 1.57, p = .04$, and $F(31, 159) = 2.10, p = .00$. However, only German, Irish and French respondents represented a substantial sample with 57, 28 and 23 respondents respectively. More specifically, the average ad evaluations were 4.92 for Germans, 5.43 for Irish and 5.30 for French. Average brand evaluations were 4.57 for Germans, 5.56 for Irish and 4.77 for French. Age did not have a significant impact on ad or brand evaluation. The effect of gender was only significant for brand evaluation, $F(1, 189) = 4.59, p = .03$. Men evaluated the brand lower than women (4.67 vs. 5.03).

4.7 Summary of results

The present study resulted in some interesting insights about the effect of the timing of source disclosure of co-created advertisements on ad and brand evaluation. First, it has been found that disclosure of the source in general has a positive effect on ad and brand evaluation. However, this effect was strong and significant for ad evaluation only. The effect on brand evaluation was weaker and insignificant. Analysis of the effect for each of the two ads separately, suggested that the strength of the positive effect of disclosure is influenced by the ad itself. For one ad, source disclosure even had a slight but insignificant negative effect on some items of brand evaluation.

Second, it has been shown that there is a meaningful effect of the differential timing of source disclosure on ad evaluation. Compared to the control group, evaluation was higher when disclosure occurred prior to exposure, and it was significantly higher when disclosure occurred post exposure. Even if statistically significant in only some cases, the pattern of control < prior < post was consistently repeated for all ad evaluation items. As to brand evaluation, the score was lower in the control condition, but did not differ between the prior and the post condition. However, analysis of the results for each ad separately, again suggested that the strength and direction of the effect can be influenced by the ad itself. Ad evaluations repeated the pattern of control < prior < post for both ads, but to different extents. Brand evaluations did repeat this pattern for one ad, whereas the other ad showed a pattern of post < control < prior.

Third, the 'Middle Seat' ad actually received better evaluations than the 'When pigs fly' ad. This was the case within each timing of source disclosure condition. Differences in evaluation were, however, not statistically significant. Yet, as the 'Middle Seat' ad was evaluated better in each timing condition and on almost every item of ad and brand evaluation, differences still seem meaningful. Next, evaluations of the two ads did not differ consistently across timing of source disclosure conditions. That is, the general pattern of evaluation that had been suggested (control < prior < post) did not hold, as the 'When pigs fly' ad received lower ad and brand evaluations in the post condition than the 'Middle Seat' ad in the prior condition. This supports the hypothesis that the effect of the timing of source disclosure is influenced by the ad itself.

In summary, it has been shown that source disclosure, especially post exposure, can have a positive but not necessarily significant effect on ad evaluation. Depending on the ad itself, the effect of disclosure and the timing of disclosure on ad evaluation can be stronger or weaker. Also in dependence on the ad itself, brand evaluation can be positive or even negative when the source is disclosed, especially when disclosure occurs post ad exposure. The interaction or even moderation effect of ad message on source disclosure and the timing of source disclosure on ad and brand evaluation is a venue for future research.

Analysis of alternative effects on ad and brand evaluation revealed that ad evaluation was significantly affected by brand evaluation only. Brand evaluation, was significantly affected by ad evaluation, but also by prior brand knowledge and liking. This gives support to the Reciprocal-Mediation Hypothesis, a variation of the Dual-Mediation Hypothesis, that both exemplify the effect of advertising on brand attitude and purchase intention [5]. Finally, demographics were also analysed, but did not seem to influence the results.

5. DISCUSSION

5.1 Effects of CGA compared to conventional advertising

The results of the present study showed that consumer-generated advertisements yield more positive ad and brand evaluations when the source is disclosed. This positive effect was strong and significant for ad evaluation. It was positive but weaker and not statistically significant for brand evaluation.

The fact that source disclosure has a positive effect lends support to CGAs in the discussion about whether the use of CGAs, compared to traditional advertisements, is beneficial for brands. According to previous research, viewers judge CGAs more favourably due to having lower expectations in quality, and also apply different standards and criteria for evaluation [23]. Also, it has been found that viewers, when engaging with CGAs, rather elaborate on the ad itself and less on the advertised brand [10]. This explains the finding that disclosure has a weaker and insignificant effect on brand evaluation than on ad evaluation.

As the present study found a positive effect of source disclosure on ad and brand evaluation in general, main support is given to most prior studies demonstrating that viewer attitudes are more positive towards CGAs than towards traditional ads. Especially, the present study strengthens the results found by Lawrence et al. [22], according to whom source disclosure has a positive effect on ad and brand evaluation. However, the results found by Thompson and Malaviya [42], who reported a negative effect of source disclosure, cannot be rejected per se. This is also the case for the findings by Steyn et al. [41], who found no effect of source disclosure on ad preference.

As this study showed, these opposing findings seem to be due to the ad itself influencing the effect of source disclosure in strength and in even in direction. Also, it seems that the effect is very sensitive to ad message. This suggestion is based on the fact that the two ads that were used in this study not only advertise the same brand, but are also very similar in ad message. Both use humour, in both ads someone does something funny in order to get something, and in both ads, someone aims to fool someone else and in the end, is fooled himself. Despite this high similarity, evaluations differed considerably. This exemplifies the importance of Miniard et al.'s [29] findings, that ad message manipulation can considerably influence ad and brand evaluation.

5.2 Moderating effects of the timing of disclosure

The main contribution of this study was to investigate the effect the timing of viewers' learning about the source (before or after ad exposure). It has been shown that the differential timing of source disclosure meaningfully enhances ad evaluation. The effect on brand evaluation is differentiated.

The present study revealed that source disclosure post ad exposure yields more positive ad evaluations than disclosure prior to exposure. However, the difference in ad evaluation between the two timing-conditions was not statistically significant. Compared to the control group that received no information on ad source, the positive effect of disclosure post exposure was strong and significant; the positive effect of disclosure prior to exposure was weaker and insignificant. The evaluation shows a pattern of control < prior < post and was the case for both ads when analysed separately, whereas the effect was stronger for one ad than for the other one, supporting the suggestion that the ad itself impacts strength. Even if not necessarily statistically significant, the consistent repetition of the evaluation pattern suggests its meaningfulness. However, the fact that the pattern of control < prior < post is followed deserves closer explanation.

5.3 Effects of disclosure timing on ad evaluation

Based on the study by Lee et al. [24], it can be hypothesized that, compared to the control group, source disclosure prior to ad exposure should have a significant positive effect, whereas disclosure post

exposure should only have a slight positive effect. In their study, Lee et al. [24] examined the role of information about an upcoming experience, leading to the formation of expectations, which influence subsequent evaluation: knowing that beer contains balsamic vinegar prior to tasting it leads to more negative evaluations than hearing it after the tasting. Thus, the observed pattern of evaluation in Lee et al.'s study was prior < post < control. The present study was similar in principle but different in valence. People tend to have a negative attitude towards traditional advertisements and a positive attitude towards CGAs. Therefore, source disclosure represents positive information, and not negative like telling that beer contains vinegar. Based on these assumptions one would expect the pattern of evaluation to be control < post < prior.

However, results showed that the information about the ad being consumer-generated, when given post ad exposure did not yield different results, then when given prior to exposure. This could have several reasons. Thompson and Malaviya [42] found, that people often are sceptical about the ability of ordinary consumers to create professional advertisements. When receiving the information about the source prior to exposure, this scepticism could influence expectation and lead to being more critical during evaluation. When receiving the information post exposure this scepticism should not arise, as one has already seen the quality of the ad. Additionally, source disclosure post exposure even could arouse enthusiasm about the fact that the ad one assumed to be from an agency, actually being from a consumer. An alternative explanation could be that people evaluate consumer-generated and traditional advertisements based on different aspects [23]. When receiving the information prior to exposure, people can readily apply their 'CGA evaluation set' when watching the ad and form their evaluation accordingly. When people do not receive this information in advance, they apply the 'traditional advertisement evaluation set'. However, when then being informed that what they just saw actually was a consumer-generated ad, cognitive dissonance arises. To reduce the psychological discomfort of having dissonant cognitions, the initial evaluation is discarded and a new evaluation is made in hindsight. This can be challenging, as viewers focused on aspects important for evaluating traditional ads when they watched the ad, but now have to retrospectively remember and evaluate the ad according to CGA aspects, resulting in an evaluation equal to the prior-evaluation. The exact underlying psychological processes, that source disclosure prior versus post ad exposure bring, deserve further investigation.

5.4 Effects of disclosure timing on brand evaluation

As to the effect of the differential timing of source disclosure on brand evaluation, results for both ads in consolidation showed that evaluations in the prior and the post condition were again higher than in the control condition, but did not differ from each other. This was due to the fact that brand evaluations showed different

patterns when analysing results for both ads separately. For one ad, the post condition yielded a higher evaluation than the control and the prior condition, thereby repeating the pattern of control < prior < post. For the other ad, evaluation in the post condition was lower, yielding a pattern of post < control < prior. This suggests that the ad itself can lead to disclosure reflecting negatively on brand evaluation, especially when occurring post exposure.

5.5 The effects of different ads

In a third stream, the present research examined whether the effect of disclosure and the different timing of disclosure on ad and brand evaluation holds for different ad messages. Previous research has shown that ad message manipulation can lead to considerably different ad and brand evaluations [29]. Indeed, the 'Middle Seat' ad received better ad and brand evaluations than the 'When pigs fly' ad. However, differences were not significant.

Although evaluations differed consistently within every timing condition, they did not differ consistently across conditions. As to ad evaluation, the 'When pigs fly' ad in the post condition received a lower evaluation than the 'Middle Seat' ad in the prior condition. This suggests that the effect of ad message is stronger than the effect of the timing of source disclosure. This is even more pronounced for brand evaluation. Whereas the common pattern of evaluation (control < prior < post) was replicated by brand evaluations for the 'Middle Seat' ad, brand evaluations for the 'When pigs fly' ad showed a different pattern. In this case, evaluation in the post condition was lower than in the control and the prior condition. This shows again, that depending on the ad itself, source disclosure post ad exposure can reflect positive or negative on brand evaluation.

As to this study, the interaction or even moderation effect of ad message with disclosure and the timing of disclosure, as suggested by these results was, however, not statistically significant. Still, this suggests a need for future research.

6. IMPLICATIONS

6.1 Theoretical Implications

The findings of the present study contribute to an existing stream of literature examining the impact of consumer-generated ads on viewers' ad and brand evaluation. Most previous studies have already reported a positive effect of consumer ad-creator disclosure [22]. However, some also observed a negative effect [42], or no effect [41]. Mainly supporting the majority, the present study revealed that the disclosure of the source of co-created ads enhances ad evaluation. Depending on the ad in question, this positive influence can be significant or not. However, the effect on brand evaluation, independent on the ad itself, seems to be insignificant.

In its unique contribution, the study closes the research gap identified by Thompson and Malaviya [42], by revealing the effect of the differential timing of source disclosure. Disclosure post ad exposure yields even

more positive ad evaluations than disclosure prior to exposure, in a meaningful, however, not statistically significant way. Again, this was influenced by the ad itself in strength. As to brand evaluation, depending on the ad itself, the effect of disclosure post exposure is insignificant.

The study also adds to the findings of Lee et al. [24] who analysed the effect of information disclosure about an experience prior versus post this experience versus the absence of information disclosure on the evaluation of the experience. The information given in this study was, contrary to Lee et al., positive, as viewers have a rather positive attitude towards CGA. However, according to previous research, viewers can also have second thoughts and doubt the consumer's ability to create professional ads [42]. The results of the present study suggest that these second thoughts influence evaluation when information is given prior to and can be processed during exposure. However, when information is given post exposure, scepticism does not seem to arise and viewers rather seem enthusiastic about the fact that the ad they just saw was CGA, although they assumed that it was a traditional firm-generated ad. Consequently, evaluation under source disclosure was more positive than when no information was given, and was less positive when information was given prior versus post ad exposure.

Additionally, as two different ads were tested and yielded statistically insignificant different evaluations, we cannot support nor reject Miniard et al. [29] who suggested this effect.

Finally, the present study gave further support to the Reciprocal-Mediation Hypothesis, a variation of the Dual-Mediation Hypothesis, which posits a reciprocal effect between ad and brand evaluations, next to a direct effect of ad cognitions on ad evaluation and brand cognitions on brand evaluation.

6.2 Managerial Implications

The findings of the present study provide several insights for marketing professionals with respect to the use and management of co-created and consumer-generated advertisements in specific and advertisements in general.

It has been shown that CGAs have a positive impact on ad evaluation, and that this impact can be significant depending on the ad itself. CGAs can also enhance brand evaluation, but this was not significant. For one ad, however, disclosure even had a slight negative effect on some brand evaluation items, so advertisers have to be cautious about the brand effects. Although we obtained results that source disclosure after ad exposure yielded more positive impact than disclosure prior to ad exposure, one should take in mind that the difference between the two timing-conditions was not significant.

Next, different ad messages have been evaluated differently than one would suspect. This suggests that the way of framing the message can considerably impact the evaluation of the ad and consequently the brand. How to frame the message should be subject of further research.

All in all, the detailed findings of the present study emphasize the need for extensive testing of the effectiveness of various message aspects prior to ad publication, for example, by the help of neuro-scientific methods. This is important, as ad evaluation has been proven to impact brand evaluation and purchase intention, and consequently sales.

In light of the repeated positive empirical findings with respect to CGA, as well as ad scorings, the question arises why does not every brand switch its ad creation from an agency to its consumers. Several instances have indicated the negative effects of this switch on ad agencies [3, 9]. The agencies, however, were only slightly impressed by the phenomenon. For them, the arrival of CGA represented just another development in the progressing fragmentation of media as well as its liberation in the digital era. Instead of a threat, agencies perceived the phenomenon rather as a challenge to do better. The upsurge and success of CGAs made agencies aware that they were not the experts in terms of executional and technical finesse anymore. Consequently, the focus of competition moved to creativity and talent as well as to time to the market and cost [9].

In the years that followed, there was an ongoing debate about whether or not CGAs were 'here to stay'. There was critique, that the in the beginning positively perceived status of the creator as an everyday consumer and a nonprofessional, is likely to become questioned as being motivated by professional advancement or profit, as the practice of CGA matures [23]. This was assumed to weaken CGAs' perceived authenticity. Also, as companies still are involved in the process, especially in framing and selecting the messages broadcasted, credibility of the ads could be doubted. Therefore, many considered CGA a risky practice [23]. For some brands, such as Chevrolet, CGAs have shown that they even can harm the brand [3, 37]. Next to these challenges inherent in the concept of CGA, critics suspected the practice to be a hype; a strategy that has only a short-lived advantage due to its novelty, that will 'wear-off' and lose its effectivity when used by everyone [23]. The opposition, however, such as Berthon et al. [2], contended that "consumer-generated advertising is here to stay - it won't go away, and managers will have to deal with it" (p.23).

Now, ten years after the birth of CGA, we can see that the agencies were right when rejecting the idea that CGAs would mean their extinction; and we seem to be able to draw a conclusion on the CGA debate. Even though many firms made use of CGA within the past decade, these cases were an exception, not a rule. CGAs are not omnipresent and most firms still engage ad agencies. Instead, new creative crowdsourcing firms pop up, that help the big curating content [40].

Despite the fact that the costs of these crowdsourcing initiatives are close to traditional advertising, the returns on CGA are impressive [40].

Whether in form of CGA or not; the engagement, interaction and co-creation between firm and consumer have become the alpha and omega in today's brand

management. Firms must not view consumer engagement as a possibility, but as an obligation.

Even if consumers have always engaged with brands and created their own brand stories; through the upsurge of the Internet and social media, this became more apparent. Today, consumers create and disseminate content easily and widely. Brand management, in turn, developed from a rather proprietary to an open source activity. Firms cannot help it, but need to know how to manage it [14].

6.3 Limitations and Future Research

This study has its strengths, but is not without limitations that open up venues for future research.

The study fell short of providing insight into the underlying processes and viewer thoughts that led to a lower evaluation when disclosure preceded versus followed exposure. Explanation could only be given in form of assumptions based on related research. Asking participants after information disclosure what they thought of this information, would have given valuable insights. This would also have given insight into the perception of the consumer ad-creator in general. This represents a venue for future research as already indicated by Lawrence et al. [23].

The finding that source disclosure post exposure, in most cases, led to higher ad and brand evaluations than when preceding exposure, even if not statistically significant, is a valuable insight. However, how this can be managed in practice needs to be defined. Displaying the information that the ad one just saw was created by a consumer can easily be imagined. However, what is the effect of repetition? After having seen the ad for the first time, the information given after ad exposure represents information the viewer has before exposure when watching the ad for a second time. Will this lead to a new and different ad evaluation?

Further, the finding that source disclosure, especially when occurring post disclosure, can also reflect negatively on brand evaluation, suggests the need to examine which consumer-generated advertising messages should be avoided.

Most importantly, the fact that the effect of source disclosure and the timing of source disclosure can differ in strength and even in direction in depending on the ad itself, as revealed by the present study, calls for analysing, with an extensive and differentiated set of CGAs, whether ad message interacts with or even has a moderating impact on the effect of disclosure and the timing of disclosure on ad and brand evaluation.

Similar to prior studies and reflecting the majority of co-created and consumer-generated advertisements, this research was conducted using humorous ads. However, it seems valuable to investigate how CGAs and the disclosure of the source impact viewers' ad and brand evaluation when the ad message conveys a different emotion such as, for example, sadness.

It also could be interesting to build on the results shown by the two humorous ads, that different aspects of humour e.g. foolish/ wise, tasteless/ tasteful, lead to different ad and brand evaluations. Previous research already examined the

effectiveness of different forms of humour for traditional ads [8]. How this applies to CGAs could be analysed.

7. CONCLUSIONS

The purpose of the present study was to respond to the suggestion made by Thompson and Malaviya [42] by examining the research question "How does the timing of source disclosure of co-created advertisements affect viewers' advertisement and brand evaluation?"

Two studies have examined how source disclosure affects viewers' ad and brand evaluation [22, 42]. Yet, results were contradictory. One study concluded a positive effect; the other one reported a negative influence [42]. This suggests that the ad itself has a moderating impact.

Therefore, the present study extended the exploration of the effect by using two different but similar ads. Additionally, and in particular, it investigated the effect of differential timing of source disclosure - prior versus post ad exposure - on ad and brand evaluation.

The results of an experimental online survey with 191 international respondents showed that the information of the source has a significant positive effect on ad evaluation, and an insignificant positive effect on brand evaluation. The influence on ad evaluation is even more positive when the source is disclosed post ad exposure than when revealed prior to exposure, although the difference was not statistically significant. The strength of the positive effect seemed to be influenced by the ad itself. Also, the ad itself seemed to influence whether the effect of disclosure, and especially of disclosure post exposure, reflects positively or negatively on brand evaluation. This, however, was not statistically significant either, but hints at the suggested moderating impact of the ad itself.

In sum, these results partly support the majority of previous findings according to which source disclosure has a positive influence on ad and brand evaluation. However, they also show that ad message manipulation can influence the effect.

The study gives insights for marketing professionals with respect to the use and management of co-created and consumer-generated advertisements in specific, and advertisements in general. Further, it exemplifies the importance of extensive testing of the effectiveness of various message aspects prior to ad publication.

Amongst others, the major need for research rests in the analysis of the interaction or even moderation effect of ad message on the effect of source disclosure and the timing of disclosure on ad and brand evaluation, as well as in detailed insight which CGA message aspects can reflect negatively on brand evaluation and should be avoided.

8. REFERENCES

- [1] Achrol, R. and Kotler, P. (2012), "Frontiers of the Marketing Paradigm in the Third Millennium," *Journal of the Academy of Marketing Science*, Vol. 40, No. 1, pp. 35-52.
- [2] Berthon, P., Pitt, L., and Campbell, C. (2008), "When Consumers Create the Ad," *California Management Review*, Vol. 50, No. 4, pp. 6-30.
- [3] Bosman, J. (2006), "An Agency's Worst Nightmare: Ads Created by Users", *The New York Times*, available at: <http://www.nytimes.com/2006/05/11/business/medi/11adco.html> (accessed: 11 May 2016).
- [4] Brodie, R. J., Ilic, A., Juric, B., and Hollebeek, L. (2013), "Consumer engagement in a virtual brand community: An exploratory analysis," *Journal of Business Research*, Vol. 66, No. 1, pp. 105-114.
- [5] Brown, S. P. and Stayman, D. M. (1992), "Antecedents and Consequences of Attitude toward the Ad: A Meta-analysis," *Journal of Consumer Research*, Vol. 19, No. 1, pp. 34-51.
- [6] Brunswicker, S. and Ehrenmann, F. (2013), "Managing Open Innovation in SMEs: A Good Practice Example of a German Software Firm," *International Journal of Industrial Engineering and Management (IJEM)*, Vol. 4, No. 1, pp. 33-41.
- [7] Campbell, C., Leyland, F. P., Parent, M., and Berthon, P. R. (2011), "Tracking Back-Talk in Consumer-Generated Advertising: An Analysis of Two Interpretative Approaches," *Journal of Advertising Research*, Vol. 51, No. 1, pp. 224-238.
- [8] Catanescu, C. and Tom, G. (2001), "Types of Humor in Television and Magazine Advertising," *Review of Business*, Vol. 22, No. 1, pp. 92-95.
- [9] Creamer, M. (2007), "AD Age Agency of the Year: The Consumer", *Advertising Age*, available at: <http://adage.com/article/news/ad-age-agency-year-consumer/114132/> (accessed: 8 January 2016).
- [10] Etimur, B. and Gilly, M. C. (2012), "So Whaddya Think? Consumers Create Ads and Other Consumers Critique Them," *Journal of Interactive Marketing*, Vol. 26, No. 3, pp. 115-130.
- [11] Fuchs, C. and Schreier, M. (2011), "Customer Empowerment in New Product Development*," *Journal of Product Innovation Management*, Vol. 28, No. 1, pp. 17-32.
- [12] Füller, J., Hutter, K., and Faulant, R. (2011), "Why co-creation experience matters? Creative experience and its impact on the quantity and quality of creative contributions," *R&D Management*, Vol. 41, pp. 259-273.
- [13] Fuüller, J. (2010), "Refining Virtual Co-creation from a Consumer Perspective," *California Management Review*, Vol. 52, No. 2, pp. 98-122.
- [14] Gensler, S., Völckner, F., Liu-Thompkins, Y., and Wiertz, C. (2013), "Managing Brands in the Social Media Environment," *Journal of Interactive Marketing*, Vol. 27, No. 4, pp. 242-256.
- [15] Gilmore, J. and Pine II, B. J. Eds.), (2000), "Markets of One: Creating Customer-Unique Value through Mass Customization". Boston MA: Harvard Business School Publishing.
- [16] Hautz, J., Füller, J., Hutter, K., and Thürridl, C. (2014), "Let Users Generate Your Video Ads? The Impact of Video Source and Quality on Consumers' Perceptions and Intended Behaviors," *Journal of Interactive Marketing*, Vol. 28, No. 1, pp. 1-15.
- [17] Holt, D. B. (2002), "Why Do Brands Cause Trouble? A Dialectical Theory of Consumer Culture and Branding," *Journal of Consumer Research*, Vol. 29, No. 1, pp. 70-90.
- [18] Hoyer, W. D., Chandy, R., Dorotic, M., Krafft, M., and Singh, S. S. (2010), "Consumer Cocreation in New Product Development," *Journal of Service Research*, Vol. 13, No. 3, pp. 283-296.
- [19] Ind, N., Iglesias, O., and Schultz, M. (2013), "Building Brands Together: EMERGENCE AND OUTCOMES OF CO-CREATION," *California Management Review*, Vol. 55, No. 3, pp. 5-26.
- [20] Keller, K. L. (2003), "Brand synthesis: The multidimensionality of brand knowledge," *Journal of Consumer Research*, Vol. 29, No. 4, pp. 595-600.
- [21] Kristensson, P., Gustafsson, A., and Archer, T. (2004), "Harnessing the Creative Potential among Users," *Journal of Product Innovation Management*, Vol. 21, No. 4, pp. 4-14.
- [22] Lawrence, B., Fournier, S., and Brunel, F. (2010), "Consuming the Consumer-Generated Ad," Working paper, 2009-9, Boston, MA: Boston University School of Management.
- [23] Lawrence, B., Fournier, S., and Brunel, F. (2013), "When Companies Don't Make the Ad: A Multimethod Inquiry Into the Differential Effectiveness of Consumer-Generated Advertising," *Journal of Advertising*, Vol. 42, No. 4, pp. 292-307.
- [24] Lee, L., Frederick, S., and Ariely, D. (2006), "Try It, You'll Like It: The Influence of Expectation, Consumption, and Revelation on Preferences for Beer," *Psychological Science*, Vol. 17, No. 12, pp. 1054-1058.

- [25] Liu, F., Li, J., Mizerski, D., and Soh, H. (2012), "Self-congruity, brand attitude, and brand loyalty: a study on luxury brands," *European Journal of Marketing*, Vol. 46, No. 7/8, pp. 922-937.
- [26] Lutz, R., Mackenzie, S., and Belch, G. (1983), "Attitude Toward The Ad As A Mediator of Advertising Effectiveness," *Advances in Consumer Research*, Vol. 10, pp. 532-539.
- [27] Machleit, K. A. and Wilson, R. D. (1988), "Emotional Feelings and Attitude Toward the Advertisement: The Roles of Brand Familiarity and Repetition," *Journal of Advertising*, Vol. 17, No. 3, pp. 27-35.
- [28] Mahr, D., Lievens, A., and Blazevic, V. (2014), "The Value of Customer Cocreated Knowledge during the Innovation Process," *Journal of Product Innovation Management*, Vol. 31, No. 3, pp. 599-615.
- [29] Miniard, P. W., Bhatla, S., and Rose, R. L. (1990), "On the Formation and Relationship of Ad and Brand Attitudes: An Experimental and Causal Analysis," *Journal of Marketing Research*, Vol. 27, No. 3, pp. 290-303.
- [30] Muñiz Jr., A. M. and Schau, H. J. (2007), "Vigilante Marketing And Consumer-Created Communications," *Journal of Advertising*, Vol. 36, No. 3, pp. 35-50.
- [31] Oliver, R. L. (1999), "Whence Consumer Loyalty?," *Journal of Marketing*, Vol. 63, pp. 33-44.
- [32] Orcik, A., Tekic, Z., and Anisic, Z. (2013), "Customer Co-Creation throughout the Product Life Cycle," *International Journal of Industrial Engineering and Management (IJIEM)*, Vol. 4, No. 1, pp. 43-49.
- [33] Pehlivan, E., Sarican, F., and Berthon, P. (2011), "Mining messages: Exploring consumer response to consumer- vs. firm-generated ads," *Journal of Consumer Behaviour*, Vol. 10, No. 6, pp. 313-321.
- [34] Piller, F. T., Ihl, C., and Vossen, A. (2010), "A typology of customer co-creation in the innovation process", available at: SSRN: <https://ssrn.com/abstract=1732127> or <http://dx.doi.org/10.2139/ssrn.1732127> (accessed: 7 May 2015).
- [35] Poetz, M. K. and Schreier, M. (2012), "The Value of Crowdsourcing: Can Users Really Compete with Professionals in Generating New Product Ideas?," *Journal of Product Innovation Management*, Vol. 29, No. 2, pp. 245-256.
- [36] Prahalad, C. K. and Ramaswamy, V. (2004), "Co-creation experiences: The next practice in value creation," *Journal of Interactive Marketing*, Vol. 18, No. 3, pp. 5-14.
- [37] Sandoval, G. (2006), "GM Slow to React to Nasty Ads", *Cnet*, available at: <https://www.cnet.com/news/gm-slow-to-react-to-nasty-ads/> (accessed: 26 February 2016).
- [38] Sawhney, M., Verona, G., and Prandelli, E. (2005), "Collaborating to create: The Internet as a platform for customer engagement in product innovation," *Journal of Interactive Marketing*, Vol. 19, No. 4, pp. 4-17.
- [39] Schreier, M., Fuchs, C., and Dahl, D. W. (2012), "The Innovation Effect of User Design: Exploring Consumers' Innovation Perceptions of Firms Selling Products Designed by Users," *Journal of Marketing*, Vol. 76, No. 5, pp. 18-32.
- [40] Schultz, E. J. (2016), "How 'Crash the Super Bowl' Changed Advertising", *Advertising Age*, available at: <http://adage.com/article/special-report-super-bowl/crash-super-bowl-changed-advertising/301966/> (accessed: 22.04.2016).
- [41] Steyn, P., Ewing, M. T., van Heerden, G., Pitt, L. F., and Windisch, L. (2011), "From whence it came," *International Journal of Advertising*, Vol. 30, No. 1, pp. 133-160.
- [42] Thompson, D. V. and Malaviya, P. (2013), "Consumer-Generated Ads: Does Awareness of Advertising Co-Creation Help or Hurt Persuasion?," *Journal of Marketing*, Vol. 77, No. 3, pp. 33-47.
- [43] Vakratsas, D. and Ambler, T. (1999), "How Advertising Works: What Do We Really Know?," *Journal of Marketing*, Vol. 63, No. 1, pp. 26-43.
- [44] van Dijk, J., Antonides, G., and Schillewaert, N. (2014), "Effects of co-creation claim on consumer brand perceptions and behavioural intentions," *International Journal of Consumer Studies*, Vol. 38, No. 1, pp. 110-118.
- [45] Vargo, S. L. and Lusch, R. F. (2004), "Evolving to a New Dominant Logic for Marketing," *Journal of Marketing*, Vol. 68, No. 1, pp. 1-17.
- [46] von Hippel, E. (2001), "PERSPECTIVE: User toolkits for innovation," *Journal of Product Innovation Management*, Vol. 18, No. 4, pp. 247-257.
- [47] Weber, M., Gruppelaar, R., and Oosterhof, S. (2016), "To Communicate Co-Creation or Not? Examining the Effects on Brand and Product Perception," *International Journal of Industrial Engineering and Management*, Vol. 7, No. 4, pp. 169-181.
- [48] Weber, M. E. A. (2011), "Customer Co-Creation in Innovations. A protocol for innovating with end-users," PhD Dissertation, Industrial Engineering & Innovation Sciences, Eindhoven University of Technology, Eindhoven.
- [49] Weber, M. E. A. (2012), "Paving the Way to Customer Co-Creation in Innovations," presented at the 5th International Conference on Mass Customization and Personalization in Central Europe (MCP-CE 2012), Novi Sad, Serbia.
- [50] Witell, L., Kristensson, P., Gustafsson, A., and Löfgren, M. (2011), "Idea generation: customer co-creation versus traditional market research techniques," *Journal of Service Management*, Vol. 22, No. 2, pp. 140-159.
- [51] Zhang, X. and Chen, R. (2008), "Examining the mechanism of the value co-creation with customers," *International Journal of Production Economics*, Vol. 116, pp. 242-250.

Efekat kokreiranih reklama u poređenju sa reklamama koje kreiraju kompanije: Moderirajuća uloga otkrivanja izvora ideje na gledaoce reklame i ocenu brenda

Marcel Weber, Julia Heinze

Primljen (15.02.2017.); Recenziran (08.06.2017.); Prihvaćen (28.07.2017.)

Apstrakt

Kompanije sve više shvataju da integracija potrošača kao izvora inovacija, tj. kokreacija sa potrošačima, omogućava postizanje jedinstvene konkurentne prednosti duž lanca vrednosti. Rastući trend predstavlja kokreacija reklama, takođe poznato i kao reklame koje kreiraju potrošači. Iako je fenomen započeo sa potrošačima koji su se inicijalno bavili stvaranjem i distribucijom video sadržaja povezanih sa brendom, kompanije su prepoznale vrednost aktivnog potraživanja reklama koje kreiraju potrošači. Kako se ovo na prvom mestu odnosi na potrošače koji učestvuju u kokreaciji, zanimljivo je istražiti kako reklame koje kreiraju potrošači doživljaju oni potrošači koji u tom procesu ne učestvuju. Obzirom da su prethodna istraživanja dala različite rezultate, na taj način sugerišući moderirajuću ulogu same reklame, ovo istraživanje proširuje analizu efekta otkrivanja izvora ideje na reklamu i

ocenu brenda koristeći dve različite reklame. Pored toga, ovo istraživanje ispituje da li postoji i kakav je uticaj različitog vremena otkrivanja izvora ideje. Na osnovu „online“ eksperimenta u kom je učestvovao 191 međunarodni ispitanik, utvrđeno je da otkrivanje izvora ideje povećava ocenu reklame na značajan način, a ocenu brenda na beznačajan način. Što se tiče vremena, otkrivanje pre u odnosu na otkrivanje nakon gledanja reklame ima važan ali ne statistički značajan efekat. Otkrivanje izvora ideje nakon gledanja reklame konstantno donosi veću ocenu reklame u odnosu na standardne reklame koje kreiraju kompanije. Međutim, sama reklama ima moderirajući efekat, što donosi razlike u snazi i pravcu efekta.

Ključne reči: *kokreacija, reklame koje kreiraju potrošači, ocena brenda, reklamiranje, ocena reklame, vreme otkrivanja izvora idej*