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CHAPTER

6 Informing Consumers about "Hidden" Advertising: A Literature Review of the Effects of Disclosing Sponsored Content

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ABSTRACT

Purpose – This chapter provides an overview of what is currently known in the scientific literature about the effects of disclosures of sponsored content on consumers' responses.

Methodology/approach – We provide a qualitative literature review of 21 empirical studies.

Findings – Awareness of disclosures is rather low, but when consumers are aware of a disclosure, it successfully activates persuasion knowledge and can increase brand memory. The literature shows inconclusive findings with respect to the effects of disclosures on attention paid to sponsored content, critical processing, brand attitudes, and purchase intentions. In addition, the literature shows that modality of the disclosure has no significant effects, but the content of the disclosure, its timing, its duration, receivers' moods, and their perceptions of the sponsored content or the endorser are important moderators.

Research implications – More research is needed on differences in effects of disclosures in different media and on disclosures of

online sponsored content online (e.g., sponsored tweets and vlogs).

Practical implications – This chapter provides advertisers with insights on how disclosures affect the persuasiveness of sponsored content in several media.

Social implications – For legislators, explicit guidelines on how to create effective disclosures of sponsored content are provided. For example, to increase persuasion knowledge, disclosures should be portrayed for at least 3 seconds and if logos are used, they should be accompanied by texts explaining the logo.

Originality/value – This overview is a valuable starting point for future academic research in the domain of disclosure effects and provides insights for advertisers and legislators.

Keywords: Disclosures; forewarnings; sponsored content; brand placement; embedded advertising; persuasion knowledge

Introduction

One important development in advertising is the practice of embedding commercial messages into traditionally non-commercial content. These formats are also known as sponsored content, embedded advertising, stealth marketing, covert marketing, branded content, product placement, or native advertising. In this chapter, we will refer to this phenomenon as sponsored content, which is defined as the purposeful integration of brands or branded persuasive messages into editorial media content in exchange for compensation from a sponsor (Van Reijmersdal, Neijens, & Smit, 2009). Examples are advertorials in magazines, brand placement in TV and movies, advergames, Video News Releases, and the mentioning of specific brands or products in blogs. In these advertising formats, the boundaries between editorial and commercial content are blurred, "hiding" the commercial source and intent. As a result, consumers may not recognize sponsored content as persuasive (Nebenzahl & Jaffe, 1998) and thus may not carefully scrutinize the message or use their cognitive defenses against persuasion (Bhatnagar, Aksoy, & Malkoc, 2004; Nebenzahl & Jaffe, 1998). This way, advertisers may overcome the problem of advertising avoidance and possibly even reduce resistance.

However, it has been argued that sponsored content violates the right of consumers to know when they are being subjected to advertising, and hence that embedded advertising is unethical and deceptive (e.g., Cain, 2011; Commercial Alert, 2008; Kuhn, Hume, & Love, 2010). For this reason, the effects of sponsored content without consumers' awareness of its persuasive intent have been a serious cause of concern in both academia and society.

To guarantee fair communication and to avoid any confusion on part of the consumer, regulations obligating senders and advertisers to disclose sponsored content have been developed and proposed in several countries. Since the development of these guidelines, there has been a considerable amount of research done about the effects of the disclosure of sponsored content to consumers. These studies focused on different types of disclosures, in different media, and measured various moderating, mediating, and dependent variables. Because of these differences, there is no clear overview of the effects of disclosures of sponsored content.

In this chapter, we aim to provide an overview of what is currently known about the effects of disclosures on consumers' responses. Next to the importance of a clear overview of disclosure effects to the body of theoretical knowledge, such insights are also important for regulators and advertisers. This overview gives regulators insights into which disclosures have an effect, under which circumstances effects occur, and for whom. These insights can be very useful in the development of more specific guidelines on how to disclose sponsored content. Additionally, it is vital for advertisers to understand whether the inclusion of disclosures influences the effectiveness of the advertising, and in what direction. When disclosures generate more resistance and mitigate the persuasive effects of sponsored content, this may make the use of sponsored content less attractive and less beneficial.

Focus of This Chapter

To generate a better understanding of what disclosures mean for both advertisers and consumers, and the extent to which the regulations are effective, we compare the results of the studies on disclosures of sponsored content regardless of the medium. Studies on disclosures have been conducted for sponsored content in print, on television, in movies, on the radio, and online. These studies are all included in this overview.

The actual practice and description of sponsored content differ between the medium types. In print, sponsored content is manifested in advertorials, which are advertisements in magazines that are designed to resemble the magazine's editorial content

(Kim, Pasadeos, & Barban, 2001). On television, there are two types of sponsored content studied: Video News Releases (VNRs) and brand placement. VNRs are packaged video segments created and provided for free by a third party to news stations. These videos are usually part of publicity campaigns and are made in such a way that its audience may believe that the message was made by an independent source (e.g., a journalist or the news station; Nelson & Park, 2014). Brand placement is the practice of integrating products or brands in television programs and movies (Van Reijmersdal et al., 2009). The same can be done in radio shows, for instance by giving out prizes supplied by an advertiser or providing a recipe with a particular product in it (Wei, Fischer, & Main, 2008). Online, popular bloggers are often important opinion leaders to their readers and are therefore seen as useful tools to reach audiences. For this reason, bloggers are often compensated by advertisers to write blog posts about a product or brand (Carr & Hayes, 2014), which makes these posts a type of sponsored content. Another new advertising format online is the employment of advergames, which are free online games that are created to promote a brand or brands from a specific advertiser (Van Reijmersdal, Lammers, Rozendaal, & Buijzen, 2015). All of these types of sponsored content have in common that they try to resemble traditionally non-commercial, editorial content. In doing so, it blurs the line between editorial and commercial content. This makes the commercial nature less obvious to audiences, causing the need for disclosures of the commercial nature of this content.

When selecting the studies, we decided to focus on published, empirical studies that examine the *effects* of disclosures of sponsored content. We only included studies in which the disclosure was an independent variable and was presented with sponsored content (thus not as a separate instruction or as a news article) and aimed to inform the consumer about sponsored content. Table 1 provides an overview of the 21 studies that were included, the disclosures tested in these articles, the disclosures' characteristics, and the disclosure effects that will be discussed in this chapter. The earliest studies were done on advertorials and Video News Releases, and most articles focused on sponsored content in television.

We will start our overview with a short description of the regulations regarding disclosures of sponsored content and a discussion of the importance of disclosure awareness. With respect to disclosure effects, we specifically focus on (1) the effects of disclosures on the processing of advertising (i.e., attention to the sponsored content, the activation of persuasion knowledge, and critical processing), (2) the influence of disclosures on brand responses (i.e., brand memory, brand attitude, and purchase intention), and (3) the conditions (i.e., disclosure and receiver characteristics) under which these

Table 1: Overview of Disclosures and Effects Found in Studies.

Disclosure	Disclosure Characteristics[a]	Effects		Conditions	References
		Processing	Brand responses		
Print					
Labeled as advertisement (wording not specified)	Textual	Recognition of advertisement content (−)			Cameron and Curtin (1995)
"Advertisement"	Textual;	Self-reported attention paid to message (ns)			Kim et al. (2001)
	Center of upper page	Message elaboration (ns)			
		Recall of message content (ns)			
Television					
Brand placement					
"This program contains advertising by [BRAND]"	Visual;	Conceptual persuasion knowledge (+)	Brand memory (+)	Duration	Boerman et al. (2012b)
	3 or 6 seconds	Attitudinal persuasion knowledge (+)	Brand attitude (−)		
"This program contains advertising by [BRAND]"	Visual	Thoughts about advertising (+)			Boerman et al. (2013)
"This program contains advertising by [BRAND]"	Visual;	Recognition of advertising (+)	Brand attitude (−)	Timing	Boerman et al. (2014)
	3 or 6 seconds;	Critical processing (+)			
	Prior, concurrent, after				

Table 1: (*Continued*)

Disclosure	Disclosure Characteristics[a]	Effects		Conditions	References
		Processing	Brand responses		
"This program contains product placement"	Visual;	Visual attention brand placement (+)	Brand memory (+)	Content	Boerman et al. (2015a)
"PP" logo	6 seconds;	Recognition of advertising (+)	Brand attitude (−)		
"This program contains product placement" and "PP" logo	Beginning of program				
"This program contains advertising by [BRAND]"	Visual;			Duration;	Boerman et al. (2015b)
	3 or 6 seconds;			Timing	
	Prior, concurrent, after				
"[BRAND] is trying to influence you and therefore a one-sided view is presented"	Visual;		Brand attitude (ns)	Content;	Dekker and Van Reijmersdal (2013)
	7 seconds;		Product claim acceptance (m)	Celebrity credibility	
"This is information from [BRAND]"	Start of sponsored content				
"This show contains scenes with paid product placement"	Visual;		Placement recall (ns)	Timing	Campbell et al. (2013)
	3 seconds;		Brand listing (m)		
	Prior or after		Brand attitude (m)		
Video News Releases (VNRs)					
Visual graphic for the duration of story;	Visual, audio, or audiovisual;	Credibility newscast (ns)		Modality	Tuggle (1998)
Verbal acknowledgment by news anchor at end of story;	Continuously or at end				
Visual graphic in body of story followed by verbal acknowledgment at the end (wording not specified)					

"Video supplied by [BRAND]"	Visual; 20 seconds; Throughout sponsored content	Recognition brand as source (+) Perceived credibility of the VNR story (ns) Attitude toward the VNR message (ns)	Brand recall (+) Brand attitude (ns)		Wood et al. (2008)
"Video supplied by [BRAND]"	Visual; 20 seconds; Throughout sponsored content	Television news "commercializing" (+) Television news "commercials in disguise" (+)			Nelson et al. (2009)
"[GROUP] created parts of this story." (Communicator label) "[NETWORK] wants you to know: [GROUP] created parts of this story." (Moderator label)	Visual; 3 or 4 times	Attention to news story (ns) Credibility news creators (ns) Credibility program (ns) Credibility news story (ns)	Brand recall (+)	Content	Tewksbury et al. (2011)
"Video provided by [BRAND]" (study 2)	Visual; 1 second; At the end of the sponsored content	Credibility news story (+)		VNR ethicality	Nelson and Park (2014)
Movies					
List of brands in movie	Visual; Preceding opening credits		Brand recall (+) Brand liking (ns)		Bennett et al. (1999)

Table 1: (*Continued*)

Disclosure	Disclosure Characteristics[a]	Effects		Conditions	References
		Processing	Brand responses		
"Brands are shown in this movie!"	Visual; 2 seconds; Prior, concurrent, after	Skepticism (ns)	Brand recall (+) Brand recognition (+)	Timing	Van Reijmersdal et al. (2013)
"PP" logo (+ training about this logo and/or information training)	Visual; 4 seconds; Beginning of fragment	Persuasion knowledge (+)	Brand recall (ns) Purchase intention (−)	Content; Brand recall	Tessitore and Geuens (2013)
Radio					
Participants were told a brand paid for the radio show	Audio; Before listening to the show	Persuasion knowledge (+)	Brand attitude (−)	Brand familiarity; Appropriateness	Wei et al. (2008)
Online					
Blogs					
"Some news on this website are sponsored by firms"	Visual; Prior, after	Inferred influence (m)	Brand attitude (m) Brand listing (−)	Timing	Campbell et al. (2013)
"All statements and opinions detailed in this review are my own. However, Canon apparently heard about my blog a while back and gave me an XT D-SLR camera to use and talk about. Canon pays me every time I plug their product and a percentage of the camera sales." (Explicit disclosure)	Visual;	Persuasion knowledge (+)		Content	Carr and Hayes (2014)

"All statements and opinions detailed in this review are my own. However, Canon apparently heard about my blog a while back and gave me an XT D-SLR camera to use and talk about. You can order this camera from Amazon.com using the link provided in the review. Amazon gives me a small commission for every camera bought through the link." (Implied disclosure)	End of blog post	Blogger credibility (+)			
"All statements and opinions detailed in this review are my own. You may order this camera from many online vendors using the link provided in the review. I did not receive any personal benefit from reviewing this product." (Impartial disclosure)					
Advergames					
"This game contains advertising for [BRAND] to influence you"	Visual; Before game	Persuasion knowledge (+) Game attitude (ns)	Brand attitude (ns) Brand recall (ns)	Mood	Van Reijmersdal et al. (2015)
"Hi kids! This game is an advertisement"	Visual, audio, or audiovisual; Text below game, audio started after 4 seconds and repeated every 10 seconds	Persuasion knowledge (+) Game attitude (ns)		Modality	Evans and Hoy (forthcoming)

Note: Table solely presents the effects discussed in this literature review.
ns = no significant effect, m = significant moderated effect, + = significant positive effect, − = significant negative effect.
[a]Presents modality; duration; timing or position of the disclosure if information is provided in the article.

effects occur. Because of the focus on processing, and more specifically the activation of persuasion knowledge, and the development of persuasion knowledge depends on age and experience (Evans & Hoy, forthcoming; Friestad & Wright, 1994), we decided to exclude studies conducted amongst children (i.e., An & Stern, 2011; Panic, Cauberghe, & De Pelsmacker, 2013) and to only focus on adults.

Regulations Regarding Disclosures of Sponsored Content

The rules and regulations concerning sponsored content differ between countries and medium types. Generally, they stimulate advertisers to communicate to consumers that a message is, or contains, advertising, and to always identify any sponsors. This is based on the idea of transparency and consumers' right to know when they are being subjected to advertising (Lee, 2008; Nebenzahl & Jaffe, 1998). This right, and the consumer protections laws, apply to advertising in general, but there are specific rules and guidelines for different media.

For sponsored content in audiovisual media (i.e., radio and television) for instance, Section 317 of the American Communications Act of 1934, as amended, 47 U.S.C. § 317, requires broadcasters to disclose to their listeners or viewers "if matter has been aired in exchange for money, services or other valuable consideration" (Federal Communications Commission, 2013). Likewise, the European Audiovisual Media Directive focuses on a specific type of sponsored content namely product placement stating that: "Viewers shall be clearly informed of the existence of product placement. Programmes containing product placement shall be appropriately identified at the start and the end of the program, and when a program resumes after an advertising break, in order to avoid any confusion on the part of the viewer" (Audiovisual Media Services Directive, 2010, p. 17). Despite this clear obligation to disclose advertising, however, until now, there are no clear rules or guidelines for the execution of disclosures, in both the United States and Europe. This has resulted in the employment of a variety of disclosures (e.g., PP logo's, texts such as "This program contains product placement," or mentions of sponsors in end credits).

Furthermore, for the internet, regulators and advertisers have developed social media advertising codes and guidelines because of the growing deployment of social media advertising (e.g., in blogs and on social networking sites; Federal Trade Commission, 2013; Stichting Reclame Code, 2014; Word of Mouth Marketing Association, 2013). These guidelines too propose that any

connection between a speaker and a company or brand on social media should always be disclosed (e.g., by using #spon on Twitter, or texts such as "brand X gave me this product so I could try it out" on blogs).

With these regulations and guidelines, a new field of research has opened up. In the following sections, we will discuss the studies that have been published on the effects of disclosing sponsored content on consumers' responses.

Disclosure Awareness

Before any label or warning can communicate its message effectively, its receiver should be aware of it (Stewart & Martin, 1994; Wogalter & Laughery, 1996). Whereas most studies measured participants' recall or recognition of the disclosure as an indicator of their awareness of the disclosure, one study (Boerman, Van Reijmersdal, & Neijens, 2015a) measured participants' visual attention through eye tracking to tap into participants' disclosure awareness.

Several studies concerning disclosures of sponsored content in television programs provided evidence for the idea that disclosure awareness is of importance. A study by Boerman, Van Reijmersdal, and Neijens (2012a) regarding sponsored content in a lifestyle television program demonstrated that a disclosure only affected the use of persuasion knowledge when viewers actually recalled seeing it. Moreover, in their study concerning VNRs, Nelson and Park (2014) found that a disclosure only influenced the perceived credibility of the news item when viewers recalled seeing a label indicating the source of the VNR story.

Despite the importance of consumers' awareness of disclosures, a considerable amount of studies demonstrated that consumers are often unaware of disclosures. In their experiment on labeling advertorials, Kim et al. (2001) found that 29% of the participants who were exposed to a labeled advertorial could actually recall this label.

Consumers' memory also appears to be low for disclosures on television and in movies. Of all participants exposed to a disclosure, the percentage of participants who remembered seeing it was 48% (Boerman, Van Reijmersdal, & Neijens, 2015b, 2012b), 16% (Tessitore & Geuens, 2013), and 76% (Campbell, Mohr, & Verlegh, 2013). Likewise, in VNRs, the percentage of participants that could recall seeing a label identifying the source of the video content was 47% (Tewksbury, Jensen, & Coe, 2011) and merely 19% (Nelson & Park, 2014). In addition, an eye-tracking study (Boerman et al., 2015a) comparing three different types of disclosures in a police series showed that viewers' visual attention to

the disclosure (a measure of whether participant's eyes stayed on the disclosure for at least 80 milliseconds (i.e., a fixation)) ranged from 8% to 94% depending on its type.

Although these percentages show that many participants were unaware of the disclosures, there is a large variation in percentages between studies. This discrepancy is possibly due to a difference in the disclosure's characteristics (see the section "Conditions for Disclosure Effects" in this chapter). There is one study that provides evidence for the idea that whether television viewers remember seeing a disclosure depends on both disclosure and audience factors (Boerman et al., 2015b). A disclosure in the middle or at the end of a program demonstrated to be better remembered than a disclosure at the beginning of the program. In addition, viewers' program and disclosure familiarity were found to increase the chance that a disclosure was remembered, probably because it requires fewer resources to process familiar objects. Furthermore, the study showed that program involvement decreased disclosure memory, because viewers who are involved with a program most likely attend to the program and consequently have less cognitive capacity available to process the disclosure. Although this provides some insight into the antecedents of consumers' awareness of disclosures, future research is needed to fully understand when and why consumers are aware of disclosure in different contexts.

Effects of Disclosures on Processing

The body of research focusing on the effects of disclosing sponsored content has demonstrated that disclosures can have important effects on the way consumers process the sponsored message. Processing can be categorized into three areas: attention to the sponsored content, the activation of persuasion knowledge, and critical processing.

ATTENTION TO SPONSORED CONTENT

By informing the consumer about a specific case of sponsored content, a disclosure can influence the amount of attention consumers pay to it. Studies on labeling advertorials provide some evidence that readers may pay less attention to the sponsored content because of a disclosure. Cameron and Curtin (1995) found a marginal significant negative effect of a disclosure on the recognition of print advertisement content: Readers were less able to remember the content of the advertisement when it was labeled as such, compared to when it was not labeled. This is explained by the idea that readers believe that feature ads are less credible and therefore they spend less effort processing the content of these ads (Cameron & Curtin, 1995).

A few years later, however, Kim et al. (2001) found no significant differences between labeled and unlabeled advertorials regarding self-reported attention paid to the message, message elaboration (measured with thought listing), and their recall of message content.

On television, Tewksbury et al. (2011) found no main effects of labeling VNRs on viewers' attention to the news story. However, a recent eye-tracking study on the effects of disclosing brand placement in television programs demonstrated that the visual attention television viewers paid to a disclosure at the beginning of the program increased their visual attention to the brand placements (Boerman et al., 2015a). This is explained by the idea that the disclosure functions as a cue or prime that emphasizes the upcoming sponsored content, causing viewers to pay more attention to it.

Overall, these findings demonstrate that the effects of disclosing advertorials on attention to sponsored content are inconclusive, and differ between the types of sponsored content. One explanation for this could be that there is an important difference in (internal vs. external) pacing and self-control. Consumers can internally decide whether and how much attention they pay to print, making it easy to avoid advertising as soon as they are informed about this. This is more difficult when sponsored content is integrated into a television program you are already watching and want to keep watching. Future research should look into the different effects that disclosures may have on consumers' attention to sponsored content in different media, and the reasons for these differences.

ACTIVATION OF PERSUASION KNOWLEDGE

The main goal of disclosures is to inform consumers that a message is advertising (Cain, 2011). This means that when a disclosure effectively communicates the commercial intent of content the receivers should realize that the content is advertising and thus activate their persuasion knowledge. Persuasion knowledge is defined as the set of theories and beliefs about persuasion and its tactics that people develop throughout their lives (Friestad & Wright, 1994).

Numerous studies provided evidence that disclosures can indeed help consumers activate their persuasion knowledge. Although the concept of persuasion knowledge is measured with a large variety of items, all studies do focus on the realization of consumers that specific content is advertising. This is sometimes combined with the understanding of the persuasive or commercial intent of the content (e.g., Campbell et al., 2013; Tessitore & Geuens, 2013; Van Reijmersdal et al., 2015; for an overview of measures of persuasion knowledge, see Ham, Nelson, & Das, 2015).

The studies focusing on televised disclosures repeatedly demonstrated that a disclosure enhances the activation of persuasion knowledge. Wood, Nelson, Atkinson, and Lane (2008) found a marginally significant effect, suggesting that subjects who viewed a labeled VNR story were somewhat more likely to correctly recognize the brand as the source of the VNR story than subjects who viewed the unlabeled VNR story. In addition, Nelson, Wood, and Paek (2009) found that, combined with reading an article about VNRs, a disclosure did make it more likely that VNRs were perceived as "commercializing" television news and "commercials in disguise."

Similar findings were found in studies concerning brand placement in television programs and movies. Several studies by Boerman et al. (2012a, 2012b, 2014, 2015a) demonstrated that viewers better recognized advertising in the program when they recalled seeing a disclosure, compared to when they did not recall this disclosure. Additionally, viewers indicated to have more thoughts about advertising after seeing a disclosure (Boerman, Van Reijmersdal, & Neijens, 2013). Such effects on the activation of persuasion knowledge were also found by Tessitore and Geuens (2013), but only when a PP (an abbreviation for product placement) logo was combined with a training that explained the logo or when participants were provided with information about product placement, and only when participants did not recall seeing the brand in the program.

Furthermore, the positive effect of disclosures on the activation of persuasion knowledge was also found in the context of advergames (Evans & Hoy, forthcoming; Van Reijmersdal et al., 2015), blogs (Campbell et al., 2013; Carr & Hayes, 2014), and in radio shows (Wei et al., 2008). Both Evans and Hoy (forthcoming) and Van Reijmersdal et al. (2015) showed that an advergame including a disclosure created more awareness of this game being advertising and having a persuasive intent, compared to when it did not include a disclosure. In addition, a disclosure presented after a blog post was shown to make participants infer greater influence of product placement in that blog (Campbell et al., 2013).

The studies conducted by Carr and Hayes (2014) and Wei et al. (2008) used manipulation checks similar to many of the persuasion knowledge measures. The manipulation check employed by Carr and Hayes (2014) showed that participants better understood that the blog post was influenced by a brand and the blogger was compensated to write the blog, with than without a disclosure. Despite not being discussed as such, this finding indicates that two of the disclosures used in this study indeed activated participants' persuasion knowledge. The same accounts for the study conducted by Wei et al. (2008). In this study, the disclosure (referred to as the activated-persuasion-knowledge condition) entailed the information that a brand paid for the radio show participants were about to

listen to. The manipulation check was successful, indicating that participants that were provided with the disclosure were more likely to agree that the brand was mentioned because of payment by an advertiser than the participants that were not provided with the disclosure.

Despite the evidence for the effectiveness of disclosure in activating persuasion knowledge, both studies on labeling advertorials failed to find evidence that a disclosure helped consumers recognize an advertorial as advertisement rather than as a news story or magazine article (Cameron & Curtin, 1995; Kim et al., 2001). A simple explanation could be that advertorials may not need disclosures to activate persuasion knowledge. Kim et al. (2001) argue that most respondents recognized the advertorial as advertisement based on the nature of its content, and not because of the disclosure. In this, an advertorial may be substantially different from advergames, and sponsored content in television programs, movies, radio shows and blogs, that do not activate persuasion knowledge by embedding and "hiding" the commercial content. Future research could look into how the level of persuasion knowledge may differ between media, and consequently to what extent disclosure are needed to activate consumers' persuasion knowledge in each medium type.

CRITICAL PROCESSING

Next to activating persuasion knowledge, informing consumers about embedded advertising can also instigate critical processing of this commercial content. Critical processing is defined as the adoption of an evaluative style of processing, in which the content is criticized (Boerman et al., 2014). This makes critical processing a more evaluative, attitudinal response compared to activation of persuasion knowledge, which is usually a cognitive response.

Several studies by Boerman and colleagues demonstrated that disclosing sponsored television content led to less positive brand-related thoughts (Boerman et al., 2013), and that the activation of persuasion knowledge consequently led to more critical feelings toward the sponsored content (i.e., referred to as higher scores of attitudinal persuasion knowledge; Boerman et al., 2012b), and more critical processing of the sponsored content while watching it (Boerman et al., 2014).

Nelson and Park (2014) found more mixed results. In their first study, in which they did not include a disclosure but told participants afterward that the VNR was actually commercial, the credibility of the presumed news stories generally decreased. However, in their second study, they found that that those who recalled seeing a disclosure were relieved that the material for the VNR was provided for free by the company, and thus had higher

perceptions of the story credibility than those who did not recall seeing the disclosure.

Other studies, however, did not find any evidence for an influence of disclosure on critical processing. A disclosure did not appear to directly influence audience skepticism toward the brand placement in a short movie clip (Van Reijmersdal, Tutaj, & Boerman, 2013). Moreover, labeling VNRs has not proven to influence bias ratings of the newscast (Tuggle, 1998), the perceived credibility of the VNR story or participants' attitude toward the VNR message (Wood et al., 2008), and perceptions of expertise and trustworthiness of the news creators, the story, and the program (Tewksbury et al., 2011). Additionally, research has not found evidence for an effect of disclosures in advergames on players' attitude toward the game (Evans & Hoy, forthcoming; Van Reijmersdal et al., 2015).

These diverse findings suggest that consumers may not always criticize all types of sponsored content, even when they recognize it as advertising. It may be the case that consumers find sponsored content in movies or games appropriate, but do not appreciate sponsored content in television programs. Moreover, consumers' appreciation of sponsored content may even vary between genres. For instance, television viewers may not be bothered with brands in a soap opera, but may disapprove sponsored items in news shows. This calls for more research into consumers' appreciation of and beliefs about different types of sponsored content between and within various media.

Effects of Disclosures on Brand Responses

Although it is not their primary goal, disclosures may alter consumers' responses to the advertising brand. Various studies have examined the effects of disclosure on brand memory, brand attitudes, and purchase intention.

BRAND MEMORY

A total of nine studies focused on the effects of disclosures on brand memory and show mixed results. Most research measured the extent to which participants recalled the brand. There are some studies that did not find evidence for an effect of a disclosure on the recall of the brands that appeared in a television program (Campbell et al., 2013; referred to as a measure of placement recall), in movie fragments (Tessitore & Geuens, 2013), and advergames (Van Reijmersdal et al., 2015). In general, though, disclosures seem

to make it more likely that viewers recall the brand embedded in television programs (Boerman et al., 2012b, 2015a; Tewksbury et al., 2011; Wood et al., 2008) and in movies (Bennett, Pecotich, & Putrevu, 1999; Van Reijmersdal et al., 2013). This positive effect is mainly explained by the idea that a disclosure functions as a prime or cue, and emphasizes the sponsored content, making consumers more likely to notice and remember the advertised brand.

However, Campbell et al. (2013) found that participants who were exposed to a disclosure in a television program and in a blog were less inclined to mention the placed brand when asked to list all brands that came into mind for a specific product category. They argue that this negative effect appears because a disclosure enables consumer to infer the persuasive appeal of the brand placement, and correct their answer to limit persuasive impact (i.e., flexible correction). Given the different ways of measuring brand memory, we believe this provides evidence for both the priming theory and the idea of flexible correction. Yet, to get a better idea of the actual effects of disclosures on consumers' memory of the advertising brand, future research should compare the effects on different memory measures (e.g., brand recognition, brand recall, top-of-mind awareness). Furthermore, prior studies focused only on short-term effects. This means there is ample room for further progress in determining the effects of disclosures on consumers' long-term brand memory.

BRAND ATTITUDE AND PURCHASE INTENTION

The different studies found mixed results regarding the influence of disclosures on consumers' attitude toward the advertised brand. A considerable number of studies found no significant effect of disclosures on consumers' attitude toward the advertising brand (Dekker & Van Reijmersdal, 2013; Van Reijmersdal et al., 2015; Wood et al., 2008) and on brand liking (Bennett et al., 1999). Other studies, however, found negative effects on brand attitudes, either directly (Wei et al., 2008), directly but only when the disclosure is provided after the sponsored content (Campbell et al., 2013), or indirectly via the activation of persuasion knowledge (Boerman et al., 2012b, 2014, 2015a). This seems to indicate that disclosures may negatively influence consumers' attitude toward the advertising brands, but that this is contingent upon specific conditions and processes (see the section "Conditions for Disclosure Effects" in this chapter).

Next to these effect on brand attitude, in specific cases (see "Conditions for Disclosure Effects" in this chapter), a disclosure can reduce movie watchers' intention to purchase the advertised brand (Tessitore & Geuens, 2013), and can lead to less acceptance of

the product claim made by the celebrity endorsing a brand in a television program (Dekker & Van Reijmersdal, 2013).

Altogether, the existing literature suggests that disclosures have predominantly negative effects on brand evaluations and purchase intentions, which is bad news for advertisers. Although various mediators and moderators have indicated the processes and conditions under which these negative effects occur, it may be of interest for further research to examine whether consumers consciously adjust their attitudes and intentions after exposure to disclosures, and why they do so.

Conditions for Disclosure Effects

The literature on disclosures of sponsored content has not only focused on the processes that explain effects, but also on the conditions under which disclosures do or do not have certain effects. These conditions relate to (a) characteristics of the disclosure itself, such as duration, timing, or content of the disclosure, but also to (b) characteristics of the receiver, for example their mood, and perceptions of credibility or ethicality of the sponsored content. In this paragraph, we discuss how these two types of characteristics determine the processes and effects of disclosures of sponsored content.

DISCLOSURE CHARACTERISTICS

Content of the disclosure

In five studies, the effects of disclosure content were examined (Boerman et al., 2015a; Carr & Hayes, 2014; Dekker & Van Reijmersdal, 2013; Tessitore & Geuens, 2013; Tewksbury et al., 2011). Dekker and Van Reijmersdal (2013) examined whether providing different types of information in a textual disclosure affected persuasion. They exposed participants to a disclosure that revealed either the source of the placement ("This is information from Samsung") or the source and the persuasive intent and potential deception ("Samsung is trying to influence you, therefore a one-sided view is presented"), or no disclosure. Overall, there were no effects of disclosure content on brand attitudes or the acceptance of the product claims that were made in the brand placement. However, the disclosures did affect specific groups of viewers (see the section "Receiver Characteristics" in this chapter).

Similarly, Tewksbury et al. (2011) exposed viewers to two types of disclosures for VNRs: A so-called communicator label that said that a specific group created part of the story, versus a moderator label saying that the network wanted viewers to know that a specific group created part of the story. They found no differences between

these textual disclosures on persuasion knowledge or beliefs about bias in VNRs.

Carr and Hayes (2014) examined different disclosures on blogs. They compared three types: an explicit disclosure that acknowledged compensation directly from the company or organization for reviews of their products, an implicit disclosure that mentioned that the blog accepted forms of sponsoring and that the content may be influenced without giving specific information per blog, and an impartial disclosure stating that the blog is not sponsored at all. The results showed that the explicit disclosure resulted in the highest credibility scores, probably because openness is appreciated. However, without a disclosure, the blogger was still perceived as rather credible, probably because no suspicion about sponsoring was raised. Explicitly stating that a blog was *not* sponsored seemed to make people think about the reasons for disclosing this information and make them suspect ulterior motives, resulting in less blogger credibility. Finally, the implicit disclosure that gave no exact information on whether a specific blog is sponsored or not seemed to raise the most suspicion resulting in the lowest blogger credibility. These results imply that transparency is highly appreciated among readers of blogs and that even bloggers who accept sponsoring can be perceived as highly credible as long as they are open about it.

In an experiment on sponsored content in a television program, Boerman et al. (2015a) studied the effects of three disclosure types: a "PP" logo, a text "This program contains product placement," or a combination of these two. These three types of disclosure are currently used in television programs in Europe. Tessitore and Geuens (2013) also examined the effects of a "PP" logo, and gave participants a training that consisted of a simple explanation of the logo (i.e., PP means product placement) or this explanation plus a text with information on what product placement is and its consequences and effects.

Both studies showed that only the "PP" logo was hardly effective. Boerman et al. (2015a) demonstrated that only 8% of their participants fixated on the disclosure in the form of a logo as measured with an eye-tracking device, versus 88% for the text, and 94% for the combination of the text and the logo. As a consequence of viewers' attention to the disclosure, the combination of the text and logo was most successful in attracting attention to the placement itself, which resulted in higher persuasion knowledge and led to the highest brand memory scores and the most negative brand attitudes, followed by the textual disclosure and the logo.

Similarly, Tessitore and Geuens (2013) showed that only 16% of the participants recalled seeing the logo disclosure and only one fifth (21%) knew the correct meaning of this type of disclosure. In addition, they showed that providing participants with more

information than only the "PP" logo (i.e., giving them some sort of training) increased the comprehensibility of the logo, activated persuasion knowledge, and decreased purchase intention. However, they demonstrated that no brand recall was an important condition for the effects on persuasion knowledge to occur. Only if participants did not recall seeing the brand, the "logo plus" disclosures were more effective. Whereas, effects of training on purchase intention were only significant if participants *did* recall the brand.

Both studies show that only providing a "PP" logo is not an effective disclosure of brand placement because of a lack of noticeability and comprehension. In addition, both studies show that a "PP" logo in combination with some sort of explanation is effective in evoking attention, activating persuasion knowledge, and mitigating persuasion.

Future research could extend these findings regarding disclosure content by focusing on effects on perceptions of the medium itself. As indicated by the study by Carr and Hayes (2014), content of the disclosure may affect the credibility of the blogger. This may also be the case for television programs, games, or radio shows.

Timing and duration

The timing of a disclosure (i.e., whether it is presented before, during, or after the sponsored content) has been examined in two studies (Boerman et al., 2014; Campbell et al., 2013). These studies show contradicting findings. Boerman et al. (2014) showed that a disclosure presented prior to or concurrent with the placement (vs. a disclosure after the placement or no disclosure) resulted in less favorable brand attitudes through higher rates of persuasion knowledge and critical processing. Boerman et al. argue that a disclosure prior to or concurrent with the placement gives viewers time to process the sponsored content critically and to arm themselves against persuasion. With a disclosure after the sponsored content, critical processing does not seem to take place in hindsight resulting in equal levels of persuasion as without a disclosure.

Contrary to these findings, Campbell et al. (2013) showed that a disclosure that was shown after sponsored content in a television program and after a sponsored blog resulted in more negative brand attitudes than no disclosure or a disclosure before the sponsored content. Similarly, they demonstrated that the after-disclosure activated persuasion knowledge to a greater extent than before-disclosure. They argued that consumers used flexible correction to adjust their brand attitudes when informed after exposure to sponsored content. When the disclosure is presented prior to the sponsored content, consumers may be distracted by the program and forget to resist persuasion by the time they see the sponsored

content. Campbell et al. (2013) also showed that disclosure timing had no differential impact on brand recall.

The differences between the studies with respect to the effects of disclosures prior to the sponsored content may be explained by the types of disclosures that were used (see the section "Content of the Disclosure" in this chapter and Table 1). Boerman et al. (2014) exposed participants to a specific disclosure explicitly stating that the program "contained advertising by Alive Shoes." This gives viewers the opportunity to start resisting Alive Shoes from the moment they see the disclosure and to critically evaluate Alive Shoes when they see it in the program. Campbell et al. (2013) used a less specific disclosure stating that the program contains scenes with paid product placement or that the blog contains some items that are sponsored by firms. These disclosures leave consumers in the dark about the sponsoring brand. Such disclosures do not seem powerful enough to motivate people to constantly devote cognitive resources to find out who is advertising and when. However, after exposure to the sponsored content, such disclosures may make people realize what actually happened in a particular scene or blog.

Boerman et al. (2012b) not only examined the effects of the timing of the disclosure but also of its duration. That is, does it make a difference if a disclosure in a television program is displayed for three or six seconds? Their results showed that only a six-second disclosure resulted in more negative brand attitudes through attitudinal persuasion knowledge. The three and six-second disclosures had equal effects on brand memory and conceptual persuasion knowledge. They argue that a disclosure of six seconds provides more opportunity for critical processing and adjustment of attitudes.

Future research could provide more insights into the interplay between disclosure content and its timing. The effects of a disclosure's content could be determined by its timing. For example, people may need different information prior to the sponsored content, than during or after it. Moreover, more research is needed to see whether the effects of duration found for TV disclosures also hold for other media that require more cognitive resources, such as games. In these media, longer disclosure durations may be necessary to achieve the same effects as on television, because people have less cognitive resources available to process the disclosure.

Modality

Evans and Hoy (forthcoming) examined the effects of the modality of a disclosure on parents' persuasion knowledge and attitude toward advergames for children. They showed that audiovisual disclosures were equally effective as visual disclosures in activating persuasion knowledge. In addition, they showed that visual disclosures were more effective than no disclosure. Differences between

audiovisual disclosures and no disclosures were not tested. There were no differences in parents' attitudes toward the advergame between the disclosure modalities. Tuggle (1998) tested the effects of modality of a disclosure in VNRs and found no effects of having a visual, audio, or audiovisual disclosure on credibility of the newscast. Future research could show whether disclosure modality does play a role when combined with other disclosure characteristics, such as timing or content.

RECEIVER CHARACTERISTICS

Mood

The literature has shown that mood is an important predictor of brand responses and the activation of persuasion knowledge (Hullett, 2005; Kuykendall & Keating, 1990; Mackie & Worth, 1989). In general, people in positive moods tend to process information less elaborately and less critically, resulting in more persuasion (Hullett, 2005). People in negative moods use more elaborate and critical information processing modes resulting in less persuasion (Hullett, 2005; Kuykendall & Keating, 1990). To test whether mood is a boundary condition for disclosure effects, Van Reijmersdal et al. (2015) conducted an experiment on advergames. Their results showed that disclosures are only effective in activating persuasion knowledge and lowering brand attitudes among gamers who were in a positive mood. They demonstrated that gamers in positive moods are easily influenced by an advergame when no disclosure is given, but they process the disclosure in a more critical manner when a disclosure is present. Gamers in negative moods already showed high levels of persuasion knowledge and negative brand attitudes which were not further affected by a disclosure. Future research is needed to show whether mood also plays such a strong role in disclosure effects in other media, for example in blogs or tweets.

Perceived credibility and ethicality

Viewers' perceptions of credibility and ethicality have also been found to be important for disclosure effects. More precisely, Dekker and Van Reijmersdal (2013) showed that viewers' perception of Oprah Winfrey, who endorsed a product in her television program, determined disclosure effects. The results showed that a disclosure of both the persuasive intent and deception resulted in less belief of product claims for viewers who thought the endorser was not very credible. There were no effects for viewers who found the endorser highly credible. For them, the credibility of the celebrity seemed to overrule the disclosure. Even if the disclosure explicitly stated that there was a persuasive intent and deception, they were persuaded

by the endorser, because they found her very credible. This means that only when viewers perceive the endorser as less credible, a disclosure of intent and deception mitigates persuasion.

In their study on VNRs, Nelson and Park (2014) showed that perceptions of ethicality of a VNR were a condition for effects on credibility: Disclosures led to less negative perceptions of news story credibility among viewers who perceived the VNR as ethical compared to those who perceived it as unethical. It seems that when viewers find the sponsored content unethical, the disclosure strengthens negative effects on credibility. In other words, when viewers hold positive perceptions in terms of ethicality or credibility, disclosures are less effective. More research is needed to further explore the role of audience perceptions of ethicality and credibility. Because of the strong effects that were found in the two studies, insights into these moderators may significantly enhance our understanding of the effects of disclosures.

Discussion, Conclusions and Implications

With this chapter, we aimed to provide an overview of what is currently known in the scientific literature about the effects of disclosing sponsored content on consumers and the gaps in this knowledge. As such, it is a valuable starting point for future academic research in this domain, and provides some important insights for advertisers and legislators. For advertisers, it illuminates the consequences of disclosures of sponsored content for the persuasiveness of this sponsored content. For legislators and public policy professionals, we provide specific recommendations for the design and implementation of disclosures that are effective in increasing people's persuasion knowledge of sponsored content.

DISCLOSURE AWARENESS

The literature shows that awareness of a disclosure is an important prerequisite for disclosure effects. However, awareness of disclosures is quite often rather low and depends on the type of disclosure, the timing of the disclosure, viewers' familiarity with the television program and disclosures in general, and program involvement.

Implications for Public Policy: It is important that consumers are aware of disclosures, otherwise their effects on informing viewers about sponsored contents' persuasive nature are limited. To maximize disclosure awareness, disclosures should include a logo and a text (e.g., "This program contains product placement") and

be placed concurrent the portrayal of the brand or after the sponsored content.

DISCLOSURE EFFECTS ON PROCESSING OF ADVERTISING

Several studies examined whether disclosures of sponsored content affect the level of attention that people pay to the sponsored content itself. These studies showed mixed results: in print, advertorial labels had either no effects or negative effects on attention to the sponsored content (Cameron & Curtin, 1995; Kim et al., 2001), whereas on televisions disclosures resulted in no (Tewksbury et al., 2011) or positive effects on attention (Boerman et al., 2015a). The effects of disclosures on the activation of persuasion knowledge are more straightforward. In general, disclosures are effective in informing consumers about the persuasive nature of sponsored content. Several studies have shown that disclosures increase consumers' understanding that sponsored content is actually advertising, that it has a persuasive intent, and that an advertiser paid for promoting the brand (Boerman et al., 2012a, 2012b, 2014, 2015a; Carr & Hayes, 2014; Nelson et al., 2009; Tessitore & Geuens, 2013; Wood et al., 2008). However, both disclosure and consumer characteristics are important determinants of disclosure effectiveness.

Implications for public policy: In general, disclosures are an effective tool to inform audiences about the commercial nature of sponsored content in various media, including television, radio, and the internet (i.e., blogs and advergames).

Although disclosures seem effective in informing audiences and activating persuasion knowledge, disclosures do not necessarily result in more critical processing of sponsored content. While some studies (e.g., Boerman et al., 2012b, 2013, 2014; Nelson & Park, 2014) showed that consumers had more critical brand-related thoughts and more critical feelings and attitudes toward sponsored content due to disclosures, other studies (e.g., Tewksbury et al., 2011; Tuggle, 1998; Van Reijmersdal et al., 2013; Wood et al., 2008) found no effects on skepticism, credibility, or attitudes toward the sponsored content.

DISCLOSURE EFFECTS ON BRAND RESPONSES

Overall, the effects of disclosures of sponsored content on brand responses were mixed. Some studies showed that disclosures can improve consumers' memory of the advertising brand (e.g., Bennett et al., 1999; Boerman et al., 2012b; Van Reijmersdal et al., 2013; Wood et al., 2008). In this case, the disclosure serves as a prime or cue to direct consumers' attention toward the brand, thus increasing the likelihood of processing the brand and eventually remembering

it. However, some studies failed to show any effects on brand memory (Campbell et al., 2013; Tessitore & Geuens, 2013; Van Reijmersdal et al., 2015).

Similarly, the effects of disclosures on brand attitudes are mixed. Quite a few studies showed that disclosures can have negative effects on brand attitudes and purchase intentions, either directly or contingent upon specific conditions or processes (Boerman et al., 2012b, 2014, 2015a; Campbell et al., 2013; Tessitore & Geuens, 2013; Van Reijmersdal et al., 2015; Wei et al., 2008). However, other studies did not find effects on brand attitudes and brand liking (Bennett et al., 1999; Dekker & Van Reijmersdal, 2013; Wood et al., 2008).

Implications for advertisers: The effects of disclosures on the persuasiveness of sponsored content are mixed, and do not provide an unequivocal conclusion on the influence of disclosures on advertising effectiveness. Although quite a few studies show that disclosure mitigates persuasion by sponsored content, there are also studies that do not find negative effects on persuasion.

DISCLOSURE CHARACTERISTICS AS CONDITIONS FOR EFFECTS

The literature has focused on four different disclosure characteristics: content of the disclosure, timing, duration, and modality. There were no significant effects of disclosure **modality**, that is, audio, visual, or audiovisual disclosures seems equally (in)effective in informing consumers or influencing brand responses. The **content** of the disclosure does matter. Research of blog disclosures showed that transparency is highly appreciated: explicit disclosure of sponsoring resulted in the highest blogger credibility scores compared to no disclosure, an impartial disclosure, or an implicit disclosure (Carr & Hayes, 2014). Other studies showed that, a "PP" logo, which is currently done in television programs in Belgium and the United Kingdom does not effectively inform audiences about the persuasive nature of brand placement and does not affect brand placement persuasion (Boerman et al., 2015a; Tessitore & Geuens, 2013). These disclosures are not explicit enough and do not provide viewers with understandable information about sponsored content. However, the literature showed that a logo in combination with a text ("This program contains product placement") or with an explanation of the abbreviation "PP" does lead to the desired knowledge about sponsored content among the audience and even attenuates persuasion (Boerman et al., 2015a; Tessitore & Geuens, 2013).

The **timing** and **duration** of the disclosure have also been found to determine its effects. A disclosure that is displayed prior to or concurrent with the sponsored content, and explicitly mentions the advertising brand, activates persuasion knowledge and stimulates critical processing which results in less favorable brand attitudes

(Boerman et al., 2014). However, a disclosure that does not mention the brand is more effective in activating persuasion knowledge and decreasing brand attitudes when it is shown after the sponsored content (Campbell et al., 2013). With respect to duration, the literature shows that a three-second disclosure in a television program increases cognitive persuasion knowledge and brand memory, but only a six-second disclosure affects attitudinal persuasion knowledge and brand attitudes (Boerman et al., 2012b). This implies that people need to be exposed to a disclosure for a longer period of time for effects on affective responses to occur.

Implications for public policy: Disclosures should be explicit and understandable. Just using a logo is less effective than providing explicit information about the embedded advertising. In addition, to inform people about the persuasive nature of sponsored content, disclosures that do not mention the sponsoring brand should be shown after the sponsored content, whereas, disclosures including the sponsoring brand's name are more effective before or during the sponsored content. Disclosures of three and six seconds are equally effective in making people recognize brand placement as sponsored content, however, six-second disclosures also elicit critical feelings toward the sponsoring content and result in more negative brand attitudes.

Implications for advertisers: In blogs, explicit disclosures of sponsoring accompanied by a statement that the opinions are the bloggers own can heighten the credibility of the blogger. This may have positive effects on the sponsoring brand as well. Disclosures in television programs or movies that combine a logo and a text attract more attention to the brand and increase brand memory, but also decrease the persuasiveness of sponsored content.

To avoid mitigation of persuasion, disclosures without mentioning the sponsoring brand should be placed prior to the sponsored content instead of after the sponsored content. Three-second-disclosures are more beneficial for advertisers than six-second disclosures because these increase consumers' recognition of sponsored content as advertising and memory of the sponsoring brand without affecting brand attitudes negatively.

RECEIVER CHARACTERISTICS AS CONDITIONS FOR EFFECTS

So far, very few studies have taken individual differences into account when examining disclosure effects. The studies that did do this provide important and interesting boundary conditions for disclosure effects. First, with respect to **mood**, the literature shows that disclosures are only effective for people in positive moods. But these people are also the ones who need the disclosure the most, because they do not activate persuasion knowledge and are easily persuaded.

People in negative moods showed high levels of persuasion knowledge and negative brand attitudes and thus may have experienced a ceiling effect (Van Reijmersdal et al., 2015).

Effects of disclosures are strengthened when consumers have negative **perceptions about the sponsored content or about the endorser** in the sponsored content, whereas disclosures are less effective when these perceptions are positive (Dekker & Van Reijmersdal, 2013; Nelson & Park, 2014). On the one hand, it seems that consumers with negative perceptions use the disclosure as a confirmation for their existing attitudes and feel supported to resist the sponsored content even more. On the other hand, people with positive perceptions let these perceptions prevail over the disclosure and do not let the disclosure affect their evaluations to the same extent as people with negative perceptions. However, in practice, especially those viewers who are favorable of the sponsored content and who show low levels of persuasion knowledge need to be informed that sponsored content is not as objective as it may seem. It is these people whose persuasion knowledge needs to be activated.

Implications for public policy: People in negative moods do not seem to need disclosures to be informed about sponsored content. They process the content critically and are aware of its persuasive nature. However, people in positive moods do need to be informed and disclosures are an effective means to do so. Thus, disclosures may be particularly relevant for sponsored content that evokes positive moods.

Implications for advertisers: Disclosures make people in positive moods more critical about sponsored content and for these people disclosures attenuate persuasion. This implies that disclosures in content that evoke positive moods are detrimental for the persuasiveness of sponsored content. Disclosures do not harm the persuasiveness of sponsored content if consumers perceive sponsored content as being ethical or when they perceive the endorser in the sponsored content as being highly credible. This implies that advertisers should choose credible endorsers and try to improve the perceived ethicality of sponsored content.

THEORETICAL IMPLICATIONS

Based on this overview of the literature on disclosures of sponsored content, several theoretical implications emerge. First, the literature shows that the activation of persuasion knowledge is the most important explanatory mechanism for disclosure effects on brand responses. Several studies have shown that disclosing sponsored content can activate persuasion knowledge and that this activation in turn results in more brand memory or more negative brand attitudes.

Second, disclosures seem to have dissociative effects on brand responses. That is, disclosure can increase consumers' attention for the sponsoring brand, resulting in higher levels of brand memory, but at the same time, some studies find that brand attitudes are negatively affected due to more elaborate and critical processing of the sponsored content. Thus, although disclosures seem beneficial for brand memory, they can be harmful for brand attitudes.

Third, the literature on disclosure effects is still immature in the sense that up until now little attention has been paid to the conditions that determine its effects. Main effects of disclosures and mediated effects have been studied rather extensively, but especially individual susceptibility to disclosure effects has been largely ignored. Although the literature provides some interesting insights into the moderating roles of mood and consumers' perceptions of sponsored content, for strong theories with large predictive power, we need more insights into the differential effects of sponsored content.

SUGGESTIONS FOR FUTURE RESEARCH

This literature review provides insights into the gaps in our current knowledge on the effects of disclosures of sponsored content. Throughout the chapter, we have given suggestions for future research related to the specific outcome variable or condition for effects. Here, we want to highlight some more overarching aspects that deserve our attention in future research. First, the current literature has mainly focused on brand memory and brand attitudes as brand responses. This means that insights into effects on the broad spectrum of brand responses are still limited. Effects on conative brand responses including purchase intentions and purchases, and on affective responses such as brand images deserve our attention in future research.

Second, the literature is inconclusive about several effects of disclosures of sponsored content. Importantly, it is still unclear whether disclosures are used as a cue to ignore sponsored content or whether consumers' attention is directed toward sponsored content to critically process it. Arguably, both situations can occur, depending on certain conditions. In addition, some studies found negative effects of disclosures on consumers' brand attitudes via activated persuasion knowledge, but some studies failed to demonstrate these effects. Future research is needed to examine the conditions for these effects to advance our (theoretical) knowledge.

Third, future research on disclosure effects among children and teenagers is needed. Only two studies on disclosures among children exist (An & Stern, 2011; Panic et al., 2013). Both studies showed that children's (aged 8–11) persuasion knowledge did not increase,

but that a disclosure in an advergame did lead to less desire for the advertised product and less brand memory (An & Stern, 2011) and diminished the positive effect of the attitude toward the game on purchase requests (Panic et al., 2013). Overall, children and teenagers are expected to be in strong need of disclosures of sponsored content to inform them due to their limited persuasion knowledge and cognitive processing skills (Moore & Rideout, 2007; Rozendaal, Lapierre, Van Reijmersdal, & Buijzen, 2011). Therefore, future research should focus on young consumers as well.

Fourth, future research should make use of natural research settings. It is unknown whether current findings from experiments can be generalized to more natural settings in which consumers are not forcefully exposed to sponsored content with disclosures. Without forced exposure, consumers may pay less attention to disclosures which could result in less (strong) effects of disclosures in real-life than that currently reported in the literature. Research has shown that disclosure effectiveness strongly depends on viewers' awareness and memory of disclosures, so research in a real-life setting is imperative.

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