Adolescents’ Understanding of the Model of Sponsored Content of Social Media Influencer Instagram Stories

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Abstract
Our study stresses the importance of developing understandable and easily recognizable ad disclosures for adolescents as a specific target group of social media influencer (SMI) advertising. A comprehensive advertising literacy concept that includes a cognitive, performative, and attitudinal component builds the theoretical background of the present research. We examine the effectiveness of ad disclosure in the native language of adolescent Instagram users, explore their understanding of the economic mechanism behind SMIs’ advertising activities, and their skepticism toward sponsored content. Furthermore, we analyze the role that sponsorship transparency on Instagram stories plays in adolescents’ responses to advertising. A three-level between-subjects survey-based experimental design (manipulating the absence of ad disclosure versus ad disclosure in the participants’ native language versus standardized paid partnership ad disclosure in English) was conducted online with female adolescent participants (N = 241) in a European country. Findings showed that adolescents who understand the economic model behind SMI advertising have positive intentions toward the SMI and intend to spread online information about the promoted brand. However, even if ad disclosure made in the adolescents’ native language improved ad recognition, such knowledge did not result in more sophisticated defense mechanisms in the form of critical evaluations of the ads.

Keywords
ad disclosure; adolescents; advertising; advertising literacy; Instagram; social media influencer; sponsorship transparency

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1. Introduction
Social media influencers (SMIs) are independent third-party brand endorsers on social media considered to be a source of entertainment and inspiration by their young followers and therefore have persuasive power over their audiences (De Veirman et al., 2019). They create embedded advertising content in which the boundary between commercial and non-commercial content is highly fluid. These characteristics of SMIs make it difficult for social media users to determine what is advertising and what is not (Evans et al., 2019). Both scholars and consumer advocacy groups have taken an interest in the fairness of SMIs’ advertising strategies (Boerman, Helberger, et al., 2018; Naderer, Matthes, & Schäfer, 2021). Considering adolescents’ difficulties in recognizing hidden advertising on social media (Boerman & van Reijmersdal, 2020; Rozendaal et al., 2016; van Dam & van Reijmersdal, 2019) and the everchanging social media environment, where new platforms and features are constantly emerging, there is a need for specific regulations to protect adolescents (Naderer, Borchers, et al., 2021). Previous studies highlighted the importance of developing adequate, understandable, and easily
recognizable forms of advertising disclosure for adolescents (Naderer, Peter, & Karsay, 2021). Considering the potentially greater influenceability and vulnerability of adolescents (Miller & Pirszt, 2019), ethical concerns regarding SMI advertising have been raised (De Jans, Hudders, & Caubergerhe, 2018).

There is a substantial body of literature focused on the effects of disclosing sponsored content (Boerman, 2020; Eisend et al., 2020; Evans et al., 2017; Janssen & Fransen, 2019; Jung & Heo, 2019; Mayrhofer et al., 2020; van Reijmersdal et al., 2013). However, only a few studies have focused on adolescent audiences (De Jans et al., 2020; Zarouali et al., 2017), and most used social media posts as stimuli for experimental design. Nonetheless, several studies have been conducted on children and adolescents as a target group for advertisers; they largely focus on YouTube (Folkvord et al., 2019; Hoek et al., 2020; Martínez & Olsson, 2019; van Reijmersdal & van Dam, 2020). Previous research, however, has not focused on the effects of ad disclosures in users’ native languages. Advertising disclosure must be understandable (Cain, 2011) and take account of adolescents’ skills and capacities (Naderer, Matthes, & Schäfer, 2021). Considering language as an important cue for information usefulness (Jamil & Qayyum, 2022), this study aims to explore the effectiveness of ad disclosure in the native language of adolescent users compared to the Instagram “paid partnership” feature, which includes disclosure in English. Thus, the present study addressed the topic of advertising disclosure from a perspective that was not yet explored.

Besides considering the language as a relevant factor for the effectiveness of disclosure in triggering advertising recognition, another distinctive element of the present study is that we investigate how adolescent Instagram users conceive of advertising in the social media platform they use, and how they understand the model of the sponsored content in particular on Instagram. Prior scholarship emphasized the role of advertising literacy in recognizing, interpreting, and critically evaluating subtle forms of embedded advertising and empowering adolescents to detect persuasive messages (Hudders et al., 2017). Adolescents who have gained advertising literacy tend to be more skeptical toward ads (De Jans, Hudders, & Caubergerhe, 2018). Considering the cognitive, performative, and attitudinal components of advertising literacy (Rozendaal et al., 2011), the present study aims to contribute to the existing scholarship on adolescents’ digital advertising literacy by exploring adolescents’ abilities to deal with persuasive messages, their understanding of the model of the sponsored content, and their skepticism toward ads (Boerman, Helberger, et al., 2018) and the role that sponsorship transparency (Campbell & Evans, 2018; Wojdynski et al., 2018) plays for young consumers of Instagram stories featuring influencer advertising.

2. Theoretical Background

2.1. Adolescent Advertising Literacy and Social Media Influencers’ Advertising

SMIs play a major role in the media diet of adolescents. They are digital opinion leaders that engage in self-presentation by displaying their personal everyday life stories and lifestyles on social media (Abidin, 2016; Dhanesh & Duthler, 2019). They are content creators, moderators, protagonists, and strategic communication actors (Enke & Borchers, 2019) that post in exchange for compensation (Campbell & Grimm, 2019). SMIs create a public persona and use social media to endorse brands (Abidin & Ots, 2016). To their followers, with whom they develop strong trans-parasocial relationships (Lou, 2021), SMIs are celebrities, experts, and also peer consumers (Campbell & Farrell, 2020). Their similarities with their followers contribute to their credibility and make their brand endorsements more effective (Munnukka et al., 2016). Additionally, the high perceived trustworthiness of SMIs contributes to the persuasiveness of their messages (Lou & Yuan, 2019). Adolescents are an important target group for SMI advertising and it is at this age that people’s consumer preferences begin to develop (Naderer, Borchers, et al., 2021). Prior scholarship stressed that critically assessing ads on social media is challenging for adolescents (Zarouali et al., 2017). Therefore, it’s important to address the particularities of adolescent advertising literacy in the context of SMI advertising.

When first introduced, the concept of advertising literacy was defined as the abilities and skills that individuals develop to cope with advertising (Boush et al., 1994). Advertising literacy was initially developed from a cognitive perspective as the ability to identify advertising messages and to understand commercial intent (Zarouali et al., 2019). A comprehensive perspective on advertising literacy that goes beyond the “cognitive defense view” (Rozendaal et al., 2011) encompasses three components: the ability to identify ads, to evaluate them, and to attitudinally defend against them (Rozendaal & Figner, 2020). Advertising literacy is developed over time with experience (John, 1999), and thus, adolescents are a distinct case from other age groups (De Jans, Hudders, & Caubergerhe, 2018; Wright et al., 2005). They are different from adults in terms of advertising literacy because their cognitive abilities differ from those of adults. Scholars make the distinction between “cold” and “hot” cognition. The first represents the ability to deliberate in the absence of significant levels of emotions and the latter in an emotionally arousing context. While the basic cognitive process, the “cold” cognition, matures by the age of 16, the “hot” cognition fully matures only several years later (Steinberg et al., 2008).

As identity formation is an important developmental task for adolescents, SMIs are reference points to whom they develop a strong emotional bond (Kühn &
Empirical evidence has shown that even though adolescents might attain sophisticated adult-like levels of advertising literacy by the age of 16, they are familiar with social media, and understand how it works, this does not necessarily translate into being ad literate on such platforms (Zarouali et al., 2020). The critical defense mechanism in the particular case of embedded ads is yet underdeveloped (De Jans, Cauberghe, & Hudders, 2018). Embedded forms of advertising such as SMI advertising require cognitive and affective resources to successfully process the persuasive selling intent (Hudders et al., 2017). Rapidly interspersing commercial and entertainment content, like SMIs usually do, distracts adolescents from applying relevant knowledge about digital advertising (De Jans et al., 2020). SMIs may also serve as role models for adolescents, who might see these influencers as members of their social networks (Riesmeyer et al., 2021). Social media users often feel like they share common interests with SMIs, or otherwise feel similar to, or seek to be like, them (De Jans et al., 2020; Naderer, Matthes, & Schäfer, 2021). As socialization with ads unfolds and in the context of having spending capacities, adolescents are still developing their consumer preferences (Naderer, Borchers, et al., 2021).

### 2.2. Advertising Disclosure

To critically cope with SMI advertising, an essential step is to recognize it. Disclosure helps social media users to recognize embedded forms of advertising and trigger advertising literacy (Boerman, Helberger, et al., 2018; De Jans, Cauberghe, & Hudders, 2018; Naderer, Matthes, & Schäfer, 2021). Ad disclosure effectively increases recognition of SMI advertising posts for what they are (De Veirman et al., 2019; Evans et al., 2017) and helps discriminate between commercial and non-commercial/entertainment content. The contents and timing of ad disclosures have been identified by previous researchers as boundary conditions for disclosure effects (Eisend et al., 2020). The visual prominence of ad disclosures has been observed to have a positive impact on recognizing native advertising (Jung & Heo, 2019; Wojdynski & Evans, 2016; Wu et al., 2016). Both disclosure design (color, size, and position) and wording are predictors of the effectiveness of a disclosure (De Jans, Vanwesenbeeck, et al., 2018; Naderer, Matthes, & Schäfer, 2021).

Ad disclosures should have a clear meaning for the specific audiences they are addressed (Tiggemann & Brown, 2018) to assure their usefulness (De Jans, Vanwesenbeeck, et al., 2018). Moreover, Naderer, Matthes, and Schäfer (2021) have underlined the role of understandability of disclosure, especially when communicating with adolescents. Therefore, adolescents’ skills and capacities should be taken into account when designing and implementing disclosures (Naderer, Matthes, & Schäfer, 2021). Displaying ad disclosures in the native language of the social media user makes the message more understandable. In the context of SMIs, Jamil and Qayyum (2022) highlighted the relevance of language as a central cue for information usefulness. Previous studies stressed that when businesses communicate with consumers in their native language it is to do more than just facilitate understandability; it can lead to the creation of an emotional bond (Holmqvist, 2011). Consequently, we posited the following hypothesis:

\[ H1: \text{Ad disclosure in the native language of adolescent Instagram users results in higher ad recognition than the standard Instagram disclosure in English.} \]

### 2.3. The Cognitive Effects

Ad disclosure activates the knowledge recipients have about advertising (Boerman & van Reijmersdal, 2016, 2020). Ad disclosure typically leads to an increase in the audience’s persuasion knowledge (PK: Boerman et al., 2012; Evans et al., 2017; van Reijmersdal et al., 2013; Wojdynski & Evans, 2016). PK is defined as general knowledge and beliefs about persuasion that individuals develop when exposed to persuasive messages. PK also includes the ability to retrieve and activate this knowledge (Friestad & Wright, 1994). The similarity between PK and advertising literacy was emphasized in previous scholarship (Boerman & van Reijmersdal, 2020; Hoek et al., 2020). The concept of advertising literacy “is heavily built upon the tenets of the persuasion knowledge model” (Zarouali et al., 2019, p. 2). While PK applies to all types of persuasive messages, advertising literacy is limited to advertising. Both advertising literacy and PK develop over time, with each persuasion attempt. Rozendaal et al.’s (2011) conceptualization of advertising literacy including cognitive and affective dimensions is similar to Spielvogel’s (2021) conceptualization of PK which includes conceptual and attitudinal components. Conceptual PK is defined as an individual’s basic understanding of persuasive attempts and ability to recognize persuasive attempts and understand selling intent, and persuasive intent. A recently published meta-analysis on this topic underlined the role of ad disclosure in increasing PK, especially the dimension of understanding persuasive intent (Eisend et al., 2020).

Understanding the financial model behind sponsored content is a cognitive component of PK (Boerman, van Reijmersdal, et al., 2018). It reflects how users of a particular communication channel conceive of advertising in the media they use. It also determines to what extent adolescent users realize that such media usage is not really “free” without brand sponsorship. In this article, we explore how adolescents understand the role of advertising on Instagram. In line with a more complex notion of advertising literacy that encompasses the understanding of the source of advertising (Rozendaal et al., 2011; Zarouali et al., 2019), being aware of how SMIs advertising contributes to the funding of a heavily used social media channel such as Instagram can be
interpreted as a sophisticated level of conceptual advertising literacy. We assume that ad disclosure can trigger such understanding. Therefore, we proposed the following hypothesis:

H2: Ad disclosure made in the native language of adolescent Instagram users will have a greater impact on activating understanding of the model of sponsored content than a standard ad disclosure in English.

Ad disclosures contained in sponsored posts made by SMIs on platforms such as Facebook (Boerman et al., 2017; Mayrhofer et al., 2020), YouTube (Janssen & Fransen, 2019), and Instagram (Evans et al., 2017) were found to trigger resistance and have an impact on affective and behavioral outcomes. However, recent studies conducted on adolescents offer evidence that ad disclosure, especially concerning sponsorship compensation (Stubb et al., 2019), does not necessarily have a negative impact on behavioral outcomes (De Jans et al., 2020). In fact, several scholars have observed ad disclosures to have a positive impact on perceived product efficacy and purchase intention (Kay et al., 2020; Woodroof et al., 2020).

Even if SMI followers find sponsored content to be annoying, they tend to be in favor of this type of embedded advertising (Coco & Eckert, 2020). The effects of transparent sponsorship in SMI advertising are increasingly understood and appreciated by followers (Janssen & Fransen, 2019). Sponsorship transparency, defined as “a consumer's perception of the extent to which a message makes its paid nature and the identity of the sponsor clear” (Wojdynski et al., 2018, p. 7), has positive effects on audiences' perceptions of social media advertising practices. Evidence from a study conducted on native advertising formats that do not involve SMIs indicates that transparency mitigates the negative effects of ad recognition on attitude toward the ad, attitude toward the brand, and purchase intention (Evans et al., 2019). We expect that when an SMI practices sponsorship transparency it will increase adolescent users’ appreciation of that SMI, which will eventually be translated into the intention to follow the influencer.

The intention to spread information about the promoted brand, defined as electronic word of mouth (eWOM), is considered to be a source of influence in online communities (López & Sicilia, 2014). SMIs, perceived as fellow consumers, are considered to be trustworthy by their followers, thus generating more word of mouth than other forms of advertising (Campbell & Farrell, 2020). To expand their influence and grow their networks, SMIs encourage their followers to engage in eWOM behavior. Thus, SMI content can not only reach new users but can also enjoy additional credibility as content shared by friends on social media is more appreciated than that posted by brands (Johnson et al., 2019). Consequently, we posited the following hypotheses:

H3: Understanding the economic model of sponsored content mitigates the negative indirect effect of disclosure on (a) intention toward the influencer, and (b) eWOM.

H4: Mediated by the understanding of the economic model of sponsored content via sponsorship transparency, ad disclosure will have a positive impact on (a) intention toward the influencer, and (b) eWOM.

2.4. The Affective Impact

In their three-dimensional conceptualization of children's advertising literacy, Rozendaal et al. (2011) introduced two additional dimensions of advertising literacy to the existing cognitive one: advertising literacy performance and attitudinal advertising literacy. The former refers to the retrieval and the application of advertising literacy as a reflective assessment of knowledge about advertising, and the latter concerns being skeptical of advertising and disliking it. Similar to advertising literacy, PK has both a conceptual and an evaluative component (Boerman, van Reijmersdal, et al., 2018; Eisend et al., 2020). De Jans, Caubergh, and Hudders (2018) demonstrated that ad disclosure on sponsored vlogs enhances the evaluative component of adolescents’ PK. As an evaluative component of PK, skepticism is defined as “the tendency towards disbelief of sponsored content” (Boerman, van Reijmersdal, et al., 2018, p. 675). Rozendaal et al. (2011) highlighted that possessing knowledge about advertising does not necessarily translate into enacting a critical defense against the appeal of advertising. More specifically, studies conducted on adolescents showed that ad disclosure activated affective advertising literacy, which led to them having more negative attitudes toward sponsored vlogs (De Jans, Caubergh, & Hudders, 2018; Hoek et al., 2020; van Reijmersdal & van Dam, 2020). Therefore, we posited the following:

H5: Ad disclosure made in the native language of adolescent Instagram users will have a greater impact on skepticism toward the sponsored content than a standard ad disclosure in English.

H6: Mediated by skepticism toward the sponsored content, ad disclosure has a negative indirect impact on brand attitude.

A conceptual model is shown in Figure 1.

3. Methods

3.1. Sample and Design

A three-level between-subjects experiment was conducted by manipulating the absence of ad disclosure versus the presence of one of two explicit labeled ad
disclosure types (the first one in the form of “Advertising” in the native language of the participants followed by tagging the brand @Brand, and the second one in the form of “paid partnership with the Brand” in English) on Instagram stories (short videos or pictures of an ephemeral nature that often use filters and have a maximum length of 15 seconds).

We invited several randomly selected high schools from three different regions of Romania, a EU member country, to participate in our study. Three of the high schools we reached out to responded positively to our call. Individual students volunteered to participate and were randomly placed in one of our three groups. The research was conducted after we, the researchers, were granted ethical approval from our faculty and obtained the approval of the three selected high schools, and the consent of the teachers and teenagers involved in the study.

A total of 241 female adolescent participants (N = 241), aged 14 to 18 (M = 16.84, SD = 1.05; recall that the minimum age for having an Instagram account is 13), both young teens and preadults from Romania, were randomly assigned to one of the three conditions: no disclosure (n1 = 81); native tongue ad disclosure in the form of “advertising” followed by tagging the brand, which will be further referred to as “advertising in the native language” condition (n2 = 78); and a standard English-language ad disclosure worded as “paid partnership with Brand,” further referred to as the “paid partnership in English” condition (n3 = 82).

The experiment was conducted online in February 2020. All participants saw an overview of an SMI account followed by a series of five Instagram stories containing SMI advertising posted on that account; only the disclosures on the video differed. The first group watched the video with no ad disclosure, the second group viewed the video with an ad disclosure in the form of “advertising” in the native language of the participants followed by the tag @Brand, and the third group viewed the video with an ad disclosure in the form of “paid partnership with Brand.” Both types of ad disclosures clearly stated the brand name. In line with the European Advertising Standards Alliance’s (2018) recommendations, the ad disclosure was located at the top of each video in easily recognizable colors and fonts (see stimuli in the Supplementary File). The participants were then asked to complete a questionnaire in their native language.

3.2. Procedure and Stimulus Materials

All interaction took place over Instagram to increase validity; participants received the links to the questionnaire and stimulus materials via direct message on their Instagram accounts. They also received a disclaimer saying that they were taking part in a study on SMIs on Instagram. Before exposure to the influencer’s account and a video that looked like a series of Instagram stories, participants saw a text that read as follows: “Imagine the following situation: While using Instagram you come across the following influencer account and watch the Instagram stories available on her account with the sound on.”

The majority of Instagram users are women (Statista, 2021). Therefore, we decided to conduct our study with female participants, and we created a look-alike female lifestyle SMI account (the_melissa_official) with 42,000 followers in the account overview. Previous studies on adolescents and advertising on social media used unfamiliar brands depicted in the stimulus material (De Jans et al., 2020). We decided to use a familiar brand and to test for existing brand knowledge. The SMI promoted haircare products from Garnier, a well-known brand.

The selection of ad disclosure types was made by reflecting upon how ad disclosures are commonly used on Instagram (Kiel & Solf, 2019). Disclosures were incorporated on top of the image during the entire length
of the video, which resembled five successive Instagram stories. No verbal ad disclosure was made during the video for all three conditions.

3.3. Measures

“Advertising recognition” was measured by the question “did you see advertising in the Instagram stories?” (1 = No, 2 = Yes). “Understanding the economic model of sponsored content” was measured using four statements (e.g., “If brands did not pay for advertising on Instagram through influencers, Instagram would not function”) on a 7-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree (Mc = 5.54, SD = 1.23; Boerman, van Reijmersdal, et al., 2018). “Sponsorship transparency” was measured using 10 statements (e.g., “The Instagram stories conveyed the product or service that was being promoted”) on a 7–point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree (Mc = 821, Mc = 4.83, SD = 1.10; Wojdynski et al., 2018). “Intention toward the SMI” was measured using six 7-point semantic differential scales with the adjectives dishonest–honest, not trustworthy–trustworthy, incredible–credible, and not truthful–true, insincere–sincere (Mc = .933, Mc = 4.05, SD = 1.41; Boerman, van Reijmersdal, et al., 2018); reversed, high values reflect high values of skepticism. “Attitude toward the brand” was measured using six 7-point semantic differential scales with the adjectives unattractive–attractive, negative–positive, boring–interesting, and unlikeable–likeable (Mc = .921, Mc = 4.82, SD = 1.5; Matthes & Naderer, 2016).

The control variables are: using Instagram, measured on a 7-point Likert scale ranging from 1 = extremely rare to 7 = extremely often (Mc = 6.06, SD = 1.51), and likeability of the SMI was measured using 5-point semantic differential scales of the adjectives distant–warm, dislikable–likeable, and unfriendly–friendly (Mc = .798, Mc = 4.14, SD = 0.86; De Veirman et al., 2017). Participants were also asked if they knew the brand before participating in our study (93.78% declared that they did).

4. Results

4.1. Randomization Check

A series of confound checks for age (F(2, 241) = 0.576, \( p = .563 \)), Instagram use (F(2, 241) = 0.76, \( p = .927 \)), likeability of the SMI (F(2, 241) = 0.464, \( p = .338 \)), product fit (F(2, 241) = 2.814, \( p = .062 \)), and brand familiarity (\( \chi^2(1) = 1.49, p = .474 \)) showed that the differences between outcome variables are not a result of inherent differences between conditions.

4.2. Data Analysis

A MANOVA was conducted. Advertising disclosure (control, “advertising in the native language,” and “paid partnership in English” conditions) was the fixed factor, and the dependent variables were understanding of the model of sponsored content, sponsorship transparency, the intention toward the SMI, eWOM, skepticism toward sponsored content, and brand attitude. The results indicate that participants in the “advertising in the native language” condition group showed significantly higher levels of understanding of the model of sponsored content and eWOM compared to the participants in both the no disclosure and “paid partnership in English” groups. Results are shown in Table 1.

H1 posited that ad disclosure in the native language of Instagram users would increase ad recognition. We observed significant differences in ad recognition between the three conditions (\( \chi^2(2) = 10.30, p = .006, \Phi = .207 \)). A relatively large number of participants recognized advertising in all three conditions: the non-disclosure condition (43.2%), the “advertising in the native language” condition (69.2%), and the “paid partnership in English” condition (68.3%). To test the effectiveness of ad disclosure and disclosure types on advertising recognition, we ran a logistic regression with disclosure presence and ad recognition as dependent variables (\( −2\log\text{likelihood} = 262.23, \text{Nagelkerke } R^2 = .067 \), \( \chi^2(1) = 8.26, p = .004 \)). The analysis indicates that participants assigned the “advertising in the native language” condition (b = 1.193, SE = .413, p = .004, odds ratio = 3.296) were more likely to recognize advertising compared to those assigned the “paid partnership in English” condition (b = 1.149, SE = .417, p = .006, odds ratio = 3.156). Our findings support H1.

To test proposed hypotheses H2, H3a, H3b, H4a, and H4b we conducted a serial mediation analysis using Model 6, PROCESS V3.4 in SPSS (Hayes, 2018) employing 5,000 bootstrap samples for each dependent variable. The control group was used as a reference group to test the effects of the two disclosure conditions.

H2 posited that the presence of disclosure in the native language of Instagram users would have a greater effect on the activation of the understanding of the economic model of sponsored content compared to a standard ad disclosure in English. Our findings indicate that only ad disclosure in the native language of Instagram users activated understanding of the economic model of sponsored content (b = .46, SE = .21, 95% BCaCI = [.0445, .8835], p = .03). For the “paid partnership” condition, no significant effects on understanding of the economic model of sponsored content were observed (b = .33, .33, ...
SE = .21, 95% BCBCI = [−.0827, .7458], p = .12). Therefore, H2 was supported.

H3a and H3b posited that activation of understanding of the economic model of sponsored content would mitigate the negative indirect effect of disclosure on (a) intention toward the SMI, and (b) eWOM. No indirect effect of ad disclosure was observed in either the “advertising in the native language” disclosure group on (a) intention toward the SMI, and (b) eWOM. 

Table 1. MANOVA.

| Understanding of the economic model of sponsored content | “Advertising in the native language” condition | “Paid partnership in English” condition | \(F\)-Test |
|-------------------------------------------------------|---------------------------------------------|---------------------------------------|-----------|
| No disclosure \(a\)                                   | \(M(\text{SD})\)                           | \(M(\text{SD})\)                      | \(F\)-Test |
| Understanding of the economic model of sponsored content | 3.56 (1.38)\(b\)                          | 4.03 (1.31)\(b\)                     | \(F(2) = 2.54; p = .081; \eta = .02\) |
| Sponsorship transparency                              | 4.89 (1.04)                                | 4.86 (1.12)                           | \(F(2) = .378; p = .686; \eta = .00\) |
| Intention toward the SMI                              | 3.69 (1.92)                                | 4.18 (2.01)                           | \(F(2) = 1.29; p = .277; \eta = .01\) |
| eWOM                                                  | 3.33 (1.75)\(b\)                          | 3.89 (1.72)\(b\)                     | \(F(2) = 3.53; p = .031; \eta = .03\) |
| Skepticism toward sponsored content                   | 4.19 (1.50)                                | 3.87 (1.26)                           | \(F(2) = 1.08; p = .343; \eta = .1\) |
| Brand attitude                                        | 4.72 (1.56)                                | 4.96 (1.43)                           | \(F(2) = .56; p = .57; \eta = .1\) |

Notes: \(N = 241; \text{a, b, c }\) group differences; \(p < .050; ^* p < .090\).

\(SE = .21\), 95% SE = [−.0827, .7458], \(p = .12\). Therefore, H2 was supported.

H3a and H3b posited that activation of understanding of the economic model of sponsored content would mitigate the negative indirect effect of disclosure on (a) intention toward the SMI, and (b) eWOM. No indirect effect of ad disclosure was observed in either the “advertising in the native language” disclosure group on (a) intention toward the SMI (\(b = .17, BootSE = .05, 95\% \text{ BootBCBCI} = [−.2388, .1269]\)), and (b) eWOM (\(b = .05, BootSE = .05, 95\% \text{ BootBCBCI} = [−.0167, .1893]\)) or the “paid partnership in English” disclosure group on (a) intention toward the SMI (\(b = −.10, BootSE = .09, 95\% \text{ BootBCBCI} = [−.2997, .0701]\)), and (b) eWOM (\(b = .05, BootSE = .05, 95\% \text{ BootBCBCI} = [−.0215, .1569]\)). Thus, H3a and H3b were not supported.

H4a and H4b posited that, through the serial mediation by the understanding of the economic model of sponsored content and sponsorship transparency, ad disclosure would have a positive indirect effect on (a) intention toward the SMI, and (b) eWOM. The serial mediation path via understanding of the economic model of sponsored content and sponsorship transparency indicated that only the “advertising in the native language” condition ad disclosure had positive indirect effects on (a) the intention toward the SMI (\(b = .03, BootSE = .02, 95\% \text{ BootBCBCI} = [.009, .0902]\)), and (b) eWOM (\(b = .02, BootSE = .01, 95\% \text{ BootBCBCI} = [0.004, .0408]\)). The “paid partnership in English” condition had no such effects on (a) the intention toward the SMI (\(b = .03, BootSE = .02, 95\% \text{ BootBCBCI} = [.0054, .0731]\)), and (b) eWOM (\(b = .01, BootSE = .01, 95\% \text{ BootBCBCI} = [−.0024, .0341]\)). Our findings offer partial support for H4a and H4b, but only for ad disclosures in the native language of the adolescent participants.

To test H5 and H6 on the mediating effect of skepticism on brand attitude, a mediation analysis was run using Model 4, PROCESS V3.4 in SPSS (Hayes, 2018) employing 5,000 bootstrap samples for each dependent variable. H5 posited that disclosure in the native language of Instagram users would have a greater effect on activating skepticism toward the sponsored content compared to the standard ad disclosure in English. Contrary to our predictions, our findings indicate that ad disclosure in both the “advertising in the native language” (\(b = .46, SE = .21, 95\% \text{ BCBCI} = [.0445, .8835], p = .03\)) and “paid partnership in English” (\(b = .46, SE = .21, 95\% \text{ BCBCI} = [.0445, .8835], p = .03\)) conditions had no effect on skepticism toward sponsored content.

H6 posited that mediated by skepticism toward sponsored content, ad disclosure would have a negative impact on brand attitude. The mediation effect of disclosure via skepticism toward sponsored content on brand attitude was not significant in both the “advertising in the native language” (\(b = .17, BootSE = .12, 95\% \text{ BootBCBCI} = [−.050, .4057]\)) and “paid partnership in English” conditions (\(b = .06, BootSE = .12, 95\% \text{ BootBCBCI} = [−.1797, .2853]\)). Thus, we found no evidence to support H6.

5. Discussion

In line with Rozendaal et al. (2011), the present study focused on both cognitive and affective components of advertising literacy, thus outlining relevant aspects.
of adolescents’ exposure to SMI advertising. When ad disclosures were provided in the research participants’ native language, the participants could more effectively recognize advertising content in the SMI’s Instagram stories. Moreover, ad disclosure in the participants’ native language had a direct impact on activating understanding of the economic model of sponsored content. Adolescents who understand the economic model behind SMI advertising appreciate sponsorship transparency. Furthermore, sponsored messages that are promoted transparently are more likely to be spread online. Even after the first encounter with an SMI on Instagram, a situation simulated in our experiment, sponsorship transparency had a significant impact on the female adolescents’ intention to follow the SMI.

Like Rozendaal et al. (2011), we found that advertising-related knowledge does not necessarily translate into enacting a critical defense against the appeal of advertising. Neither tested ad disclosure type triggered skepticism toward sponsored content in Instagram stories. Moreover, on this affective mediation path, ad disclosure had no indirect effects on brand attitude. Therefore, our adolescent participants demonstrated only limited advertising literacy; although their conceptual competence was strong, the attitudinal and performative components were undeveloped. Even if ad disclosure made in their native language improved ad recognition, such knowledge did not result in more sophisticated defense mechanisms in the form of critical evaluations of the ads.

6. Conclusions and Limitations

Our findings contribute to a more subtle understanding of how ad disclosures work in the constantly changing environment of social media. In line with previous research (De Jans et al., 2020), our study makes a case for the use of adequate and understandable ad disclosure on Instagram stories. The findings have implications for policymakers, monitoring institutions, SMI, and marketers. Because new advertising tools are constantly emerging on social media, to protect adolescents it is important to update sponsorship transparency guidelines, enforce common rules throughout the EU, and subsequently monitor their implementation.

We recommend that practitioners use ad disclosures in adolescent followers’ native language to improve understandability SMI must keep in mind sponsorship transparency when building relationships with their followers. Like the results of other scholars, our findings indicate that practicing “transparent authenticity” (Audrezet et al., 2020) presents an opportunity for SMI and is a sign of honesty and respect for their followers, most of whom are aware of the economic model of sponsored content. We recommend that within media literacy programs educators discuss with adolescent students the particularities of SMI advertising and encourage them to develop a critical perspective.

The present study builds upon the theoretical implications of past research by exploring the effectiveness of ad disclosure made in the participants’ native language. Approaching ad literacy as comprehensive ad literacy (Naderer, Borchers, et al., 2021), we highlighted the role of understanding the economic model of sponsored content in SMI advertising. Our findings are consistent with previous scholarship underlining the positive effect of sponsorship transparency (Evans et al., 2019). However, considering the low evaluative performance we observed, in line with prior studies (Zarouali et al., 2020), our adolescent participants are far from being “ad literate.”

The present research has its limitations. First, the lack of control over the time spent by participants watching the stimuli is a limit. Second, we can only assume that the participants saw and listened to the stimuli. By using eye-tracking in more controlled laboratory settings, future studies can overcome these limitations. Third, the results came from a convenience sample of female adolescents. Previous research demonstrated that females show stronger intentions due to disclosure (Eisend et al., 2020). However, women develop stronger parasocial relationships with celebrities (Cohen, 2003), which can result in positive evaluations of SMIs. Future researchers should work with more gender-diverse samples. Fourth, our results came from one exposure study. Long-term studies addressing adolescents’ perceptions of SMI sponsorship transparency are necessary.

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Conflict of Interests

The authors declare no conflict of interests.

Supplementary Material

Supplementary material for this article is available online in the format provided by the authors (unedited).

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