"This program contains product placement": Effects of sponsorship disclosure on television viewers’ responses

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INTRODUCTION

Television viewers are increasingly exposed to texts saying “This program contains product placement” or PP (short for product placement) logos incorporated in television programs. These so-called sponsorship disclosures aim to inform viewers about advertising that is embedded in television programs. This dissertation examines the effects of such sponsorship disclosures on viewers’ processing of and responses to sponsored television content and the embedded brands.

Sponsored television content is defined as the purposeful incorporation of brands or products in editorial content in exchange for compensation from the sponsor (Russell & Belch, 2005; Van Reijmersdal, Neijens, & Smit, 2009). This inclusion of commercial content in programs can take many forms and ranges from brand placement, in which a brand or product is shown in a program, to brand integration, whereby a brand plays a key role in the plotline and creative development of a program (Hudson & Hudson, 2006; Smit, Van Reijmersdal, & Neijens, 2009). Sponsored content has been used for decades, and its use is still growing (Cain, 2011). This proliferation is not remarkable, as sponsored content has demonstrated to effectively influence viewers’ brand memory, attitudes, and behavior (for reviews see Balasubramanian, Karrh, & Patwardhan, 2006; Van Reijmersdal et al., 2009).
Even though these effects may be beneficial for advertisers, they may not be so positive for television viewers. By blurring the boundaries between editorial and commercial content, viewers may not recognize sponsored program content as persuasive because its source and intent are unclear (Nebenzahl & Jaffe, 1998). Consequently, viewers may not use their cognitive defenses against persuasion and carefully scrutinize the message (Bhatnagar, Aksoy, & Malkoc, 2004; Nebenzahl & Jaffe, 1998). Therefore, it has been argued that sponsored content violates the right of consumers to know that they are being subjected to advertising, and hence that sponsored content is unethical and deceptive (e.g., Cain, 2011; Commercial Alert, 2008; Kuhn, Hume, & Love, 2010; Nebenzahl & Jaffe, 1998). For this reason, the effects of sponsored content without viewers’ 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 viewer, regulations obligating broadcasters to disclose sponsored content in television programs have been developed and proposed in several countries. The main goal of these sponsorship disclosures is to help viewers to distinguish between commercial and editorial television content (Audiovisual Media Services Directive, 2010; Cain, 2011). However, the effectiveness of such sponsorship disclosures has hardly been studied. Hence, it is unknown whether sponsorship disclosure has its intended effects, and whether it may also have additional effects. For instance, the disclosure of sponsored content may also change the way viewers process and evaluate the brand and the program. This makes the effects of sponsorship disclosures not only relevant for policy makers, but also for television viewers, advertisers, and broadcasters. This dissertation aims to provide insight into the effects of different ways of disclosing sponsored television content on viewers’ responses to the sponsored content and the brand.
Sponsorship disclosure regulations
The rules concerning sponsored television content, and especially the disclosure of this practice, are very different in the EU and the US. In the EU, all countries are required to implement the European Audiovisual Media Directive in their own legislation. This directive uses the term ‘product placement’ to refer to sponsored content, defined as:

“... any form of audiovisual commercial communication consisting of the inclusion of or reference to a product, a service or the trade mark thereof so that it is featured within a programme, in return for payment or for similar consideration.”
(Audiovisual Media Services Directive, 2010, p. 12)

This definition of product placement includes all commercial content that plays a role within a program, and hence is equivalent to the broader concept of sponsored content (as used in this dissertation), ranging from brand placement to brand integration. The European Audiovisual Media Directive prohibits surreptitious sponsored content, but does allow sponsored television content when it does not influence the responsibility and editorial independence of the makers, when it does not directly encourage the purchase or rental of goods or services, and when it is disclosed. With regard to this disclosure of sponsored content, the directive specifically states:

“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 programme, and when a programme resumes after an advertising break, in order to avoid any confusion on the part of the viewer.”
(Audiovisual Media Services Directive, 2010, p. 17)

This regulation clearly expresses the obligation to adequately inform the audience by signaling the fact that sponsored content is embedded in a program. However, although the directive states a neutral logo can for example be used as a disclosure (Audiovisual Media Services Directive, 2010, p. 10), it does not provide explicit rules on how to disclose sponsored content. This means that each EU country can decide on the precise rules of sponsorship disclosure, which has resulted in various ways of sponsorship disclosures within and between EU countries. For instance, the guidelines in the UK obligate a specific logo existing of two P’s (an abbreviation of product placement) that needs to be shown in any corner of the screen for at least 3 seconds (Ofcom, 2011). In Belgium and France a similar logo is used. In the Netherlands, the rules are not as specific, which has resulted in the use of various disclosures by different broadcasters, such as logos and texts (e.g., “This program contains product placement”).

In the US, the Federal Communications Commission’s (FCC) sponsorship identification rules also obligate the disclosure of sponsored content. Section 317 of the 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, 2012). These rules require one announcement, which needs to be made at the time of the broadcast and has to state that the program is sponsored or paid for and by whom (Electronic Code of Federal Regulations, 2013). In addition, a disclosure is not required when the product or brand is “reasonably related” to the program (such as a car provided by the manufacturer, used in a car chase scene), but is required if a character makes a promotional statement (Report to Congressional Requesters, 2013). In practice, this means that identifying the sponsors in the end credits of a program satisfies the sponsorship identification rules, and that the current disclosures are often illegible and incomprehensible (Cain, 2011; Goldman, 2006; Ong, 2011). To make sponsorship disclosures more obvious to consumers, the FCC proposed new revised regulations and asked for comments on these proposed rule changes (Federal Communications Commission, 2008). In their response to this request, the consumer organization Commercial Alert pled for a disclosure with the word ‘advertisement’ appearing on screen during the airing of a product placement (Commercial Alert, 2008). Despite these regulation proposals however, to date, the regulations have not been modified yet.

Effects of warning audiences about persuasive messages
Warning audiences about (hidden) persuasive messages is not a new phenomenon, and the topic has been studied in various contexts. There is a long record of research on forewarning of noncommercial persuasive messages, such as political speeches and opinionated articles. Several studies showed that informing audiences before a persuasive message through a forewarning increases counter arguing (Janssen, Fennis, & Pruyn, 2010; Petty & Cacioppo, 1977), makes the receivers perceive the communicator as more biased (Allyn & Festinger, 1961), leads to less favorable attitudes toward the message (Jacks & Devine, 2000), and results in less opinion change (Allyn & Festinger, 1961; Hass & Grady, 1975; Petty & Cacioppo, 1977). This means that research has provided evidence that forewarnings can decrease persuasion and induce defensive resistance (Quinn & Wood, 2004).

Next to these forewarning studies, there has been some research on disclosing different forms of sponsored content. For instance, studies on sponsored content in radio shows (Wei, Fischer, & Main, 2008), movies (Bennett, Pecotich, & Putrevu, 1999), and advergames (An & Stern, 2011) investigated the effect of disclosures on consumers’ brand responses. Although their different methods and contexts resulted in mixed results, these studies demonstrated that disclosures can influence the way consumers respond to the advertised brand. For instance, some studies found a negative effect of disclosing the persuasive intent on brand preference (An & Stern, 2011) and brand evaluations (Wei et al., 2008), whereas others did not find a significant influence on brand liking (Bennett et al., 1999). Additionally, a disclosure at the beginning of a movie resulted in better brand recall (Bennett et al., 1999), whereas an advertising break in an advergame resulted in lower brand memory (An & Stern, 2011). Altogether, these studies demonstrate that the disclosure of
(hidden) persuasive messages can have important effects on the processing and outcome of a message.

**FOCUS OF THIS DISSERTATION**

Based on the prior insights that (fore)warnings of persuasive messages can change the way receivers process the message (e.g., Janssen et al., 2010; Petty & Cacioppo, 1977; Quinn & Wood, 2004), and influence the outcomes of the message (e.g., Allyn & Festinger, 1961; An & Stern, 2011; Wei et al., 2008), this dissertation aims to investigate whether sponsorship disclosure also influences the processing and persuasive outcome of the sponsored content. In addition, studies about warnings on for instance products argue that people first need to attend to a warning before it can have any effect (Argo & Main, 2004; Wogalter & Laughery, 1996). Whether viewers attend to a message depends on their ability, motivation, and opportunity to process a message (MacInnis, Moorman, & Jaworski, 1991), and this is likely to be related to the characteristics of the disclosure such as the duration and moment of display, and its content. Therefore, to examine the effects of disclosing sponsored television content on viewers’ responses, this dissertation focuses on four themes: (1) the effects of the characteristics of sponsorship disclosures, (2) the role of viewers’ awareness of sponsorship disclosures, (3) the effects of sponsorship disclosures on viewers’ processing of the (sponsored) television content (e.g., the activation of persuasion knowledge) and, (4) the effects of sponsorship disclosures on the persuasive outcomes of sponsored content (e.g., viewers’ brand responses).

This dissertation expands on prior disclosure and forewarning research by investigating the new phenomenon of disclosing sponsored content in television programs. Given its novelty, at the start of this Ph.D. project (February 2011), the effects of disclosing sponsored television content were not yet known. (In the meanwhile, next to the chapters of this dissertation, several studies have been published about the disclosure of sponsored television content, i.e., Campbell, Mohr, & Verlegh, 2013; Tessitore & Geuens, 2013; Van Reijmersdal, Tutaj, & Boerman, 2013). In addition, despite the various types and uses of sponsorship disclosures within and between countries, it was still unknown how different disclosure characteristics influence its effectiveness. Therefore, this dissertation aims to provide insights into the effectiveness of different disclosure characteristics (i.e., disclosure duration, timing, and type).

Furthermore, although warning research has shown the importance of viewers’ awareness of a warning, few studies have investigated the role of viewers’ disclosure awareness. This makes this dissertation one of the first to take into account the role of disclosure awareness in disclosure effects. In addition, this dissertation focuses on different levels of disclosure awareness, by addressing both the recall and recognition of a disclosure and viewers’ visual attention to the disclosure while watching a television program.
Moreover, prior studies on (product and health) warnings have provided evidence for the effect of warnings for persuasive messages on the processing of the message (e.g., Janssen et al., 2010; Petty & Cacioppo, 1977; Quinn & Wood, 2004). Interestingly, the research that was done on disclosing commercial persuasive messages focused on the persuasive outcomes of the message (e.g., brand memory and brand attitude; An & Stern, 2011; Bennett et al., 1999; Wei et al., 2008), and did not take into account the processing of the content. As the main purpose of sponsorship disclosures is to inform audiences and to enable them to activate their persuasion knowledge (Cain, 2011), this is an important gap in the literature. This dissertation aims to fill this gap by examining how sponsorship disclosures change the processing of the sponsored content. More specifically, processing is investigated by testing the effects of sponsorship disclosures on the activation of different levels of persuasion knowledge and viewers’ attention to the sponsored content.

Additionally, prior research has shown that disclosing persuasive messages can effectively alter the effectiveness of the persuasive message. As sponsorship disclosures may work similar to forewarnings of other types of persuasive messages, they may even elicit resistance to the sponsored content, which could have consequences for its persuasive outcomes. Therefore, this dissertation focuses on the effects of sponsorship disclosure on the persuasive outcomes of the sponsored content (i.e., brand memory, brand attitude, and program trustworthiness), and the processes that precede these effects.

The following section will discuss the four research questions of this dissertation, based on the four themes. Table 1 shows how the chapters in this dissertation relate to the four focus points.

**Disclosure characteristics**
The implementation of sponsorship disclosures differs with regard to their duration, timing, and content. According to processing theories such as the limited capacity model of motivated mediated message processing (LC4MP; Lang, 2006) and the processing of commercial media content model (PCMC; Buijzen, Van Reijmersdal, & Owen, 2010), the amount of time a disclosure is displayed (i.e., duration), the moment in the program it is shown (i.e., timing), and its size and content (i.e., type) may all influence whether viewers notice and process the disclosure. Especially, since people need to have the ability, motivation, and opportunity to process a message (MacInnis et al., 1991), and this may depend on these disclosure characteristics. To examine the influence of the characteristics of a sponsorship disclosure, the first research question of this dissertation is:

**RQ1:** What are the effects of the characteristics of a sponsorship disclosure (i.e., duration, timing, and type) on viewers’ awareness of the disclosure, and subsequently on the processing and persuasive outcomes of the sponsored content?
Disclosure awareness

Prior research on the effectiveness of warning labels (e.g., “use only as directed” on electric appliances, or a warning on medicines informing you about possible side effects) provides an information processing model that represents the sequential stages of information processing that consumers engage in when they are exposed to warnings (Argo & Main, 2004; Wogalter & Laughery, 1996). The first stage in this model is attention: If a warning is not noticed, it cannot produce the effects it seeks (Goldman, 2006; Wogalter & Laughery, 1996). To test whether this is also true for sponsorship disclosures in television programs, the second research question of this dissertation focuses on the role of viewers’ awareness of sponsorship disclosures:

RQ2: To what extent do the effects of a sponsorship disclosure depend on viewers’ awareness of the disclosure in the program?

Processing

After gaining attention, a warning needs to be comprehended and activate existing beliefs and attitudes about the risk it is warning for to have any effect (Wogalter & Laughery, 1996). In the case of sponsorship disclosure, the beliefs and attitudes that can be activated are related to a person’s persuasion knowledge, defined as the general knowledge people develop throughout their life about persuasion and persuasion tactics, which can be used to cope with a persuasion attempt (Friestad & Wright, 1994). John (1999) argues that persuasion knowledge is developed in a developmental sequence from preschool to adolescence, in which the first step is being able to distinguish commercials from programs. Although persuasion knowledge is developmentally contingent, in general all steps of persuasion knowledge are well established at adulthood (Friestad & Wright, 1994; John, 1999). When adults recognize a persuasion attempt, they can activate their persuasion knowledge, and use this to interpret, evaluate and cope with the attempt (Friestad & Wright, 1994). In the case of sponsored content, however, even adults may not always be able to distinguish the commercial content from the program, and hence may not activate their persuasion knowledge. Therefore, the main purpose of sponsorship disclosure is to help viewers to activate this first step of persuasion knowledge, so they can distinguish between commercial and editorial content (Audiovisual Media Services Directive, 2010; Cain, 2011).

However, sponsorship disclosure may also have other effects on the way viewers process the sponsored content. According to the reactance theory (Brehm, 1966) and forewarning research, the recognition of a persuasive attempt, such as advertising, may induce resistance and critical processing (Quinn & Wood, 2004; Sagarin, Cialdini, Rice, & Serna, 2002; Wei et al., 2008). In line with this reasoning, Rozendaal, Lapierre, Van Reijmersdal and Buijzen (2011) argue that persuasion knowledge theories should not only focus on these cognitive aspects, but should also take into account the attitudinal
dimension of persuasion knowledge (e.g., skepticism and critical attitudes).

Furthermore, because a sponsorship disclosure informs the viewer about upcoming brand placements in the program, it may function as a cue or information prime for the brand appearance in the program (Bennett et al., 1999). Hence, a disclosure may raise viewers’ awareness of the upcoming brand placement, and makes them pay more attention to the brands placed in the program.

To understand the effects of sponsorship disclosure on the way viewers perceive and process the sponsored content, the third research question is as follows:

**RQ3: What is the effect of disclosing sponsored content on viewers’ processing of the sponsored content (i.e., the use of persuasion knowledge, critical processing, and visual attention to the sponsored content)?**

**Effects on viewers’ responses to brand and program**

As a consequence of its effect on viewers’ processing of the program content, for instance by activating persuasion knowledge, a sponsorship disclosure may mitigate the persuasive effect of the sponsored content. Prior research has indeed demonstrated that the activation of persuasion knowledge reduces the effectiveness of sponsored content (Matthes, Schemer, & Wirth, 2007; Wei et al., 2008). For sponsorship disclosure, this may mean that the disclosure not only helps viewers to recognize and evaluate the sponsored content (i.e., activate persuasion knowledge), but also that it may have consequences for viewers’ responses to the brand and the program that incorporated this brand (i.e., brand memory, brand attitude, and perceived program trustworthiness). Hence, sponsorship disclosures may have effects on the brand and program that are not necessarily intended by policy makers. The last research question aims to gain insights into these additional effects.

**RQ4: What is the effect of disclosing sponsored content on the persuasive outcomes of the sponsored content (i.e., viewers’ brand and program responses)?**

Overall, the four research questions refer to the four focus points of this dissertation, which are: sponsorship disclosure characteristics (RQ1), disclosure awareness (RQ2), viewers’ processing of the sponsored content (RQ3), and the persuasive effects of the sponsored content (RQ4). Table 1 shows how the chapters relate to these themes, and demonstrates that they can be ordered sequentially: The disclosure characteristics are expected to influence viewers’ awareness of the disclosure, whereas viewers’ awareness of the disclosure influences the effect it consequently has on viewers’ processing of the sponsored content, and ultimately the persuasive effects of the sponsored content.

Chapter 1 addresses viewers’ awareness of different disclosure characteristics, by testing the effects of the duration and timing of a disclosure on viewers’ memory of the sponsorship disclosure (i.e., disclosure awareness). Chapter 2 tests the extent to which disclosure awareness is a precondition for the effect of a disclosure on viewers’
use of persuasion knowledge (i.e., their processing). The study in Chapter 3 focuses on the effects of the duration of a disclosure (i.e., a disclosure characteristic) on the activation of persuasion knowledge (i.e., the process), and on viewers’ brand attitude and brand memory (i.e., the persuasive effect). Chapter 4 addresses the same three themes as Chapter 3, but focuses on the influence of the timing of a disclosure (instead of duration) on the use of persuasion knowledge and critical processing, and consequently on brand attitudes.

To be able to focus purely on the effects of the disclosure characteristics on processing and the persuasive outcomes, the analyses in Chapter 3 and 4 only include viewers that did recall seeing a disclosure. In this way, disclosure awareness is held constant and its role is not directly tested. Finally, Chapter 5 addresses all four themes by studying the effect of disclosure type on viewers’ visual attention to the disclosure (i.e., disclosure awareness), their visual attention to the sponsored content and use of persuasion knowledge (i.e., the process), and their brand memory, brand attitude, and the perceived program trustworthiness (i.e., the persuasive effect).

### Table 1 Overview of dissertation

<table>
<thead>
<tr>
<th>Disclosure characteristic</th>
<th>Disclosure awareness</th>
<th>Process</th>
<th>Persuasive effect</th>
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<tbody>
<tr>
<td><strong>Chapter 1</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Duration</td>
<td>Disclosure memory</td>
<td>Conceptual persuasion knowledge</td>
<td>Brand memory</td>
</tr>
<tr>
<td>Timing</td>
<td></td>
<td>Attitudinal persuasion knowledge</td>
<td>Brand attitude</td>
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<tr>
<td>(no specific characteristic)</td>
<td>Disclosure memory</td>
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<tr>
<td><strong>Chapter 2</strong></td>
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<td></td>
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<tr>
<td>Duration</td>
<td>(only viewers who recalled seeing disclosure)</td>
<td>Conceptual persuasion knowledge</td>
<td>Brand memory</td>
</tr>
<tr>
<td>Timing</td>
<td></td>
<td>Attitudinal persuasion knowledge</td>
<td>Brand attitude</td>
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<tr>
<td><strong>Chapter 3</strong></td>
<td></td>
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<tr>
<td>Duration</td>
<td></td>
<td>Conceptual persuasion knowledge</td>
<td>Brand memory</td>
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<tr>
<td>(only viewers who recalled seeing disclosure)</td>
<td></td>
<td>Attitudinal persuasion knowledge</td>
<td>Brand attitude</td>
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<td><strong>Chapter 4</strong></td>
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<tr>
<td>Timing</td>
<td></td>
<td>Conceptual persuasion knowledge</td>
<td>Brand attitude</td>
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<tr>
<td>(only viewers who recalled seeing disclosure)</td>
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<td>Critical processing</td>
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<td><strong>Chapter 5</strong></td>
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<tr>
<td>Type</td>
<td>Visual attention to disclosure</td>
<td>Conceptual persuasion knowledge</td>
<td>Brand memory</td>
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<td></td>
<td></td>
<td>Visual attention to sponsored content</td>
<td>Brand attitude</td>
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<td></td>
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<td>Program trustworthiness</td>
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</tbody>
</table>
In this last study, eye tracking is used to estimate viewers’ visual attention while watching the program, and hence as a measure of disclosure awareness. The studies in the other chapters used self-reported memory measures to measure viewers’ disclosure awareness. These self-reported measures provide important insight into viewers’ awareness of the disclosure. However, they have the disadvantage that viewers who process messages with relatively little attention are not likely to remember them in the context of a recall task (Slater, 2004). Because attention is not always active or conscious, physiological measures of attention have been argued to be more reliable (Krugman, 1965; Rosbergen, Pieters, & Wedel, 1997). Especially integrated messages, such as sponsored content and disclosures, can be processed implicitly or heuristically, and thus call for more implicit measures of processing (Auty & Lewis, 2004; Smit & Neijens, 2011). With these two different measures of awareness, this dissertation aims to gain substantial insight into the role of disclosure awareness.

Findings
The five chapters in this dissertation are independent articles and are all either published or submitted for publication, and all have their own abstract, introduction, discussion and reference list. Chapters 1 to 4 are based on one experiment \((N = 209)\), whereas Chapter 5 reports an eye tracking experiment \((N = 149)\). As Chapter 1 focuses on viewers’ memory of the disclosure, it excludes the no disclosure condition, leaving a sample of 179 participants. To be able to test the effects of disclosure duration and timing, the analyses in Chapter 3 and 4 exclude all participants that did not recall the disclosure (hence, \(N = 116\)). The following section provides a summary of the focus and findings of each chapter.

Chapter 1. Sponsorship disclosure awareness
The first chapter of this dissertation focuses on viewers’ awareness of sponsorship disclosures. This study explores how audience and disclosure characteristics influence viewers’ memory of sponsorship disclosure. The results from the experiment \((N = 179)\) show that a disclosure (“This program contains advertising by Alive Shoes”) at the beginning of a program results in less disclosure memory compared to a disclosure in the middle or at the end of a program. The duration of the disclosure does not significantly influence viewers’ disclosure memory. With regard to the audience characteristics, the results demonstrate that viewers’ familiarity with the program and with sponsorship disclosure increase the chance that a disclosure is remembered, while program involvement decreases disclosure memory.

Chapter 2. The role of disclosure awareness
The second chapter focuses on the effect of a disclosure on viewers’ processing of the (sponsored) television content, and the role of viewers’ awareness of sponsorship
disclosures. An experiment \((N = 208)\) shows that a disclosure leads to increased recognition of sponsored content as advertising (i.e., activation of conceptual persuasion knowledge), which consequently makes the viewer evaluate the sponsored content more critically (i.e., higher attitudinal persuasion knowledge). This effect is only manifest for viewers who recalled the disclosure. These results demonstrate that a sponsorship disclosure can effectively activate different levels of persuasion knowledge, and that viewers’ awareness of the disclosure is an important precondition for its effect on the use of persuasion knowledge.

Chapter 3. The role of disclosure duration
The study in Chapter 3 compares the effects of different durations of a disclosure, and examines the impact of a disclosure on viewers’ processing of sponsored content and brand responses. An experiment \((N = 116)\) compares the effects of no disclosure to a 3-second and a 6-second disclosure. Results show that both the 3-second and 6-second disclosure enhance the recognition of sponsored content as advertising (i.e., activates conceptual persuasion knowledge), and that only the 6-second disclosure consequently induces critical feelings toward the sponsored content (i.e., higher attitudinal persuasion knowledge). Additionally, the 6-second disclosure indirectly results in less favorable brand attitudes through higher rates of attitudinal persuasion knowledge. Furthermore, the results indicate that a disclosure directly increases brand memory, regardless of its duration.

Chapter 4. The role of disclosure timing
Chapter 4 focuses on the effects of the timing of sponsorship disclosure on the processing and persuasive effect of sponsored content. A model is proposed in which sponsorship disclosure activates persuasion knowledge, which leads to critical processing of the sponsored content. Ultimately, this is expected to negatively affect the attitude toward the brand in the sponsored content. The results from an experiment \((N = 116)\) support this model, but only when the disclosure is displayed prior to, or concurrent with the sponsored content. These effects are not found for a sponsorship disclosure shown at the end of the program after the sponsored content.

Chapter 5. The role of disclosure type and awareness
The final chapter combines the effects of the type of disclosure on viewers’ awareness of this disclosure, and its influence on viewers’ processing and the consequential effects of the sponsored content. More precisely, this eye tracking experiment \((N = 149)\) examines the effects of different ways of disclosing sponsored content on viewers’ visual attention, use of persuasion knowledge (i.e., recognition of sponsored content as advertising), and brand and program responses. The results show that a combination of a text (“This program contains product placement”) and a PP (“product placement”) logo is most effective in increasing the recognition of sponsored program content as advertising in the program.
A logo alone is least effective. Importantly, the effect of the disclosure on the recognition of advertising is mediated by viewers' visual attention to the disclosure and the brand placement. Furthermore, the recognition of advertising increases brand memory and leads to less favorable brand attitudes. The results provide no evidence for an effect of a disclosure on program trustworthiness.

CONCLUSIONS
This dissertation aims to provide insights into the effects of disclosing sponsored television content on viewers’ responses. More specifically, it attempts to examine the effects of several disclosure characteristics; to investigate the role of viewers’ awareness of sponsorship disclosures; and to study the effects of sponsorship disclosures on viewers’ processing of the sponsored television content, and the persuasive outcomes regarding the brand and the program. The studies in this dissertation provide important insights into these four focus points.

First, with regard to the disclosure characteristics, the studies demonstrate that the effects of a disclosure depend on its duration, timing, and type. The duration of the disclosure does not appear to alter viewers’ cognitive responses, but does influence their affective responses: Compared to the 3-second disclosure, only the 6-second disclosure affects viewers’ attitudinal persuasion knowledge and consequently brand attitude. Furthermore, the timing of the disclosure does influence viewers’ awareness of the disclosure, and its effectiveness. A disclosure at the beginning of a program is least remembered. Additionally, only a disclosure shown prior to, or concurrent with the sponsored content increases the recognition of sponsored content as advertising, and consequently results in more critical processing and less favorable brand attitudes.

With respect to the type of disclosure, the combination of a text and a logo is most effective in attracting (visual) attention and increasing the recognition of advertising.

Second, viewers’ awareness of a sponsorship disclosure in a television program appears to be an important precondition for any of its effects. This finding is in line with the statement that a warning cannot produce the effects it seeks if it is not noticed (Goldman, 2006; Wogalter & Laughery, 1996). Whether viewers are aware of the disclosure depends on both the characteristics of the disclosure (as discussed before), and on audience characteristics. Viewers are more likely to remember seeing a disclosure when they are familiar and not involved with the program. In addition, viewers’ familiarity with sponsorship disclosures in general increases the chance they will recognize a disclosure in a program.

Third, the dissertation demonstrates that when viewers are aware of a disclosure, it increases viewers’ visual attention to the sponsored content and enhances the recognition of the sponsored content as advertising (i.e., activates conceptual persuasion knowledge). Thus, sponsorship disclosure does achieve its goal. As a consequence, it also makes viewers perceive this content more critically (i.e., higher rates of attitudinal persuasion knowledge).
Fourth, the effect of a sponsorship disclosure on the processing of the sponsored content also influences the persuasive outcomes of this sponsored content. As a result of the activation of both cognitive and attitudinal persuasion knowledge, a sponsorship disclosure increases viewers’ brand memory and leads to less favorable brand attitudes. The studies provide no evidence for an effect of a sponsorship disclosure on the perceived trustworthiness of the program.

Altogether, the studies in this dissertation demonstrate that depending on its characteristics (RQ1) and viewers’ awareness of the disclosure (RQ2), a disclosure enhances the recognition of advertising and makes viewers perceive the sponsored content more critically (RQ3). Consequently, a disclosure increases brand memory, and mitigates the persuasive effect of the sponsored content (RQ4). This means that a disclosure can have its intended effect of increasing the recognition of advertising in a television program. However, it also has consequences for the way viewers perceive this sponsored content and the advertised brand.

**DISCUSSION**

**Theoretical implications**

The findings of this dissertation have important theoretical implications. First, the studies show that the effects of sponsorship disclosures follow three stages: awareness, processing, and persuasive effects. These stages are similar to the stages of information processing that consumers engage in when they are exposed to warnings on products (Argo & Main, 2004; Wogalter & Laughery, 1996). First, a warning needs to attract attention, and has to be comprehended. Subsequently it should fit the person’s beliefs and attitudes about the hazard it is informing about, and finally the warning has to motivate the person to comply with its directives. Especially this last stage illustrates the different goals of product warnings and sponsorship disclosures. The goal of product warnings is to change behavior to avoid risks, whereas the purpose of sponsorship disclosures is merely to inform and change the processing of sponsored content. Hence, sponsorship disclosures primarily aim to change cognition and not specific behavior. Despite these differences, the stages of processing product warnings demonstrate to be relevant in explaining the effectiveness of sponsorship disclosures. Thus, building upon product warning research, this dissertation identifies three stages (awareness, processing, and persuasive effects) that can explain the effectiveness of sponsorship disclosures.

Second, the studies in this dissertation show that processing theories such as the LC4MP (Lang, 2006) and the PCMC (Buijzen et al., 2010) also apply to sponsorship disclosures. These theories claim that people have a limited pool of cognitive resources, and therefore are only capable of processing a certain amount of information simultaneously. Because a sponsorship disclosure is displayed during a television program, the disclosure and the program content compete for viewers’ resources.
Based on the LC4MP and PCMC, it can be expected that viewers may not always allocate cognitive resources to the sponsorship disclosure, and hence that disclosures may not be noticed and processed. The low rates of disclosure awareness in the studies (i.e., 48% recalled the disclosure in the MTV Was Here experiment, and only 8% fixated on the logo in the eye tracking study) emphasize that indeed many viewers may not allocate resources to sponsorship disclosures. Moreover, the findings support the notion of MacInnis, Moorman and Jaworski (1991) that the chance people will process a message depends on their ability, motivation, and opportunity to do so. This dissertation shows that viewers are more likely to remember a disclosure when they are uninvolved with the program (and hence are less motivated to process the program itself), and familiar with the program and sponsorship disclosure (and thus have the ability to process the disclosure). Moreover, a disclosure in the middle or the end of a television program provides viewers better opportunities to allocate resources to the disclosure and remember it, than a disclosure at the beginning of the program. This means that the studies in this dissertation provide new evidence for these mediated message processing theories, and show how valuable these theories are in predicting people’s attention and processing of sponsorship disclosures.

Third, this dissertation provides evidence that disclosing sponsored content can induce resistance and mitigates the persuasive effect of the sponsored content. Hence, it provides valuable insights into how sponsorship disclosure influences the persuasion process. A sponsorship disclosure can increase the recognition of advertising in a program, and as a result viewers become more critical toward the sponsored content and have less favorable brand attitudes. This is in accordance with prior forewarning studies that demonstrated that disclosing the persuasive intent of a message can diminish persuasion (e.g., Allyn & Festinger, 1961; Hass & Grady, 1975; Quinn & Wood, 2004). Furthermore, these findings are in accordance with the reactance theory (Brehm, 1966), which claims that people want to maintain their freedom and do not want to be manipulated. Hence, when people realize they are being influenced, they will try to resist this persuasion attempt (Sagarin et al., 2002; Wei et al., 2008). This dissertation provides new evidence for this reactance theory and shows that these resistance mechanisms also apply to sponsorship disclosure: Viewers are able to resist sponsored content when they are made aware of it.

Surprisingly, this reactance mechanism does not hold for viewers’ program trustworthiness. According to the change of meaning principle (Fiestad and Wright 1994), becoming conscious of a persuasive attempt redefines the nature of the interaction with the sender. Given that people do not want to be manipulated (Brehm 1966), this may lead to a sense of betrayal and deception. Hence, if viewers are aware of the commercial nature of sponsored content, this may influence the degree of trust that is placed in the medium (Bhatnagar et al., 2004). The findings in this dissertation do not provide evidence for such a mechanism influencing the trustworthiness of the program. This may be explained by the genre of the program, since the study examining this effect used an episode of a TV drama series. For this genre, it may be difficult for viewers to indicate to what extent the
program is trustworthy and honest. Moreover, research has shown that, in general, people think familiar brand names can add to the realism in movies (Gupta & Gould, 1997; Karrh, Frith, & Callison, 2001; Sung, de Gregorio, & Jung, 2009). Hence, despite its effects on the brand itself, the appearance of a brand in the TV series might not influence the perceived trustworthiness of the program, because viewers might think using real brands makes the program more realistic and are not offended by it.

Fourth, with regard to its effect on viewers’ brand responses, this dissertation exposes a positive effect of sponsorship disclosures on viewers’ memory of the brand. This is in line with the findings of Van Reijmersdal et al. (2013). However, contrary to this finding, Tessitore and Geuens (2013) found no significant relation between a sponsorship disclosure and brand recall. In their study, brand recall was presented as a proxy for the conscious processing of the sponsored content, and moderates the effect of a disclosure on the activation of persuasion knowledge and viewers’ intention to purchase the brand. This means that their study also stresses the importance of viewers’ awareness and conscious processing while watching a program containing sponsored content. However, although Tessitore and Geuens (2013) did measure the recall of the disclosure, they did not take the awareness of the disclosure into account when studying the effects of the disclosure. Since this dissertation shows disclosure awareness is a precondition for its effects, this may explain the insignificant relation between the disclosure and brand recall. Furthermore, in their study on sponsorship disclosure, Campbell et al. (2013) asked participants to list the brands that came to mind for a specific category. They found a negative effect of a sponsorship disclosure on this top of mind awareness, and argue that this is caused by viewers correcting their answers for the persuasive impact of the sponsored content. Campbell et al. (2013) state that this correction is a consequence of the activation of persuasion knowledge, however, they do not measure this activation directly. The studies in this dissertation indicate that indeed a sponsorship disclosure can activate persuasion knowledge, but that this leads to more brand memory, and not to a correction of brand recall. The results of the studies by Tessitore and Geuens (2013) and Campbell et al. (2013) provide important insights into the working of disclosures. Combined with our findings, the studies emphasize the importance of all three stages proposed in this dissertation (disclosure awareness, processing, and persuasive effects) in examining the effectiveness of sponsorship disclosures.

Fifth, this dissertation demonstrates that persuasion knowledge and critical processing are important mechanisms that underlie resistance to persuasion. These findings demonstrate the significance of the Persuasion Knowledge Model (Friestad & Wright, 1994) in the context of sponsorship disclosure. Moreover, the findings indicate that the activation of conceptual persuasion knowledge (i.e., the recognition of advertising) leads to high rates of attitudinal persuasion knowledge (i.e., feelings of distrust and dishonesty toward the sponsored content). This means that a disclosure can activate both cognitive and affective dimensions of persuasion knowledge. In this way, this dissertation demonstrates the importance of separating persuasion knowledge into a conceptual and
an attitudinal dimension, as proposed by Rozendaal et al. (2011). Based on the findings of this dissertation, the attitudinal dimension appears to be a valuable addition to the Persuasion Knowledge Model. Especially because attitudinal persuasion knowledge plays an important role in the persuasion process, by affecting viewers’ brand attitude.

Lastly, this dissertation also has important methodological implications. With its focus on awareness and on the processing of television content, this dissertation is part of a research area in which attention plays an important role. To date, attention to and memory of sponsored content and sponsorship disclosures are usually measured with self-reported memory tasks. The disadvantage of such measures is that viewers who process messages with relatively little attention are not likely to remember them in the context of a recall task (Slater, 2004). As both sponsorship disclosures and brand placement are integrated in television programs, they are part of a cluttered environment, and can be processed implicitly or heuristically. This calls for the use of implicit measures to investigate the processing of integrated persuasive messages (Auty & Lewis, 2004; Smit & Neijens, 2011). Moreover, physiological measures of attention, such as eye tracking, have been argued to be more reliable than self-reported measures (Krugman, 1965; Rosbergen et al., 1997). Therefore, next to memory measures, this dissertation used eye tracking to directly measure the focus of viewers’ eyes while watching a television program. Eye tracking is particularly useful in sponsorship disclosure research, as it provides the opportunity to measure viewers’ attention to specific visual elements within a program, such as a disclosure or brand placement. Thus, it was possible to examine the extent to which disclosures and sponsored content attract (visual) attention, even at lower levels of attention. The results demonstrated that a disclosure that combines a text and logo attracts most attention. In addition, the eye tracking data showed that a disclosure increases the visual attention to the brand placement, and hence guides viewers’ attention to the sponsored content. With these findings, this dissertation provides evidence that eye tracking is an important and useful tool to measure consumers’ attention to integrated (persuasive) messages, and future research in this area could benefit from using this technology.

**Practical implications**

Along with its theoretical contribution, this dissertation also has important practical implications. As the regulations concerning sponsorship disclosure are new and still in development in several countries, the insights from the studies in this dissertation can be useful for policy makers. In addition, because sponsorship disclosures also influence the effectiveness of the sponsored content itself, the findings are also of relevance to advertisers.

This dissertation shows that viewers are often not aware of sponsorship disclosures, although this is a precondition for its effectiveness. The studies in this dissertation can provide some guidelines to increase the noticeability of sponsorship disclosures. For instance, viewers’ awareness of the disclosure is highest when a disclosure is shown in
the middle or end of a program, and when it includes a text (i.e., “This program contains product placement”). A logo only was only noticed by 8% of the participants, showing that the PP logos as implemented in various countries would not be advisable.

The main goal of sponsorship disclosure is to inform audiences to avoid any confusion on part of the viewer (Audiovisual Media Services Directive, 2010). This dissertation provides evidence that sponsorship disclosure can indeed increase the recognition of advertising. Moreover, it demonstrates several circumstances under which disclosures are most effective in activating conceptual persuasion knowledge. To increase viewers’ recognition of sponsored program content as advertising, a disclosure can be displayed either 3 or 6 seconds, should be shown prior to or concurrent with the sponsored content, and is most effective when it combines the text “This program contains product placement” and a PP logo. A disclosure is least effective when it is shown after the sponsored content and only consists of a logo.

Furthermore, a disclosure is best recognized when viewers are familiar with sponsorship disclosure in general. Viewers’ awareness of the disclosure may be improved by increasing their familiarity with sponsorship disclosures as a phenomenon, and hence making the knowledge that is required to interpret the disclosure available (MacInnis et al., 1991). Interventions that address audience’s familiarity with disclosures, such as commercials informing the audience about sponsorship disclosure in general, may help making disclosures better known and hence more effective.

For advertisers, sponsorship disclosures have both positive and negative consequences. On the one hand, the disclosure serves as a prime for the brand, making viewers pay more visual attention to it and increasing their brand memory. In this way, sponsorship disclosures have a positive effect on viewers’ brand awareness. On the other hand, sponsored content is believed to be successful because of viewers’ lack of awareness of the sponsored content (Bhatnagar et al., 2004). Hence, sponsorship disclosure reduces this advantage of sponsored content. Moreover, sponsorship disclosure also induces resistance. As a consequence of the positive effect of sponsorship disclosure on viewers’ recognition of advertising, viewers report higher rates of attitudinal persuasion knowledge and more critical processing of the sponsored content. In other words, they think the sponsored content is less honest en trustworthy, and watch it with more skepticism. This, then, results in less favorable brand attitudes, and thus, mitigates the persuasive effect of the sponsored content.

As this dissertation clearly demonstrates when and which disclosures are effective, and which effects they have, policy makers could use this knowledge to develop sound and effective disclosures. However, they should also be aware of the additional effects of sponsorship disclosure on the brand. This dissertation may function as a starting point for an informed discussion about which effects are desirable and acceptable.

**Future research**

Given the paucity of previous research on sponsorship disclosure, this dissertation may be
an initial and important step for research into a complex area. An initial step, because the findings of this dissertation also lead to a call for more research. First, this dissertation focused on the processes that a disclosure induces, and hence mainly addresses mediating factors. However, future research should look into important factors that moderate the effects of sponsorship disclosure, to examine for whom a disclosure is necessary and effective. For instance, a person’s individual persuasion knowledge may be an important factor. People with highly developed persuasion knowledge may not need a disclosure, because they are already aware of the embedded advertising in a program, whereas people with low levels of persuasion knowledge may not even understand the disclosure when it includes a term like product placement. However, warnings should be understandable to even the least-skilled people to be effective (Wogalter & Laughery, 1996). Therefore, future research may examine people’s level of persuasion knowledge about sponsored content, by assessing to what extent people generally are aware of product placement and understand its meaning and persuasive intent, and to what extent this moderates the effectiveness of sponsorship disclosure. Additionally, further research is needed to examine how the effects of sponsorship disclosure are associated with age, education, and other personal characteristics.

Furthermore, the studies conducted in this dissertation include a form of brand integration and of brand placement, and show a stable effect on the recognition of advertising for both forms of sponsored content. However, sponsored content can take many forms, can include many different products and brands, and can be inserted in various programs. Further research is needed to provide more support for robust effects of sponsorship disclosure in other contexts. For instance, the disclosures in the studies were all displayed simultaneous to program content. However, sponsorship disclosure can also be performed by means of billboards before and after the program. Because this type of disclosure is not shown simultaneously with other content, this may positively influence the attention to the disclosure and its effects. Hence, more research is needed to compare the effects of sponsorship disclosure shown during the program or as billboards. Moreover, the way sponsored content can be implemented differs between program genres (i.e., lifestyle programs, drama series, or cooking programs), and viewers’ appreciation of sponsored content varies between genres (Neijens & Smit, 2003). Further research could examine whether the effects of sponsorship disclosure vary over different program genres.

Finally, more research on the long-term effects of sponsorship disclosure is necessary. For instance, since viewers’ awareness of a sponsorship disclosure is of such importance for its effectiveness, future research may investigate how this awareness changes over time. This dissertation shows that viewers’ familiarity with sponsorship disclosures in general increases the chance they recognize a disclosure in a program. However, in the long term this may change, because over time and repeated exposure, a warning may attract less attention due to habituation and a decay of novelty (Wogalter & Laughery, 1996). Hence, it would be interesting to study whether the decay of novelty and a learning effect may change the degree to which viewers notice and respond to disclosures.
REFERENCES


