ABSTRACT

In a randomized between-subjects design, participants (N = 595) were assigned one of three online reviews containing disclosure statements (no disclosure, no sponsor, sponsored) denoting whether the author of an online review was paid by an advertiser or whether the review was independent of ad sponsorship. Hayes and Preacher’s bootstrapping procedure was used to test the indirect and direct effects of related to a hypothesized model examining the impact of review disclosure on credibility and purchase intention. The impact of two covariates – involvement and media literacy – was assessed to see if these variables had a potential confounding impact on predicted outcomes. Findings show ad sponsored reviews had a significantly negative effect on perceived credibility and purchase intension. Readers trusted and were more likely to purchase the product when the review was not disclosed as advertising but instead was disclosed to be journalistic and independent in nature.