DO I LIKE YOUR ONLINE AD?

Dorito's have done it, Pepsi has joined in and even Dove is jumping on the band wagon and using consumer generated advertising (CGA). Who wouldn't want to use it? Consumer generated advertising is a new and intriguing way to create ads. CGA gives marketers the opportunity to gain ideas, across the globe, from the very market that they are aiming to reach.

Developments in technology are empowering consumers to co-produce online brand communications which in turn co-creates brand meaning. Consumers are taking these developments and advancements and using them to create brand-related online content. This means that consumers are resembling ads about brands they love and those they loath.

The big question is: How do marketers tap into the true potential of consumer generated advertising? Previous research shows that consumers participate in the production of consumer-generated ads because of emotional and psychological needs or simply to provide entertainment for a smaller audience.

Both 'source effects' and 'framing effects' theories suggest that the effectiveness of an advertisement is influenced by the consumer's perceptions of the source of the ad and the framing of the cues and stimuli. The revolution of the digital age has resulted in new source effects that are not necessarily under the direct control of the marketer, but that may have a significant impact on the consumer's evaluation of advertising.

A study was undertaken by a research team, including <u>Dr Gene van Heerden</u> in the <u>Department of Marketing Management</u> to test the source effects of CGA. The study aimed to investigate whether consumers' knowledge or perceptions about the source of an online ad affected their evaluation of the ad. The study focused on three research questions, namely: Do consumers evaluate an ad differently if they are aware that it was created by a typical consumer, or by a professional agency? If consumers are aware that a consumer-generated ad is award-winning and very popular among their fellow consumers, does this knowledge have an impact on their evaluation of the ad? Would the fact that the ad was created by a consumer in response to a contest, or as an expression of consumer creativity, affect consumers' evaluation of the ad?

The results of the study demonstrate that there is no overwhelming evidence indicating that CGA is preferred over agency-created ads. However, the results do suggest that consumers are more critical towards an ad when they are exposed to cues that inform them who created the ad and when they are made aware of the motivation for creating the ad. The study also suggests that an ad that was not popular generated a negative evaluation. In summary, the findings confirm the importance of popularity ratings on consumer ad evaluation and also suggest that certain source effects result in consumers being more critical in their evaluation of the ads. The study also provided a number of managerial implications as well as limitations and directions for future research.

*The full reference for this study is:

Steyn, P.G., Ewing, M., <u>Van Heerden, G.</u>, Pitt, L.F. and Windisch, L. 2011. From whence it came: Understanding source effects in consumer generated advertising. *International Journal of Advertising*, 30(1):133-160.