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An examination of how source classification impacts credibility and consumer behavior☆

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ABSTRACT

This research revisits source credibility based upon the popular PESO (Paid, Earned, Shared and Owned) source classification. More specific, this study examines source credibility and channel effectiveness in terms of moving consumers along the communication lifecycle model based upon their exposure to information embedded in paid (traditional advertising and native advertising), earned (traditional news story), shared (independent blogger) and owned (company blog) media. One thousand, five hundred respondents recruited from a consumer panel participated in this 2 (level of involvement) x 5 (source) experimental design study. When respondents were asked to self-report on their levels of trust with various sources, they indicated the highest level of trust with consumer reviews and earned media and the lowest level of trust with native advertising. The experimental design study yielded no major differences among the sources for the communication lifecycle variables. Native advertising was viewed as less credible than traditional advertising in the experimental design. There were no differences in perceived credibility based upon exposure to traditional advertising versus a news story, confirming prior academic research. Suggestions are offered for public relations practitioners on selecting sources for messaging to drive behavior.

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1. Introduction

Contemporary conventional wisdom indicates that publicity—earned media—has greater credibility than a paid advertisement. Consider the following excerpts from a 2014 *Forbes* article: (Wynne, 2014) **"**Advertising is paid media, public relations is earned media. This means you convince reporters or editors to write a positive story....It appears in the editorial section. . . rather than the 'paid media' section where advertising messages appear. So your story has more credibility because it was independently verified by a trusted third party, rather than purchased." The *Forbes* story quotes Michael Levine, publicist and author of *Guerilla PR*, as saying "depending on how you measure and monitor an article it is between 10 times and 100 times more valuable than an advertisement. The idea is the believability of an article versus an advertisement." Steve Cody (2012) a contributor to *Inc Magazine* writes, "Countless studies report that, next to word-of-mouth advice from

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friends and family, editorial commentary (usually generated by your friendly, behind-the- scenes PR practitioner) carries far more weight than advertising."

In addition to this professional commentary, a 2014 Nielsen Study titled "The Role of Content in the Consumer-Decision Making Process" suggested that expert content provided by third-party articles and blogs elicits more consumer trust than branded content and user reviews. Nielsen's study conducted with 900 consumers indicates that expert content is more effective in terms of increasing consumers' familiarity, affinity, and purchase intent in comparison to branded content and user reviews.

Public relations academic research does not support the claim that publicity outperforms traditional advertising in terms of engendering greater credibility (Hallahan, 1999a; Howes & Sallot, 2013; Jo, 2004; Stacks & Michaelson, 2009; Verčič, Verčič, & Laco, 2008). Most of this research, however, has limited its examination to a comparison between earned media stories and traditional advertising only. Given today's evolving media landscape, public relations practitioners now use an assortment of sources—independent bloggers, company owned material, earned media, paid advertising, and native advertising—to message and to promote their brands and clients (Wright & Hinson, 2014). Moreover, consumers are increasingly consulting a number of sources to help them make product purchase decisions (Nielsen, 2014). This study revisits source credibility based upon the popular PESO—Paid, Earned, Shared and Owned—source classification. More specifically, this study examines source credibility and effectiveness in terms of moving consumers along the communication lifecycle model (Michaelson & Stacks, 2011) based upon their exposure to information embedded in paid (traditional advertising and native advertising), earned (traditional news story), shared (independent blogger) and owned (company blog) media.

2. Literature review

In today's world, media is everywhere. An expanding array of social media networks and digital channels, the transformation of traditional media and the infiltration of channel-savvy advertising throughout, means that consumers are searching for information in a new way. They are choosing their channels and news feeds to meet their personal preferences. Rather than relying on one or two news sources, consumers use a smorgasbord of traditional and online sources depending on what kind of information they are seeking (Miller, Raine, Purcell, Michelle, & Rosenstielt, 2012). Facebook is the social media news powerhouse with 30% of US adults getting news there (Holcomb, Gottfried, & Mietchell, 2013), yet those same consumers nonetheless still get news from multiple other sources including radio, print and broadcast (The Media Insight Project, 2014). When consumers make purchase decisions, blogs are the third most influential digital resource behind the "owned" retail and brand websites (Technorati Media, 2013). Advertising is integrated into all these channels further diversifying the composition of the consumer's media ecosystem.

To better understand the credibility and effectiveness of the channels in this media ecosystem and how they impact the product purchase decision process of consumers, three streams of research are reviewed next: blog credibility, native advertising credibility, and advertising versus public relations.

2.1. Blog credibility

By definition, blogs are the posting of "one's own ideas, opinions, Internet links (including those for other blogs), and so on about things on one's own website, which is called a 'web log' (Smudde, 2005). Public relations practitioners consider blogs to be central to their strategic communication planning and execution (Wright & Hinson, 2014). Some public relations practitioners enlist the support of their employees or leaders to write their own blogs to represent their organizations. Other public relations practitioners actively pitch their ideas to influential bloggers, in the hopes that they will write positively about a company's product or services.

Interviews conducted with public relations practitioners indicated that practitioners actively work with bloggers to secure favorable product reviews, earn publicity, increase brand awareness, amplify message reach and build credibility (Smith, 2011). In the words of one respondent who was interviewed, "Clients all want their marketing-speak reprinted in someone else's tone because that person gives them authenticity," (Smith, p. 6).

Because people will typically only read a blogger that they find credible (Kaye & Johnson, 2011), a fair amount of academic research has examined blog credibility. Blogs are typically viewed as credible sources of information (Hayes & Carr, 2015), and some blog users have rated blogs as more credible than traditional media, although blog users also find traditional media to be credible (Johnson & Kaye, 2004). Blog users particularly assign high marks to blogs for the depth of information provided (Johnson & Kaye, 2004).

Credibility of a blog can be assessed in multiple ways, including by level of author, message, site sponsor and the medium (Flanagin & Metzger, 2007). McLuhan's (1964) famous phrase that the medium is the message implies that academic focus should be placed on the effects of the medium, and not the message (Cosenza, Solomon, & Kwon, 2015). Recent public relations research has found that valence of the message (whether the organization is described positively or negatively) affects perceived credibility of the blog (Kim, Kiousis, & Molleda, 2015). However, other research indicates that of all the factors—author, message, site sponsor, and medium—the author of the blog is most important to people's perception of credibility (Cosenza et al). Credibility of the individual blogger has been shown to predict relational trust in the blog itself (Sung-Un & Joon Soo, 2009) and brand attitudes and purchase intention (Hayes & Carr, 2015). Finally, blog credibility can