

# **EFFECT OF PARASOCIAL RELATIONSHIP AND SPONSORSHIP DISCLOSURE ON PERSUASION KNOWLEDGE, PURCHASE INTENTION AND ELECTRONIC WORD OF MOUTH IN CONTEXT OF FACEBOOK**

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## **Abstract**

Facebook has contributed as an outstanding approach to advertise in a cheaper and less obtrusive way than traditional marketing through sponsored content. Utilizing this platform, there are more and more brands employing celebrities as the viable means of spreading these advertising content online since they believe that the celebrities can affect and create certain persuasion power on their followers. The persuasive power of famous people on their followers, who are also customers; can be explained by concept parasocial relationship. Parasocial relationship is the unilateral and psychological friendship between the digital celebrities and fans. Brands now take advantage of this relationship to create the embedded persuasive intent, motivate customers to make purchase and practice electronic Word of mouth. This research paper's purpose is to examine the advertising power of parasocial relationship, how it affects customer's persuasion knowledge, purchase intention and eWOM. Furthermore, this paper investigates whether the presence of sponsorship disclosure could be the moderator to reduce effectiveness of persuasion message from celebrities, affect purchase intention and electronic word of mouth intention. Quantitative method has been applied and primary data has been obtained via online questionnaires shared widely through social media platforms, mainly through Facebook. The collected data has been investigated by SPSS and AMOS software. The findings of this study shed light on the persuasive power of celebrities on followers and explain the essential role of sponsorship disclosure in Facebook platform in Vietnam.

**Keywords:** *parasocial relationship, sponsorship disclosure, persuasion knowledge, purchase intention, electronic word of mouth*

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## **1. Introduction**

According to Nielsen (2015), consumers trusting traditional advertising such as television, radio and newspapers have diminished over the past ten years. Customers are more suspicious in marketing as they are gradually aware of marketer's persuasive attempt, they also acknowledge and adapt to traditional advertising messages and tactics (Dahlén, 2005). Therefore, marketers are urged to explore the new approach to promote products and brands as well as gain back the accountability of skeptical customers. Online marketing such as Facebook is potential advertising tool thanks to its significant growth in number of users and economical budget requirement. It is also perceived to be the efficient substitute advertising mechanism since it is proved to be more informative and trustworthy source than traditional ones through sponsored content (Tsang, Ho, & Liang, 2004).

The effect of online marketing is maximized when the posts are updated by celebrities under impact of parasocial relationship – the virtual interpersonal relationship of digital celebrities and followers (who are also customers). The virtual online companionship constitutes the intimate relationship between customers and their admirable person, which can explain the latter's persuasion power on the former. Parasocial interaction makes customers feel that they have emotional friendship affiliation with celebrities, similar to friends and acquaintances. Then the reaction and level of trust toward posts delivered by celebrities shared an analogy with these updated by friends and acquaintances of followers. Therefore, when the posts, even advertising ones, are updated by these celebrities, under the influence of parasocial relationships, customers would not only undoubtedly receive the information, but also do not have intention in recognizing any embedded persuasive attempts.

The persuasive power from parasocial relationship is enormous toward persuasion knowledge – the recognition of advertising goals and personal protection to cope with these marketing tactics and objectives (Boerman, Willemsen, & Van Der Aa, 2017). What would happen to customers' behavior such as purchase intention and electronic word of mouth intention if the posts are updated by celebrities who consumers actively follow? Therefore, this study also analyzes the correlation between parasocial relationship and customer's purchase intention and eWOM. The research paper also explores further the activation of advertising recognition on purchasing motives and electronic word of mouth. There are a number of studies researched on effect of persuasion knowledge (Boerman, Van Reijmersdal, & Neijens, 2012; Boerman et al., 2017; Hwang & Zhang, 2018; Kirmani & Zhu, 2007), however, the activation and impact of persuasion knowledge influenced by virtual friendships with celebrities has not been mentioned much.

When the persuasion knowledge of customers is blurred by parasocial relationship, it is sometimes unable for followers (customers) in recognizing sponsored content on Facebook. The commercial content with persuasive intent can be embedded in regular posts of one's news feed without being recognized. This raised the controversy of equality and honesty. When customers are incapable of disseminating commercial content and non-commercial one, they may be persuaded to execute the commercial transactions without acknowledging the intent behind. Boerman and Willemsen (2017) designated the process as "misleading and deceptive practices". In United States, Federal Trade Commission has established regulations for the advertising of famous person by forcing the media personalities to attach "Sponsorship Disclosure"- the advertising indication. Format of sponsorship disclosure can be hashtags (i.e.: #Sponsored, #Collaborator, #Ad); "Sponsored" label attachment below name of the celebrities; or brand name tagging. Sponsorship disclosure is help inform customers about the persuasive intent and proved to activate persuasion knowledge. This research purpose is also to examine the moderator role of sponsorship disclosure on correlations amongst parasocial relationship, persuasion knowledge, purchase intention and eWOM intention.

Therefore, the objectives of this research paper are:

- (1) Explore the influence of parasocial relationship on persuasion knowledge, purchase intention and electronic word of mouth.
- (2) Discover the effect of persuasion knowledge activation on purchase intention and electronic word of mouth intention.
- (3) Investigate the moderator role of sponsorship disclosure to the influence of persuasion knowledge and parasocial relationship on behavior such as purchase intention and eWOM; as well as the impact of parasocial relationship on persuasion knowledge.

To address the gap and attain objective, a quantitative research has been conducted and primary data has been collected through online surveys and questionnaires. SPSS and AMOS software have been applied to analyze the primary data.

## **2. Literature review**

### ***2.1. Parasocial relationship and its antecedents***

Parasocial relationship, which is the psychological and virtual-interactive correlations between media characters or celebrities and their followers, their fans (A. M. Rubin & Step, 2000). This relationship creates the feeling of intimacies with celebrities on virtual communities, similar to the emotion with friends and acquaintances in daily, face-to-face interactions. The theory of parasocial relationship has been introduced by Horton & Wohl in 1956, stated that this “illusion of intimacy” relationship has been constructed as real personal emotional friendship bond. Therefore, the traits for development of pseudo-friendship resembles these for interpersonal, face-to-face relationships establishment (Eyal & Rubin, 2003). According to Rubin, Alan M. Perse, Powell, 1985, a tendency friendship is formed between those who shared similarities of beliefs, education, social status, and preferences. The more resemblances people share with the celebrities, the more frequencies they would interact with the media persona. The term of similarities are described as “attitude homophily”, which is proved to be the significant antecedent of parasocial relationship with television characters and vloggers (Eyal & Rubin, 2003; J. E. Lee & Watkins, 2016; Turner, 1993).

Perse & Rubin, 1989 has found that social attractiveness and physical attractiveness are the remarkable predictors for Parasocial relationship. The allurements of the media personas has been proved to be the significant explanation for the increased repeat viewing on television (R. B. Rubin & McHugh, 1987). Also, the popular personas who socially attractive, friendly and comfortable to associate with are predicted to strengthen Parasocial relationship.

### ***2.2. Sponsorship Disclosure***

Social media platform such as Facebook provides the useful tool for celebrities to be indirect and viable means of spreading sponsored content and create powerful persuasive intent under impact of parasocial relationship without any recognition of followers or customers. Their content on Facebook could be the updating of shows or interesting news in their lives, which makes their posts seem believable and native (Lueck, 2015). Celebrities are also the customers of products and services; they can share or promote which they genuinely prefer. The content on Facebook of the celebrities, whether commercial or not, are displayed in high similarity in format and style compared to regular posts from befriended contacts. Hence, Whist customers are not able to aware or alert of these advertising, they would probably attend to commercial transaction or purchase decision that they might otherwise decline.

To restrict this potential deceptiveness and protect customers, Federal Trade Commission has contributed the regulations about sponsorship disclosure for celebrities' posts - explicitly expose advertising on social media (Boerman et al., 2017).

The sponsorship disclosures are proved to alert customers of advertising and help them activate the persuasion knowledge – recognizing the advertising goals and build personal tactics to cope with persuasive intent (Friestad & Wright, 1994). These regulations were also asserted to forbid unfair persuasion from celebrities endorsement (Boerman et al., 2017).

### **2.3. Persuasion knowledge**

Persuasion knowledge can be defined as consumers' knowledge and recognition of advertising-related issues, such as the goals and techniques marketers apply to persuade them, as well as building personal beliefs and strategy to cope with these persuasive intent (Boerman et al., 2017). Explained in another way, the persuasion knowledge helps customers notify and acknowledge when, where and how marketers are persuading them (Friestad & Wright, 1994). Persuasion knowledge not only enables customers to identify, analyze and evaluate the persuasive attempt but also make customers remember and acknowledge the indication of advertisings, from that consumers are able to build personal tactics to encounter these intents.

The Persuasion Knowledge Model and the theory of persuasion knowledge has been introduced by Friestad & Wright, 1994, which indicates how people develop and use persuasion knowledge as a tool to cope with persuasive attempts. The process of activating persuasion knowledge consists two dimensions, which are cognitive dimension, or conceptual dimension; and attitudinal dimension (Boerman et al., 2017). When the former is operated, customers recognize the advertising and persuasive attempts. The next stage is effective dimension, which considers the consumers' emotion after identifying the advertising. Attitudinal dimensions usually consist of general feelings of skeptical, distrust, disliking towards advertising, which leads to behavior and tactic to cope with advertising (Friestad & Wright, 1994). Altogether, the activation of persuasion knowledge encourages consumers' resistance to persuasion intent, reduce the effectiveness of persuasion messages from advertising and marketing and impact on purchase intention as well as electronic Word of Mouth intention of customers.

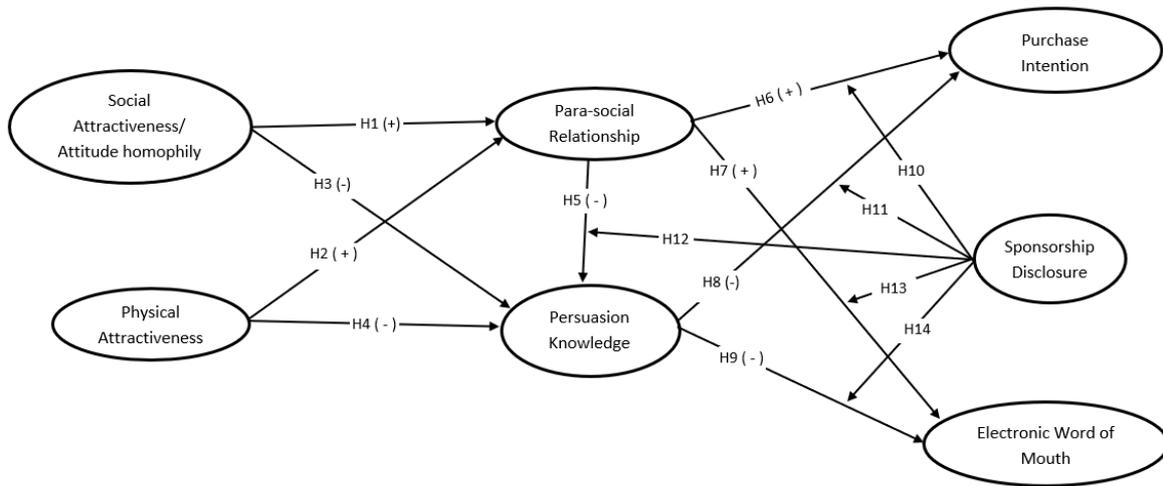
#### **2.4. Purchase intention**

According to (Dodds, Monroe, & Dhruv, 1991), purchase intention is the customers' motive to make purchase decision on a product or service based on their subjective judgment and general evaluations. Purchase intention also operates as the dominant predictor for customers' purchase behavior in the future (D. H. Shin & Biocca, 2017). There are many elements which can affect purchase intention on social media platforms, including customer satisfaction (M.-H. Shin, Oh, Hwang, Seo, & Kim, 2012), quality of product or service (Hwang & Zhang, 2018), homo-characteristics (H. Park, Xiang, Josiam, & Kim, 2013). The advertising from digital celebrities from SNS such as Instagram or YouTube, compared to traditional advertising models, impact more powerfully on purchase intention, especially towards women from 18-30 years (Djafarova & Rushworth, 2017).

#### **2.5. Electronic Word of Mouth**

As mentioned by Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004, electronic Word of Mouth refers to any optimistic or pessimistic messages made by previous, current or potential customers about a product or service transferring to other users and institutions on Internet. Customers suppose that information from eWOM as relevant and trustworthy information source (D. H. Park & Kim, 2008), therefore, promotional messages from eWOM might be more persuasive than that from traditional source of marketing (Bickart & Schindler, 2001). Electronic Word of Mouth consists interaction when applying in social network sites platform. Like, share, comment the sponsored posts updated by celebrities is also indication of eWOM (M.-H. Shin et al., 2012).

### 3. Hypotheses development



**Figure 1.** Research model

There are many other variables which have impact on parasocial relationship, including news affinity, news realism, frequency of viewing, etc. Frederick et al. (2012) have discovered that attraction, attitude homophily, time spent and perceived realism are critical contributor for Parasocial relationship (PR) in Twitter platform. J. E. Lee & Watkins, 2016 estimates that attitude homophily and attraction are key element to predict PR on YouTube. Since this paper investigate the impact of parasocial relationship on Facebook context, which takes after YouTube, attitude homophily and attraction are proposed to be the significant drivers for PR.

**H1: Social attractiveness have positive impact on parasocial relationship**

**H2: Physical attractiveness have positive impact on parasocial relationship**

According to Reinhard, Messner, & Sporer, 2006, the influence of the persuasive intent message depend on communicator’s physical attractiveness and likableness. More positive and favorable attitudes and stronger purchase intention are recorded with more attractive salesperson(Kelley, 1967). The attributions of allured characteristics such as social competence, interpersonal abilities, and likableness, which is contributors of social attractiveness, make customers feel that the communicators are attractive, then less likely to perceive that the communicators is acting for their own interests or convey commercial content (Eagly, Ashmore, Makhijani, & Longo, 1991). Therefore, the hypotheses H3,H4 are constructed:

**H3: Social attractiveness have negative impact on persuasion knowledge**

**H4: Physical attractiveness have negative impact on persuasion knowledge**

Parasocial relationship has been declared to hold homogenous characteristics with face-to-face friends by Horton & Wohl, 1956. The emotional bonding between media persona and followers, who are also consumers; is established in the same way as the normal life friendships. According to Bickart & Schindler, 2001, consumers have faith in their friends, even it is online or offline acquaintances. People catch sight of the posts updating by their friends, they would not raise any alert or awareness even though it is about a product selling attempts. It can be seen as unnecessary and redundant effort to qualify its authenticity since their friends are reliable, which leads to the block in persuasion knowledge. Moreover, in the context of virtual communities, especially Facebook in this case, it is struggled to discern the commercial content posting by famous personas and daily life updated posts. Both types of this content, at current time, share high similarities in styles and format, thus become more natural and believable in customers' mind. The famous person is also the authentic customers of enormous products as well as service. They can suggest it with their virtual friends since they have really been satisfied with the quality that product and service brought. The sharing of them expresses for gratitude, word of mouth practice and kindness to share as customers' friends (Brown, Broderick, & Lee, 2007).

As illustrated above, under the pressure of the emotional friendship, the customers' assumption of reliability could blur the considering about persuasive intention behind. This kind of relationship is potential destruction on natural commercial intent discerning capability that human has built for a long time. Therefore, H5 has been established to examine this correlation.

**H5: Parasocial relationship negatively relates to the activation of persuasion knowledge**

Chu & Choi, 2011 suggested three components of eWOM in SNS: opinion leaders, opinion seekers, and pass-along behavior. Customers would employ celebrities as opinion leaders since celebrities own characteristics that followers desire to achieve (Lueck, 2015). They become followers' opinion leader whist customers seek opinion from their favorite idol. Finally, pass-along behavior is performed as purchase intention or eWOM in SNS such as Facebook.

Parasocial relationship has given celebrities an opportunity to become customers' friends (Bergkvist & Zhou, 2016). Because people trust their friends' recommendations, and parasocial relationship is regarded as real and face-to-face relations; they perceive that celebrities' Facebook post is credible

source of information for purchase decision and eWOM intention (Agarwal, Mahata, & Liu, 2014). Jin & Phua, 2014, Dahlen,2005, Kim,Ko,Lee,2012 also found that purchasing motivation and willingness to share or recommend the post would increase in according to positive tweets from media persona. Hence, this paper employed H6, H7:

**H6: Parasocial relationship positively impacts on Purchase Intention.**

**H7: Parasocial relationship positively impacts on Electronic Word of Mouth.**

When customers recognize the persuasive intent, they will have distrusting, dislike feeling about the product or service and have negative impact on purchase intention (M. Lee & Faber, 2007). In the theory Friedstad & Wright stated that after learning advertising and selling attempts, customers would refine product attitudes and intention behavior in the future such as purchase intention and eWOM.

Concept of trust is proved to positively correlate with customer's intention to engage in electronic Word-of-Mouth (Le, Dobele, & Robinson, 2018). When customers perceive the information as credible and trustworthy, they are willing to share the source (Erdogan, 1999). It is because of the rationale of trustworthiness on Facebook, is that consumers generally want to present them in credible and positively impressive ways (Djafarova & Rushworth, 2017). They thought what they share would indicate and impact their image (Boerman et al., 2017). The activation of persuasion knowledge can downgrade the eWOM intention. Customers now consider whether the advertising post is credible or not for sharing (Hwang & Zhang, 2018), which led to less appealing for customers to engage in eWOM. Therefore, H8, H9 has been constructed:

**H8: Customers' persuasion knowledge can negatively affect Purchase intention.**

**H9: Customers' persuasion knowledge can negatively affect eWOM intention.**

Once customers receive the messages from celebrities, under impact of parasocial relationship and these aforementioned factors, they would tend to reduce the activation of persuasion knowledge, even trust and decide to purchase or practice eWOM that they might deny otherwise (Cain, 2011). The sponsorship disclosure – attachment of any advertising indication so as to explicitly expose the sponsored characteristic, is the marvelous idea.

Sponsorship disclosure are proved to be efficient when using in blogs (Campbell, Mohr, & Verlegh, 2013); advergaming (An & Stern, 2011); online native advertising (Wojdyski & Evans, 2016);

television program (Boerman et al., 2012; Campbell et al., 2013); movies (Van Reijmersdal et al., 2013) to activate their persuasion knowledge and adjust behavioral intention. Therefore, hypotheses to provide the role of sponsorship as the moderator has been established:

**H10: Sponsorship disclosure plays as moderator, adjust the influence of parasocial relationship on purchase intention.**

**H11: Sponsorship disclosure plays as moderator, adjust the influence of persuasive attempts recognition on purchase intention.**

**H12: Sponsorship disclosure plays as moderator and adjust the relationship between parasocial relationship and persuasion knowledge.**

**H13: Sponsorship disclosure plays as moderator and adjust the relationship between pseudo relationship between media personas and followers and eWOM.**

**H14: Sponsorship disclosure plays as the moderator, adjust the relationship between sales attempts recognition and eWOM.**

## **4. Methodology**

### **4.1. Sample and data collection**

The primary data was obtained from survey of 385 valid respondents. The survey was prepared via a web-based questionnaire and widely shared on online communication sites, primarily Facebook. Correspondents composed of students from various universities, mostly from Ho Chi Minh City.

### **4.2. Measurements**

The survey contained three parts, including the description of the research, questions for data collection and demographic information part. The screening questions: “Are you using Facebook recently?”; “Are you a follower of any celebrity on Facebook?” has been placed first and question “The celebrity that I follow on Facebook attached indication for me to recognize advertising post. (Hashtags attach "Sponsored" label, tag brand name, etc.)” with 0=no, 1=yes have been indicated to measure sponsorship disclosure variable.

Total six constructs shown in Table 1 employ five-point Likert scale to measure each item with “1” being “strongly disagree” to “5” being “strongly agree”.

**Table 1.** Measurement items

<b>Construct</b>	<b>Coding</b>	<b>Items (English)</b>	<b>References</b>
Attitude homophily / Social attractiveness	SA1	The celebrity that I follow on Facebook thinks like me.	(Horton & Wohl, 1956; J. C. McCroskey & McCain, 1974; L. L. McCroskey et al., 2006; R. B. Rubin & McHugh, 1987)
	SA2	The celebrity that I follow on Facebook shares my values. (beliefs, life purpose, etc.)	
	SA3	The celebrity that I follow on Facebook has a lot in common with me.	
	SA4	The celebrity that I follow on Facebook behaves like me.	
	SA5	The celebrity that I follow on Facebook has thoughts and ideas that are similar to mine.	
	SA6	I think the celebrity that I follow on Facebook could be a friend of mine.	
	SA7	I would like to have a friendly chat with the celebrity that I follow on Facebook.	
	SA8	The celebrity that I follow on Facebook treats people like I do	
Physical attractiveness	PA1	I find the celebrity that I follow on Facebook very attractive physically.	(Horton & Wohl, 1956; J. C. McCroskey & McCain, 1974; L. L. McCroskey et al., 2006; R. B. Rubin & McHugh, 1987)
	PA2	I think the celebrity that I follow on Facebook is quite pretty.	
	PA3	The celebrity that I follow on Facebook is very sexy looking.	
Parasocial Relationship	PR1	I feel comfortable about a celebrity's message on his/her Facebook.	(Horton & Wohl, 1956; Kim et al., 2015; Levy, 1979; Rubin, Alan M. Perse, Powell, 1985; R. B. Rubin & McHugh, 1987)
	PR2	I can rely on information I get from the celebrity that I follow on Facebook.	
	PR3	I feel attracted to the celebrity that I follow on Facebook.	
	PR4	In the past, I pitied (feel sorry for) the celebrity that I follow on Facebook when he/she made a mistake on his/her Facebook.	
	PR5	I think that the celebrity that I follow on Facebook is helpful for my interests (in fashion and others).	
	PR6	I look forward to watching the celebrity that I follow on Facebook whenever it airs.	
	PR7	If the celebrity that I follow on Facebook appeared on another channel or program, I would watch it.	
	PR8	I would like to meet the celebrity that I follow on Facebook in person.	

	PR9	If there were a story about the celebrity that I follow on Facebook in a newspaper or magazine, I would read it.	
	PR10	The celebrity that I follow on Facebook makes me feel comfortable, as if I am with friends.	
Persuasion Knowledge	PK1	The celebrity that I follow on Facebook tries to manipulate the audience in ways that I don't like.	(Campbell & Kirmani, 2000; Ohanian, 1990)
	PK2	I am annoyed by the ad that the celebrity that I follow on Facebook sent because the digital celebrity seemed to be trying to inappropriately manage or control the consumer audience.	
	PK3	I noticed tricks in this ad that the celebrity that I follow on Facebook sent to promote the product.	
	PK4	When I read the ad that the celebrity that I follow on Facebook sent, I think it's pretty obvious the ad is trying to persuade me to buy the product.	
	PK5	The ad that the celebrity that I follow on Facebook sent is meant to sell the product	
Purchase intention	PI1	I will buy the product that the celebrity that I follow sent through Facebook.	(Van Reijmersdal et al., 2013a)
	PI2	I have the intention to buy the product that the celebrity that I follow sent through Facebook.	
	PI3	I am interested in buying the product that the celebrity that I follow sent through Facebook.	
	PI4	It is likely that I will buy products that the celebrity that I follow sends through Facebook in the future.	
Electronic Word of Mouth	WM1	I am likely to say positive things about the product that the celebrity that I follow sends through Facebook.	(Boerman et al., 2017; Eckler & Bolls, 2011; Su et al., 2016)
	WM2	I think Facebook post that celebrity that I follow sends worth sharing with others.	
	WM3	I will recommend the Facebook post that celebrity that I follow sends to others.	
	WM4	I would "like" the Facebook's post that celebrity that I follow sends.	
	WM5	I would "comment" on the Facebook post that celebrity that I follow sends.	

## 5. Data analysis and findings

The demographic results were displayed in Table 2. The majority of participants was female, have 18-25 age bracket, in university and have income less than 5 million.

**Table 2.** Demographic analysis

<b>Measure</b>	<b>Items</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>	Male	99	27.7
	Female	259	72.3
<b>Age</b>	Under 18	4	1.1
	18 – 25	317	88.5
	26 – 35	15	4.2
	Over 35	22	6.1
<b>Career</b>	Student	313	87.4
	Others	45	12.6
<b>Education</b>	High school	16	4.5
	College	5	1.7
	University	326	91.1
	Postgraduate school	10	2.8
<b>Income</b>	Under 5 million VND	265	74
	5 – 10 million VND	69	19.3
	Over 10 million VND	24	6.7

The Cronbach’s alpha has been calculated to assess the reliability of the variables. After practicing first reliability tests, item PR4 (Cronbach’s alpha after removing is 0.868, larger than initial one 0.863) and WM4 (Cronbach’s alpha after removing is 0.818, larger than initial one 0.816) have been eliminated.

Next, the exploratory factor analysis was conducted to examine the distinction and inter-reliance of items in a construct, then remove error items. Items PR1, PR2, PR3,P44,PR5, PR10, WM1 have been removed since dissimilarity between factor loadings of same item is less than 0.3 and factor loading figures less than 0.5. The final exploratory factor analysis resulted in KMO = 0.841 (>0.5) and Barlett’s test having Sig = .000 (<.05), which proves that the constructs and items are suitable and acceptable.

The overall model fit indices are CMIN/df=1.607 < 2.0, GFI=0.918, TLI=0.955, CFI=0.962, RMSEA=0.041, therefore, CFA shows that research model is good fit (Hair, 1998). All p-value of regression weight table in AMOS is less than 0.05, proving that all coefficients are significant.

Average Variance Extracted (AVE) indices of all items shown in table 3 are between 0.405 and 0.66, some are below the recommended level of 0.5. According to Fornell and Larcker (1981), the average variance extracted may be a more conservative estimate of the validity of the measurement model, and “on the basis of  $\rho$ (composite reliability) alone, the researcher may conclude that the convergent validity of the construct is adequate, even though more than 50% of the variance is due to error”(p.46). As the composite reliability indices of all constructs ranging from 0.771 to 0.875, well above the recommended level (0.7), the convergent reliability of the measurement items is ensured.

Furthermore, all the estimate of correlations between two constructs go from -0.1 to 0.682, which is all less than 0.85 and ensure discriminant validity between concepts.

**Table 3.** Results of reliability, CFA for model

<b>Constructs</b>	<b>Items</b>	<b>Loading</b>	<b>Cronbach's alpha</b>	<b>Average variance extracted</b>	<b>Composite reliability</b>
<b>Attitude homophily/ Social attractiveness</b>	SA1	0.632	0.793	0.405	0.771
	SA2	0.600			
	SA3	0.544			
	SA4	0.562			
	SA5	0.793			
<b>Physical attractiveness</b>	PA1	0.779	0.841	0.66	0.852
	PA2	0.927			
	PA3	0.736			
<b>Parasocial Relationship</b>	PR6	0.583	0.808	0.485	0.789
	PR7	0.817			
	PR8	0.616			
	PR9	0.772			
<b>Persuasion Knowledge</b>	PK1	0.661	0.84	0.499	0.826
	PK2	0.805			
	PK3	0.609			
	PK4	0.829			
	PK5	0.697			
	PI1	0.753	0.873	0.638	0.875

<b>Purchase intention</b>	PI2	0.902	0.797	0.592	0.811
	PI3	0.754			
	PI4	0.729			
<b>Electronic Word of Mouth</b>	WM2	0.550	0.797	0.592	0.811
	WM3	0.813			
	WM5	0.518			

As displayed in Table 4, Social attractiveness/Attitude homophily and Physical attractiveness has a significant positive influence on parasocial relationship and social attractiveness can cause greater impact on pseudo-friendship between famous personas and followers. H1, H2 is strongly supported. However, social attractiveness/attitude homophily, physical attractiveness and parasocial relationship were found to be insignificant to have effect on persuasive intent recognition. H3, H4, H5 is rejected. Virtual friendship of followed celebrities and fans can lead to stronger purchase intention and eWOM. The impact of parasocial relationship is more powerful towards electronic word of mouth such as recommendation, sharing and Facebook engagement. Data support H6, H7. Surprisingly, the activation to recognize persuasive intent do not have correlation with purchase intention and eWOM. H8, H9 is not supported.

The bootstrap test has been done to make re-assessment with 1000 samples. The CRs ranges from -2.5 to 0.00, less than 1.96. To sum up, all calculation in this research is totally reliable.

**Table 4.** Path coefficients and p-values

Hypotheses	Relationship between variables	Estimate	S.E.	C.R.	p-value	Test result
<b>H1</b>	Social attractiveness/ Attitude Homophily -> Parasocial Relationship	.545	.069	7.721	***	Supported
<b>H2</b>	Physical Attractiveness -> Parasocial Relationship	.202	.039	5.185	***	Supported
<b>H3</b>	Social attractiveness/ Attitude Homophily -> Persuasion knowledge	.154	.138	1.119	.263	Not supported

<b>H4</b>	Physical Attractiveness -> Persuasion knowledge	.060	.074	.817	.414	Not supported
<b>H5</b>	Parasocial Relationship -> Persuasion knowledge	.047	.157	.302	.763	Not supported
<b>H6</b>	Parasocial Relationship -> Purchase Intention	.862	.093	9.284	***	Supported
<b>H7</b>	Parasocial Relationship -> eWOM	.935	.100	9.357	***	Supported
<b>H8</b>	Persuasion knowledge -> Purchase Intention	.108	.042	2.570	.010	Supported
<b>H9</b>	Persuasion knowledge -> eWOM	-.065	.045	-1.454	.146	Not supported

CMIN/df=1.659 <2.0,GFI=0.837,TLI=0.904,CFI=0.912,RMSEA=0.043,p=0.000

Notes: \*\*\* p-value < 0.01; \*\* p-value < 0.05; \* p-value < 0.10

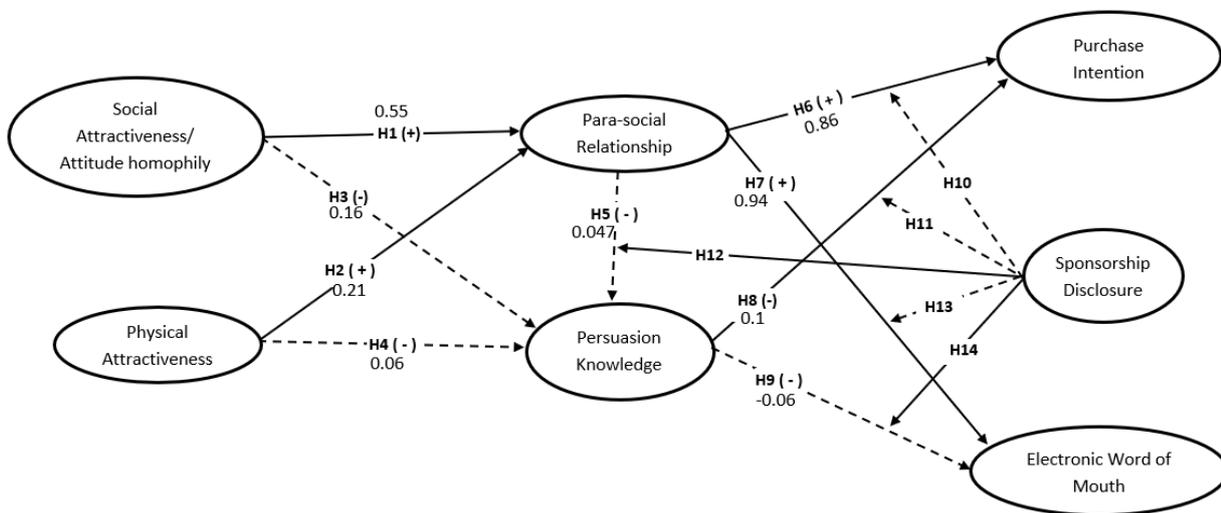


Figure 2. Final research model

The moderating roles of sponsorship disclosure was investigated via multigroup analyses in SEM. The model has acceptable fit to the data (CMIN/df=1.611 <2.0, GFI=0.85, TLI=0.911, CFI=0.922, RMSEA=0.041, p=0.000). The multigroup analysis results in table 5 reveals that sponsorship

attachment does not moderate the impact on purchase decision and the influence of parasocial relationship on eWOM intention. The data do not support H10, H11, H13. Sponsorship disclosure significantly moderates the correlation between parasocial relationship and persuasion knowledge. When people recognize the advertising indication from celebrities' posts, they would activate their persuasion knowledge, knowledge the persuasive intent that media personas send to promote, sell the product and sometimes they feel annoyed compared to who do not know. Therefore, the relationship is much stronger in group sponsorship disclosure recognized than another group and H12 is supported. H14 is also supported. The relationship between persuasion knowledge and word of mouth is strengthen when people recognize the sponsored. The chance not to practice eWOM is higher when people do not recognize the sponsorship disclosure.

**Table 5.** Moderating effects

			Sponsorship Disclosure recognized	Sponsorship Disclosure unrecognized	
			Estimate	Estimate	z-score
<b>PI</b>	<---	<b>PR</b>	0.908***	0.712***	-1.015
<b>PI</b>	<---	<b>PK</b>	0.122**	-0.025	-1.615
<b>PK</b>	<---	<b>PR</b>	0.373**	-0.364*	-3.081***
<b>WM</b>	<---	<b>PR</b>	0.998***	0.758***	-1.169
<b>WM</b>	<---	<b>PK</b>	-0.015	-0.229**	-2.185**

Notes: \*\*\* p-value < 0.01; \*\* p-value < 0.05; \* p-value < 0.10

## 6. Discussions and limitations

Nowadays, more and more brands apply celebrities as the effective approach of marketing and facilitate the virtual friendship through the support of social networking site. The impact of celebrities cannot compare with any conventional marketing contributors. Although the companionship is just virtual and created based on willingness, it can cause considerable impact on real behavior, including

motive to buy and motive to engage on social media. Furthermore, with the support of Internet, the pseudo friendship creation is facilitated, more and more correlations would be taken into practice and the impact of parasocial relationship would be much more remarkable (J. E. Lee & Watkins, 2016).

Therefore, the employment of celebrities in advertising should be controlled more to protect customers from potential deceptive and misleading purpose. Marketing through the embedded persuasive intent should be excluded and prevented. Currently, there is no specific regulation from Vietnam Advertising Law to administrate the influence of celebrities' sponsorship disclosure on online communities. According to article 23, clause 1 about the advertisements on electronic newspapers and websites, there are just mention not to design and place advertisements among the news. The social media platforms advertising regulations have not been emphasized yet and the specific utilization of sponsorship disclosure has not been created in Vietnam whist it could support remarkably and protect customers' right.

Sponsorship disclosure is examined as the significant driver to awake persuasion knowledge, even under the influence of parasocial relationship. Once customers alert of advertising indication, even there is friendship constitution between customers and admirable people, customers are still capable of acknowledging the promoted intention and adjust their behavior. The tricks of advertising on Facebook through sponsored content now is diminished and avoided.

Interestingly, if people recognize the celebrities attach the sponsorship disclosure, the higher chance they would be willing to share the content. It is analyzed that when people recognized the commercial content intentionally arrange in regular post by celebrities, they would feel deceptive and unreliable, then reject to transmit or interaction. The level of sharing and recommendation would much more downgraded because of disappointed feeling.

Customers currently were abused and exposed to excessive numbers of advertisements even if they do not want to. They must always put an on mode for any potential persuasive intent and the past experience support them so much realizing marketing efforts. Therefore, another hypothesis is that the customers always have vague cognitive recognition about advertising in the commercial post of celebrities although marketing through celebrity post is innovative. They may have intuitive persuasive recognition of advertising post through style, pattern and the content inside. When celebrities add the sponsored attachment, customers would feel that these celebrities as reliable person who do not have intention to put embedded persuasion on them. Customers also perceive that the celebrities are separating commercial content and daily content, and they feel that they are not lied and face with

deceptive situation. Customers would be willing to share the information as long as the product posting by celebrities is practically good or high quality.

Although sponsorship attachment cannot directly adjust the pressure of parasocial relationship on positive purchase intention, it can indirectly activate the persuasion knowledge and cause negative impact on purchase decision. There is positive link between parasocial relationship and purchase intention, however, the activation of persuasion knowledge can be the bridge leading to negative purchase intention. To activate this acknowledgement, sponsorship attachment is the most critical factors since it even awakes persuasion knowledge under the impression of parasocial relationship.

As Vietnam did not regulated any specific regulation for sponsorship attachment, FTC guideline could be suggested as the initial step for the celebrity to follow. This FTC regulations attached in this research paper is just the first step for further investigation and application. The FTC guidelines stated that all of the sponsorship disclosure characters must be completed before “Show more” link. The post is regarded as sponsorship disclosure attached if it satisfies one of these regulations, including:

1. The post contains a disclosure statement, caption or description.
2. The post contains hashtag disclosure, caption, or description such as #ad, #paid, #sponsored, etc.
3. Any “ambiguous disclosure” such as “Thanks”, #Ambassador, #collab, #sp, #spon must comply with additional proper disclosures in (1) or (2).
4. A mechanism’s “branded content tool” to separate a post as a commercial content must comply with additional proper disclosures in (1) and (2).
5. On an image, there should be a written disclosure or tag.
6. On a video or live-stream video, there should be a written disclosure or tag, or audio disclosure.
7. On an audio, there should be a written disclosure or tag.
8. Do not use only branded content tool from Facebook but also additional statement or hashtag in (1) or (2).

According to the result about celebrities' specialization, the most potential parasocial relationship pressure is originated from singers and comedians. It is rational as except for inter-communicating on online communities such as Facebook, YouTube, Instagram, these celebrities also interact one-way with audiences through traditional marketing contributors such as television, magazines and sometimes radio. The potential deceptiveness should be considered and encouraged to be the initiators in protecting customers since they can impact the huge number of audiences, as well as gain reliability and increase word-of-mouth.

Even though this research provides the empirical and interesting insights about new emotional marketing concept through celebrities, there are still limitations that require further investigations in the future. Firstly, it is the employment of convenient sampling, which lead to the insignificance in generalization for whole population. The present study is limited to Vietnam, mainly Ho Chi Minh City, and it requires further investigation in other countries to expand generalization and representative. Also, Vietnamese is inherent to collective culture, therefore, the pattern and result might be not applicable for those with individualism culture.

## **7. Conclusion**

The findings from this paper sheds light to the new concept of parasocial relationship – the affinity-based relationship and application of emotional approach in marketing. The outcome reveals the impact of pseudo-friendship on Facebook platform on persuasive intent recognition, actual behavior such as purchase intention and electronic word of mouth. This research paper also discovers critical role of sponsorship attachment as moderator to reduce the effectiveness of parasocial relationship on advertising recognition. This research also supports to protect customers' right since it contributes to the knowledge of eliminating the potential deceptiveness and misleading practices from social media marketing in 4.0 digital revolution in context of Facebook.

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