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Effects of Congruity, Sponsor Type, and News Story Valence on E-newspaper Outcomes

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### Abstract

This study examined the effects of sponsorships on attitudes and behavioral intent toward electronic newspapers. The method was a 2 (sponsor congruity) x 2 (sponsor type) x 2 (news story valence) x 2 (news story topic) within-subjects experiment. Nonprofit sponsors and negative news stories yielded higher ratings of news story credibility, e-newspaper credibility, and attitude toward the e-newspaper than commercial sponsors and positive stories. No significant effects were found for sponsor congruity.

### Effects of Congruity, Sponsor Type, and News Story Valence on E-newspaper Outcomes

Nearly one in three Americans regularly get news online (Pew Research Center for the People & the Press, 2006), a somewhat unsettling reality for a newspaper industry traditionally identified with its print product. As the industry's focus increasingly shifts to the Internet, newspapers find themselves struggling to compete with other news and information Web sites for readers and advertising dollars. After years of robust increases, the growth of the online newspaper audience has slowed (Fahri, 2007), and those who visit newspaper sites often do so in short bursts without paying much attention to the advertisements (Project for Excellence in Journalism, 2007). In 2007, the newspaper industry saw the smallest percentage increases in online revenue since records began being kept in 2003 (Fahri, 2007).

If the downturn continues, newspaper executives might be tempted by revenue-enhancing strategies that blur the line between news and advertising (Lasica, 2002). Most journalists see that line as critical to maintaining objective news coverage and public trust (Williams, 1998). Research has shown that audiences trust news more than advertising content (Lacher & Rotfeld, 1994) and perceive a difference between information that is journalistic versus commercial in nature (Grotta, Larkin & Carrell, 1976; Haley & Cunningham, 2003). Although most newspapers avoid letting advertisers pretend their messages are news stories (Lacher & Rotfeld, 1994), integrative forms of advertising such as advertorials, product placements, and infomercials may confuse consumers and erode the credibility of news organizations (Cameron & Curtin, 1995; Parsons & Rotfeld; Sandler & Secunda, 1993).

One rapidly growing form of Internet advertising is sponsorships. For an electronic newspaper (e-newspaper), sponsorships typically take the form of a small, text-based message indicating that a company or organization is sponsoring the content of the Web page. Lasica

(2002) warns that such sponsorships could become “a trouble spot for financially struggling news sites.” He asks: “What happens to your site’s credibility when its Travel section is sponsored by United Airlines, its Autos section sponsored by Honda, and its Technology section sponsored by Intel?” (para. 52).

Doubts about the site’s credibility could, in turn, damage the e-newspaper’s reputation and financial viability, making it less attractive to future advertisers.

Studies of sponsorship effects generally have focused on the associated benefits or risks for the sponsor, with little attention paid to effects on the sponsee (Cornwell, Weeks & Roy, 2005). However, sponsorships that benefit the sponsor may not yield similar benefits for the e-newspaper (Rodgers, 2007; Rodgers, Cameron & Brill, 2005). In fact, e-newspapers could lose the trust of readers by allowing tactics that are untested. Thus, an examination of sponsorship effectiveness must take into account not only issues related to the sponsor but also the context in which the sponsor appears, in this case an e-newspaper.

The purpose of this study is to examine the effects of sponsor congruity, sponsor type (commercial vs. nonprofit), and news story valence on attitudes toward the news stories and e-newspaper. This paper presents the results of an experiment in which participants viewed health-related news stories and accompanying sponsorship messages in an e-newspaper environment.

## Literature Review

### *Sponsorships and News Credibility*

A sponsorship is defined as an investment in social causes, events, or activities for the purpose of enhancing a sponsor’s reputation, brand awareness or brand image (Dean, 2002). Sponsors can associate their name with social causes or events by providing such assets as financial support or useful information (Becker-Olsen, 2003). In recent years, advertisers have

increasingly looked online for sponsorship opportunities. Internet sponsorships comprise more than one-third (37%) of all online ads and accounted for \$7.2 billion in online advertising revenues in 2001 (Hyland & Petrusky, 2002).

An Internet sponsor is “a person, company or organization that recognizes the inherent worth and quality of a website and provides financial support or other support toward the upkeep of the site” (Alexander & Tate, 1999, p. 24). Unlike advertisements, Internet sponsorships are small and limited to brand-name identification and sometimes a brief slogan (e.g., Kraft Foods: Feeding the hungry one person at a time).

Internet sponsors try to align themselves with credible contexts (Gwinner & Eaton, 1999; McDaniel, 1999; Rodgers et al., 2005). Newspapers and advertisers have historically shared a symbiotic relationship where advertising pays for news content and news content lends credibility to advertisers wishing to reach potential consumers (Schumann & Thorson, 1999). This relationship now extends to the online environment, where the credibility of a news site makes it attractive to potential sponsors. Consumers generally consider online information to be at least as credible as information from television, radio, and magazines (Flanagin & Metzger, 2000) and sometimes even more credible than television news (Kiousis, 2001). Research comparing the credibility of e-newspapers to their print counterparts has produced varied results. Some surveys indicate that e-newspapers are perceived as more credible than print newspapers (Johnson & Kaye, 1998) while others show the opposite (Kiousis, 2001).

#### *Congruity Theory and Persuasion Knowledge*

Because sponsorships convey a limited amount of information, their communication value depends on the link between the sponsor and the sponsee (Cornwell et al., 2005), broadly defined as the degree of relevance or similarity between the two. The concept of congruity has

been used to indicate consumer perceptions of similarity between the sponsor and sponsee (Rifon, Choi, Trimble & Li, 2004). Congruity theory posits that individuals prefer harmonious to inharmonious thoughts and feelings (Osgood & Tannenbaum, 1955), and that the retrieval of information is influenced by the degree of relatedness or similarity (Srull, 1981).

Sponsorship research has identified several positive psychological effects for congruent versus incongruent sponsorships. Congruent sponsor-sponsee links have been found to produce greater brand awareness and brand recall than incongruent links (Drumwright, 1996; Johar & Pham, 1999; Pracejus & Olsen 2004; Rifon et al., 2004). One study (Rodgers, 2003) showed that sponsors whose products were congruous with the news content yielded more positive attitudes and purchase intentions for the sponsored brand than did incongruent sponsors and stories. Sponsorship linkage was partially mediated by the e-newspaper's credibility and intent to return to the e-newspaper, suggesting that sponsors benefited from the site's credibility (Rodgers, 2003).

Although many studies have focused on how congruity and incongruity affect consumers' attitudes toward the sponsor, little research has explored the effects on attitudes toward news content and e-newspapers. In one of the few such studies, Rodgers (2007) found that moderate congruity between the sponsor and the news content yielded the highest credibility ratings for the e-newspaper. However, the level of congruity had no significant effect on memory for news content and behavioral intent for the e-newspaper.

Previous studies typically have operationalized incongruity by pairing news content with sponsors whose products or services are irrelevant to the news *topic* (e.g., Visa credit card company sponsoring a news story about underage drinking). The present study extends this

research by focusing on the relationship between the *message* of the news content and that of the sponsor (e.g., pairing Marlboro cigarettes with a story on the dangers of secondhand smoke).

Confronted with incongruity between the sponsor and the message of the news story, it is hypothesized that readers will draw on their “persuasion knowledge,” defined as what consumers know about marketers and their persuasion attempts (Friestad & Wright, 1994). Consumers accumulate this knowledge over time and activate it when they infer that an actor might have an ulterior motive (Fein, 1996) or when there appear to be multiple incompatible motives (Rifon et al., 2004; Szykman, Bloom & Blazing, 2004). When intentions are clear, little elaboration takes place and suspicion toward the sponsor decreases. However, when intentions are unclear, greater elaboration takes place and suspicion increases (Menon & Kahn, 2003).

For example, it would be unclear what motive a cigarette company would have for sponsoring a news story about the dangers of secondhand smoke. Thus, an e-newspaper reader might question why the sponsorship was undertaken. This skepticism toward the sponsor could, in turn, transfer to the sponsored context (e.g., McDaniel, 1999; McDaniel & Kinney, 1996). Consistent with this reasoning, the following hypothesis is advanced:

H1: E-newspaper credibility and attitude toward the e-newspaper will be higher when sponsors are congruent with the message of the news story than when sponsors are incongruent.

It is less clear whether an incongruent sponsorship would prompt readers to doubt the news story and/or whether it would make them less likely to return to the e-newspaper in the future. It seems likely that it might, given the hypothesized loss of credibility for the site. Because of the lack of existing research in this area, the following research question is posed:

RQ1: Does sponsor congruity affect the credibility of the news story and behavioral intent toward the e-newspaper?

### *Sponsor Type*

In addition to sponsor congruity or fit, the type of sponsor also may influence perceptions of the e-newspaper. Most research on source credibility has focused on perceptions of individuals, rather than organizations, as message sources (Hammond, 1987). However, Haley (1996) used interviews with consumers in an attempt to explicate the dimensions of organizational source credibility. Organizations were judged as good sponsors of advocacy messages if they were recognizable and likable, understood the consumer, and shared common values with the consumer. Organizations gained credibility as sponsors if they had a good history of community service but lost credibility if their actions were seen as serving their own interests more than those of the public (Haley, 1996).

According to the Persuasion Knowledge Model (Friestad & Wright, 1994), consumers may draw upon their persuasion knowledge to infer different motives from a sponsorship involving a nonprofit organization than from one involving a commercial company. Whereas a nonprofit sponsor may be seen as benefiting the public by increasing awareness of the services it provides, a commercial sponsor might be viewed as promoting its brand name out of a selfish desire to increase sales and profits.

Hammond (1987) found that an advertisement promoting a high-fiber diet was perceived as more credible coming from a nonprofit source than coming from a for-profit source. Szykman et al. (2004) paired a nonprofit and a for-profit sponsor with anti-drinking and driving messages. Not only was the for-profit sponsor judged more negatively than the nonprofit sponsor, but the favorability of the content decreased when the commercial organization sponsored the content.



The researchers concluded that “perhaps, the simple mention of a corporate sponsor in association with a socially-oriented message is enough to make ulterior motives accessible, which leads consumers to question the reasons behind sponsorship” (p. 18).

The present study extends this line of research to a journalistic setting by examining whether sponsor type affects attitudes and behavioral intent toward an e-newspaper. Kovach and Rosenstiel (2001) have argued that journalism’s first loyalty is to citizens, an obligation that overrides immediate financial interests. In readers’ minds, this loyalty could be betrayed when a news organization allows a commercial company with a profit motive to sponsor the news. A sponsorship involving a nonprofit organization, by contrast, would likely be viewed as more consistent with journalism’s commitment to serving the public. Hence, the following hypothesis and research question are offered:

H2: E-newspaper credibility and attitude toward the e-newspaper will be higher when sponsors are nonprofit organizations than when sponsors are commercial companies.

RQ2: Does sponsor type affect the credibility of the news story and behavioral intent toward the e-newspaper?

### *News Story Valence*

Because Internet sponsorships represent a linkage between the sponsor and the sponsored context, readers’ attitudes and behavioral intent are likely to be affected as much by the news content as by the characteristics of the sponsor. Sponsors looking to associate themselves with credible contexts might want to consider which types of news stories are likely to yield the most favorable reader response. Thus, the valence or tone of the news story is another variable that merits consideration. Positively framed news stories may produce different reactions than negatively framed stories.

Critics have long argued that journalists overplay negative news. Haskins and Miller (1984) noted that “while journalists and textbook authors rarely mention bad news as an explicit news value, evidence shows journalists choose to report more negative events and display them more prominently” (p. 12). A sample of network television newscasts found that nearly half of the stories were about bad news, compared with 25% that focused on good news (Stone & Grusin, 1984). Health reporting may be indicative of this trend. One study (Koren & Klein, 1991) found that newspaper articles were more likely to report on a medical study indicating that a form of radiation posed a cancer risk than to report on a study indicating no risk.

Shoemaker (1996) offered a cultural and biological explanation for the news media’s emphasis on reporting threats, disasters, and other negative occurrences. She likened the news-gathering process to the surveillance function performed in early societies by watchmen, who were always on the lookout for danger lurking on the horizon. In other words, humans may be “hardwired for news”—born with a predisposition toward this surveillance function. Social psychology research lends credence to this argument. For example, studies have found that negative information carries more weight and exerts greater influence on person impression formation than positive or moderate information (e.g., Skowronski & Carlston, 1987; 1989). This phenomenon has been referred to as negativity effect or negativity bias.

If people have a biological predisposition toward negative news, and if negative information carries greater weight than positive information, negative news might be judged as more trustworthy than positive news. Indeed, Siegrist and Cvetkovich (2001) found that communications warning people of potential risks were more trusted than communications advising people not to worry. Participants in an experiment were less trusting of a statement

claiming that electromagnetic fields produced by high-tension power lines do not have an impact on health than of statements claiming negative health effects (Siegrist & Cvetkovich, 2001).

Although positive information may not be automatically discounted, information regarded as uncharacteristically positive may be seen to lack credibility and reflect poorly on the messenger. Haskins and Miller (1984) examined the effects of good and bad news on subjects' perceptions of a community newspaper. Bad news generally had negative effects and good news generally had positive effects on perceptions of the newspaper's balance, community influence, competence, and other traits. However, subjects who were exposed to "very good news" rated the newspaper slightly lower than those exposed to "good news," suggesting a "too good to be true" effect for the extremely positive stories (p. 10).

In an e-newspaper context, readers would likely perceive a health news story about the dangers of sun tanning as more credible than a story suggesting that tanning has health benefits. The story focusing on the dangers would conform to readers' predisposition toward negative news and their expectation that journalists will emphasize bad news. The positive story, by contrast, might be deemed "too good to be true." This assessment, in turn, would alter readers' attitudes toward the e-newspaper.

However, the extant literature provides no indication whether it also would influence their likelihood to return to the e-newspaper in the future. This leads to the following hypothesis and research question:

H3: News story credibility, e-newspaper credibility, and attitude toward the e-newspaper will be higher for negative news stories than for positive news stories.

RQ3: Does news story valence affect behavioral intent toward the e-newspaper?

## Method

### *Participants*

A total of 176 undergraduate students from a large Midwestern university volunteered to participate in this study. The sample consisted of 124 females (70.5%), 49 males (27.8%), and 3 students who declined to give their gender (1.7%). Students were recruited from journalism classes and received extra credit for their participation. The treatment of participants was in accordance with the ethical standards of the American Psychological Association.

### *Design*

A 2 (sponsor congruity) x 2 (sponsor type) x 2 (news story valence) x 2 (news story topic) within-subjects experiment was conducted. Sponsor congruity had two levels: congruent and incongruent. Sponsor type was either a commercial company or a nonprofit organization, and news story valence was either positive or negative (see below for definitions). News story topic was a replication variable, enhancing the ability to generalize across contexts (Geiger & Newhagen, 1993). Each participant read two health news stories, one about secondhand smoke and the other about sun tanning. Statistical tests confirmed that news story topic had no significant influence on the dependent variables, making it possible to collapse the data across story topics to increase the power of the design.

Health-related topics were chosen because surveys show that health stories are among the most widely read in print and online. More than three-quarters of newspaper readers report spending some or a lot of time reading articles about health and medicine (Pew Research Center for the People & the Press, 2006), and nearly 8 in 10 Internet users have searched online for health-related information (Fox, 2005).

### *Stimulus Materials*

Eight versions of an e-newspaper were created to represent the different conditions (2 x 2 x 2) and to control for ordering effects. The e-newspaper had six screens: an introductory screen, two screens for the news stories, two screens for the survey questions, and a thank-you screen. Each news-story screen featured a banner across the top with the e-newspaper name (*The Daily News*) and a “Health news” section heading. The sponsorship message, which appeared directly above the news story in large, bold text, contained three lines: “Sponsored by [name of company or organization],” identification of the sponsor’s product or service, and the sponsor’s Web address (“.com” addresses for commercial companies and “.org” addresses for nonprofit organizations). News stories were modeled after actual stories about secondhand smoke and sun tanning to enhance external validity and were edited to control for tone and length.

### *Procedure*

Participants took part in the experiment online via the FreeOnlineSurveys.com Web site. Each participant was assigned to one of the eight conditions using random assignment without replacement. Participants received an e-mail link to the study site and were encouraged to read the news stories at their normal pace. Responses were recorded and stored on the FreeOnlineSurveys site.

### *Independent Variables*

*Sponsor congruity.* Sponsor congruity was defined as the perceived link between the sponsor and the news story. Congruent sponsors were those whose product or service matched the news story’s message (e.g., the American Cancer Society sponsoring a news story about sun tanning). Incongruent sponsors were those whose product or service conflicted with the story message (e.g., Marlboro sponsoring a news story about secondhand smoke).

*Sponsor type.* Sponsor type was defined as either a commercial company or a nonprofit organization. Commercial sponsors were Nicorette, Marlboro, Coppertone, and SunQuest tanning salon. Nonprofit sponsors were the American Lung Association, the Smokers' Rights Coalition, the American Cancer Society, and the Indoor Tanning Association.

*News story valence.* News story valence was defined as the overall tone of the story. Negative stories focused on the thousands of lives lost because of exposure to secondhand smoke and the health risks of tanning associated with ultraviolet rays. Positive stories focused on the thousands of lives saved by a decline in exposure to secondhand smoke and the health benefits of vitamin D that come from "safe sun." Positive and negative stories were manipulated to ensure that each version was the same length, used the same names as sources, followed the same paragraph and sentence structure, and had similar readability scores.

*Pretest.* A total of 37 individuals participated in a pretest to confirm that the three primary manipulations of our independent variables were in the expected directions (see section on manipulation checks).

### *Dependent Variables*

*News story credibility.* News story credibility was measured with five five-point semantic differential scales: unfair/fair, biased/not biased, doesn't tell the full story/tells the full story, inaccurate/accurate, and untrustworthy/trustworthy ( $\alpha = .88$ ) (Gaziano & McGrath, 1986; Meyer 1988). Scores ranged from 5 to 25 with a mean of 16.67 ( $SD = 4.19$ ).

*E-newspaper credibility.* Credibility of the e-newspaper was measured with 10 five-point semantic differential scales: not qualified/qualified, not believable/believable, not experienced/experienced, not knowledgeable/knowledgeable, untrustworthy/trustworthy, biased/not biased, not reputable/reputable, unethical/ethical, not objective/objective, and not

credible/credible ( $\alpha = .93$ ) (Haley, 1996; Hammond, 1987). Scores ranged from 10 to 50 and the mean was 33.21 ( $SD = 7.17$ ).

*Attitude toward the e-newspaper.* Attitude toward the e-newspaper was measured with four five-point semantic differential scales: bad/good, unpleasant/pleasant, dislike/like, and not favorable/favorable ( $\alpha = .91$ ). Scores ranged from 4 to 20 and the mean was 13.62 ( $SD = 3.16$ ).

*Behavioral intent toward the e-newspaper.* Behavioral intent toward the e-newspaper was measured with three questions asking participants their likelihood of subscribing to the online newspaper, returning to the online newspaper sometime in the near future, and returning to the health section of the online newspaper ( $\alpha = .86$ ) (Rodgers, 2003). Responses were on a scale from 1 (very unlikely) to 5 (very likely). Scores ranged from 3 to 14 with a mean of 7.33 ( $SD = 2.90$ ).

## Results

### *Manipulation Checks*

*Sponsor congruity.* Manipulation checks were performed for all independent variables. For sponsor congruity, participants were asked after reading each news story to rate the relationship between the sponsor and the story on three five-point semantic differential scales: low fit/high fit, bad match/good match, and low relevance/high relevance ( $\alpha = .81$ ). A repeated-measures analysis of variance (ANOVA) found a significant effect [ $F(1, 149) = 53.04, p < .001$ ]. Congruent sponsors were rated higher ( $M = 11.89, SD = 2.55$ ) than incongruent sponsors ( $M = 9.88, SD = 2.53$ ).

*Sponsor type.* For sponsor type, participants were first asked whether the sponsor of the news story was a commercial company. A Pearson chi-square test confirmed that the manipulation was successful [ $\chi^2(2, N = 313) = 135.70, p < .001, V = .66$ ]. For news stories with

commercial sponsors, 70.7% of participants correctly answered that the sponsor was a commercial company, 8.3% answered no, and 21.0% were not sure. For news stories with nonprofit sponsors, 59.0% correctly said the sponsor was not a commercial company, 9.6% said it was, and 31.4% were unsure. Next, respondents were asked whether the sponsor was a nonprofit organization. Again, the chi-square test was significant [ $\chi^2(2, N = 313) = 164.46, p < .001, V = .73$ ]. For news stories with nonprofit sponsors, 68.6% correctly said the sponsor was nonprofit, 7.7% said it was not, and 23.7% were unsure. For stories with commercial sponsors, the percentages were 72.0% no, 5.7% yes, and 22.3% not sure.

*News story valence.* Participants were asked to rate the overall tone of each news story on a scale from 1 (negative) to 5 (positive). A repeated-measures ANOVA confirmed that the manipulation was successful [ $F(1, 149) = 56.46, p < .001$ ]. Positive stories were rated higher ( $M = 3.89, SD = 0.84$ ) than negative stories ( $M = 3.02, SD = 1.08$ ).

#### *Hypotheses and Research Questions Tested*

All of the hypotheses and research questions were examined using repeated-measures multivariate analysis of variance (MANOVA) tests. Sponsor congruity, sponsor type, and news story valence were entered individually as independent variables. News story credibility, e-newspaper credibility, attitude toward the e-newspaper, and behavioral intent toward the e-newspaper were entered as dependent variables.

*Effects of sponsor congruity.* H1 predicted that e-newspaper credibility and attitude toward the e-newspaper would be higher when sponsors are congruent with the message of the news story than when sponsors are incongruent. RQ1 asked whether sponsor congruity affects the credibility of the news story and behavioral intent toward the e-newspaper. The overall MANOVA found no significant effects for congruity on the dependent variables [Wilks' Lambda



$= .93, F(4, 109) = 2.12, p = .08]$ . Therefore, H1 was not supported. Congruent sponsorships were not found to produce higher e-newspaper credibility and attitude toward the e-newspaper than incongruent sponsorships. Nor, in response to RQ1, could it be concluded that sponsor congruity affected news story credibility or behavioral intent toward the e-newspaper.

*Effects of sponsor type.* The next hypothesis and research question focused on sponsor type. H2 predicted that e-newspaper credibility and attitude toward the e-newspaper would be higher when sponsors are nonprofit organizations than when sponsors are commercial companies. This hypothesis was supported. The results of the overall MANOVA indicated a significant effect for sponsor type on the dependent variables [Wilks' Lambda = .91,  $F(4, 109) = 2.67, p < .05]$ . Univariate tests (Table 1) revealed significant effects on both e-newspaper credibility [ $F(1, 112) = 10.00, p < .01]$  and attitude toward the e-newspaper [ $F(1, 112) = 4.50, p < .05]$ . Nonprofit sponsors led to higher credibility ratings for the e-newspaper ( $M = 34.32, SD = 7.16$ ) than did commercial sponsors ( $M = 32.00, SD = 7.16$ ). Nonprofit sponsors also yielded higher attitude toward the e-newspaper ( $M = 13.94, SD = 3.08$ ) than commercial sponsors ( $M = 13.28, SD = 3.13$ ).

RQ2 asked whether sponsor type affects the credibility of the news story and behavioral intent toward the e-newspaper. Univariate tests found a significant effect on news story credibility [ $F(1, 112) = 5.07, p < .05]$ . News story credibility was higher when the sponsor was a nonprofit organization ( $M = 17.01, SD = 4.20$ ) than when the sponsor was a commercial company ( $M = 16.00, SD = 4.17$ ). No significant effect, however, was found for behavioral intent [ $F(1, 112) = 3.29, p = .07]$ .

*Effects of news story valence.* The final hypothesis and research question concerned news story valence. H3 predicted that news story credibility, e-newspaper credibility, and attitude

toward the e-newspaper would be higher for negative news stories than for positive news stories. This hypothesis was supported. The results of the overall MANOVA indicated a significant effect for news story valence [Wilks' Lambda = .88,  $F(4, 109) = 3.68, p < .01$ ]. Univariate tests (Table 2) confirmed significant effects on all three dependent variables: news story credibility [ $F(1, 112) = 11.63, p < .01$ ], e-newspaper credibility [ $F(1, 112) = 8.27, p < .01$ ], and attitude toward the e-newspaper [ $F(1, 112) = 4.25, p < .05$ ]. As predicted, negative stories were judged more credible ( $M = 17.25, SD = 4.10$ ) than positive stories ( $M = 15.76, SD = 4.20$ ), led to higher credibility ratings for the e-newspaper ( $M = 34.22, SD = 7.06$ ) than did positive stories ( $M = 32.10, SD = 7.29$ ), and yielded higher ratings for attitude toward the e-newspaper ( $M = 13.93, SD = 3.13$ ) than did positive stories ( $M = 13.29, SD = 3.08$ ).

RQ3 asked whether news story valence affects behavioral intent toward the e-newspaper. Although behavioral intent was higher for negative stories ( $M = 7.56, SD = 2.99$ ) than for positive stories ( $M = 7.10, SD = 2.81$ ), the univariate test was just beyond the threshold of statistical significance [ $F(1, 112) = 3.88, p = .051$ ].

### Discussion

This research examined how sponsorship of electronic newspaper stories influences readers' evaluations of the stories and the e-newspapers. Findings suggest that both the nature of the sponsorship and the context in which it appears play a role. In an experiment, sponsor type and news story valence were found to affect the perceived credibility of the news story and the e-newspaper, as well as attitude toward the e-newspaper. Nonprofit sponsors and negative stories yielded higher ratings than commercial sponsors and positive stories. Sponsor congruity, on the other hand, had no significant effect on the attitudinal measures, and none of the independent variables affected readers' likelihood of subscribing to the e-newspaper or returning to the site.

The lack of significant effects for sponsor congruity was surprising, given the body of research that indicates congruent sponsorships yield more positive psychological effects than incongruent sponsorships. Several points are worth noting, however. First, the MANOVA for sponsor congruity approached statistical significance ( $p = .08$ ), suggesting that future research might find a significant effect. Second, previous studies generally have examined the effects of sponsor congruity on attitudes toward the sponsor, not the sponsee. Although readers who are confronted with an incongruent sponsor may draw on their persuasion knowledge, leading them to question the sponsorship, that skepticism might not transfer to the sponsored context.

In an e-newspaper environment, readers who are trying to make sense of the incongruity also may be drawing upon their knowledge of how journalists operate. Whereas previous research generally has defined incongruity as a poor fit between the *topic* of the news story and the sponsor, this study focused on incongruity between the *message* of the story and the sponsor. Readers may not find this type of incongruity jarring if they are accustomed to seeing newspapers juxtapose opposing messages to represent both sides of an issue. Allowing a tanning salon to sponsor a story about the dangers of ultraviolet radiation may be viewed as an indication that the e-newspaper is striving for balance and objectivity. Thus, the credibility of the news story and the e-newspaper may suffer very little if at all.

Consistent with expectations, nonprofit sponsors yielded more positive evaluations for the news stories and the e-newspapers than commercial sponsors. Readers who perceive an ulterior profit motive for commercial sponsors may activate their persuasion knowledge, leading them to question the sponsorship. This apparently carries over to the e-newspaper and the news story, which lose credibility by blurring the line between news and advertising. Nonprofit sponsors may be seen as less of a threat because they have a vested interest in a particular issue

rather than in a particular brand. For example, the American Lung Association or a smokers' rights organization both bring their knowledge of the smoking issue to a sponsorship, but companies such as Nicorette or Marlboro bring an interest in selling their products.

The higher ratings for negative stories than for positive stories suggest that the health stories downplaying the dangers of secondhand smoke and sun tanning were deemed too good to be true. Readers who are accustomed to journalists reporting bad news may become suspicious when a news story seems uncharacteristically upbeat.

### *Implications*

This study's findings have several implications. On a theoretical level, they indicate that the Persuasion Knowledge Model alone cannot fully explain readers' evaluations of e-newspaper sponsorships. Although the model helps us understand how consumers cope with marketers' persuasion attempts, consumers also appear to possess "news knowledge" of journalistic practices that is activated when evaluating sponsorships. For example, news knowledge may lead readers to question the credibility of extremely positive stories or the wisdom of e-newspapers allowing commercial companies to sponsor the news.

This study also underscores the need to distinguish between sponsorship effects on the sponsor and the sponsee. Practices that benefit one may hurt the other. A commercial company might profit from a sponsorship by promoting its brand while the e-newspaper pays a price in lost credibility. Therefore, e-newspapers should exercise care in deciding which types of sponsorships they will allow. At the same time, sponsors must be wary of the types of news stories with which they choose to associate. This study suggests that sponsors hoping to capitalize on the credibility of the news organization would be ill-served by sponsoring overly positive stories.

Another practical implication is the need for sponsorship policies that set ground rules and define the boundary between news and advertising. Currently, there are no industry standards to guide the use of sponsorships. For “advertorials” and other advertisements that resemble news, print newspapers often use different fonts or type sizes to distinguish between editorial and advertising content. Rodgers (2007) suggests that e-newspapers might adopt a similar practice for sponsorships by using a ruled line separating the sponsor from the news story.

#### *Limitations and Directions for Future Research*

Participants in the present study viewed two e-newspaper health stories. Conclusions cannot be generalized to other types of news stories or to other sponsorship contexts. Although the story pages were designed to resemble an e-newspaper, participants were not able to navigate to other sections of the e-newspaper or view other stories. Therefore, the experimental setting could not fully replicate the actual online news experience. Because all participants were enrolled in journalism courses, they may have had more knowledge of news and advertising practices than non-journalism students, which may have influenced their responses.

Another limitation of this study was the operationalization of sponsor congruity as a dichotomous variable. Although research has established that congruity generally produces more positive evaluations than incongruity, some studies (e.g., Rodgers, 2007) have concluded that moderate sponsor congruity yields superior credibility ratings than high congruity. Highly congruent sponsorships may be indistinguishable from editorial content, leading readers to question whether the sponsor had input into the story. Future studies might examine different levels of congruity between the sponsor and the story’s message. Similarly, future studies might consider more levels of story valence than simply the positive and negative extremes.

Although sponsor type and news story valence were found to have significant effects on news story credibility, e-newspaper credibility, and attitude toward the e-newspaper, the results for behavioral intent were not significant. Perhaps readers' likelihood of making return visits to an e-newspaper is determined more by structural or navigational features of the site than by the content of a particular news story or sponsorship. Future research might try to identify the factors that influence behavioral intent toward the e-newspaper.

Finally, future studies might explore whether news story valence and other features of news stories, such as length or structure, influence attitudes toward the sponsor. Just as the nature of the sponsor might affect the credibility of the news story, so too might the nature of the news story affect the credibility of the sponsor.

### Conclusion

As financially struggling newspapers search for new ways to increase online revenues, Internet sponsorships are a tempting option. Sponsorships may help boost the newspaper's bottom line, but they can backfire. Newspapers must weigh the potential benefits against the risks of damage to their credibility. Sponsorship research must explore the effects of this popular form of Internet advertising on both the sponsor and the e-newspaper.

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Table 1

*Univariate Statistics for Effects of Sponsor Type on Dependent Variables*

	Commercial	Nonprofit	<i>F</i>
News Story Credibility	<i>M</i> = 16.00 (4.17)	<i>M</i> = 17.01 (4.20)	5.07*
E-newspaper Credibility	<i>M</i> = 32.00 (7.16)	<i>M</i> = 34.32 (7.16)	10.00**
Attitude Toward E-Newspaper	<i>M</i> = 13.28 (3.13)	<i>M</i> = 13.94 (3.08)	4.50*
Behavioral Intent Toward E-Newspaper	<i>M</i> = 7.12 (2.80)	<i>M</i> = 7.54 (2.99)	3.29

*Note.* Numbers in parentheses indicate standard deviations.

\* $p < .05$ , \*\* $p < .01$

Table 2

*Univariate Statistics for Effects of News Story Valence on Dependent Variables*

	Positive	Negative	<i>F</i>
News Story Credibility	<i>M</i> = 15.76 (4.20)	<i>M</i> = 17.25 (4.10)	11.63**
E-newspaper Credibility	<i>M</i> = 32.10 (7.29)	<i>M</i> = 34.22 (7.06)	8.27**
Attitude Toward E-Newspaper	<i>M</i> = 13.29 (3.08)	<i>M</i> = 13.93 (3.13)	4.25*
Behavioral Intent Toward E-Newspaper	<i>M</i> = 7.10 (2.81)	<i>M</i> = 7.56 (2.99)	3.88

*Note.* Numbers in parentheses indicate standard deviations.

\* $p < .05$ , \*\* $p < .01$