

Do people believe in what they get from advertisement?

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Abstract: Drawing on psychological ownership theory and the collective information boundary, this study explored how ad relevance impacts consumers' attitudes toward ad and social media platforms

Keywords: SMM, dvertisement, people trust.

Introduction

The continuous development of social media has changed people's communication styles and purchase-related decision-making processes, as well as altered the digital marketing landscape (Huo et al., 2021). Accounting for 69% of the total global spending for media advertising, digital ad spending reached an estimated \$602.25 billion in 2022 (Emarketer, 2022). With the development of data mining and recommendation algorithms, personalized advertising, or advertising based on personal data (e.g., demographic information, purchase information, and browsing data), has gained increasing popularity in social media advertising (Knoll, 2016). However, using consumers' personal data to push ad messages is double edged (Aguirre et al., 2015). Pushing personalized ads to consumers is a successful way for advertisers to get consumers' attention (Jung, 2017). Consumers believe that personalized ads can make it easier to find and discover more of what they are interested in (Chen et al., 2019). But personalized advertising also creates concerns and feelings of vulnerability to potential personal data invasions, which may reduce advertising effectiveness.

With the development of personalized advertising on social media, advertising scholars have focused on exploring the effectiveness of personalized advertising on social media, such as consumer attitudes, ad clicks or purchases, and its antecedents (Tran, 2017; Shanahan et al., 2019; Zafar et al., 2020; Zhang et al., 2020). A prominent topic is that ad relevance and feelings of vulnerability are the key positive and negative antecedents that influence personalized advertising effectiveness,

respectively (Aguirre et al., 2015; Aiolfi et al., 2021). Feelings of vulnerability describe the degree to which consumers feel uncomfortable and susceptible to harm from unwanted uses of their personal data (Guo et al., 2022). Empirical evidence shows that higher levels of perceived personalization increase both consumers' perceived ad relevance and feelings of vulnerability (Aguirre et al., 2015; De Keyzer et al., 2022b). But the relationship between ad relevance and feelings of vulnerability remains unclear. Research has also documented that ad relevance is an important direct predictor of consumer attitudes (Zhang et al., 2020) or indirectly through the consumer-brand relationship (De Keyzer et al., 2022b). However, even though it is important to understand whether relevance can still positively influence consumer attitudes indirectly through the negative impact of feelings of vulnerability, this indirect relationship has not been explored in past studies. Therefore, the purpose of this study is to investigate the indirect effect of the relevance of personalized advertising on consumer attitudes through feelings of vulnerability. Understanding these effects is useful for extending personalized advertising research and for ad practitioners to optimize the effectiveness of personalized advertising on social media.

First, from the perspective of collective privacy boundaries, this work aims to propose a serial mediation of information co-ownership perceptions and vulnerability feelings in the indirect relationship between advertising relevance and consumer attitudes. Perceptions of information co-ownership refer to the extent to which consumers perceive that a platform has the right to co-own their personal information, which reduces consumers' discomfort in using platform services (Zhu and Kanjanamekanant, 2020). The theoretical contribution of this research is that it provides an integrated theoretical framework that helps scholars better understand the indirect effects of ad relevance on consumer attitudes and the role of serial mediating variables therein. Second, this research aims to further explore the indirect effects of different forms of ad relevance on different forms of consumer attitudes. Previous studies have examined personal relevance only (De Keyzer et al., 2022b), while the present work attempted to investigate both the personal and social relevance of

personalization advertisements. Since Geng et al. (2021) suggested that there are two forms of ad relevance (personal and social relevance) of personalized advertising on social media. Ad personal relevance is the extent to which consumers perceive an ad as relevant to themselves or their needs. Ad social relevance refers to the extent to which consumers perceive an ad as relevant to their friends, that is, the extent to which the ad reflects friends' reactions to the ad on social media (e.g., comments or likes), signifying friends' interest in or responses to the ad (Geng et al., 2021). Unlike most studies that examined ad attitudes as advertising outcomes (Tran, 2017; Zhang et al., 2020), this research also attempted to explore how advertising relevance affects platform attitudes. Third, the current study aims to offer a new explanation that a negative association exists between ad relevance and feelings of vulnerability through perceptions of information co-ownership with social media platforms. The integration of the theoretical framework and the new mediator (perceptions of information co-ownership) in this study provides an opportunity to reexamine and explain previous inconsistent findings regarding the relationship between personalization and feelings of vulnerability (Aguirre et al., 2015; Zhu and Kanjanamekanant, 2020). To our knowledge, no studies have explored the effects of ad relevance on information co-ownership perceptions or the effects of co-ownership perceptions on feelings of vulnerability. Finally, this study investigated the moderating effect of privacy cynicism on the relationship between personalized advertising perceptions and consumer attitudes, which has received little attention in previous studies. In the era of big data, privacy cynicism has recently become a common phenomenon in the face of overwhelming privacy threats (Ooijen et al., 2022). Privacy cynicism is a cognitive coping mechanism that allows users to be rational in their use of online services, even if they feel powerless and distrustful (Hoffmann et al., 2016). Therefore, we aim to answer the following two questions

How do ad personal relevance and social relevance affect perceptions of information co-ownership and feelings of vulnerability, and consumer attitudes?

Personalized advertising on social media

The rise of personalized advertising is closely related to the rapid development of big data mining and targeting algorithm technology (Ampadu et al., 2022). Baek and Morimoto (2012) defined personalized advertising as “a form of customized promotional messages that target consumers based on their personal information” (p. 59). Personalized advertising uses consumer-related data to increase the ads' relevance and appeal to consumers. These data include consumers' demographic information and

Impacts of the personal and social relevance of a social media ad on perceptions of information co-ownership

The personal relevance of a social media ad refers to the degree to which consumers perceive the content of the ad as self-related or instrumental in fulfilling their needs or values (Geng et al., 2021; Jung, 2017). A social media ad's social relevance is highly correlated with a person's friends' responses (e.g., comments or likes) to the ad on social media, implying friends' interests, recommendations, and interactivity (Geng et al., 2021). Marketers collect and track consumers' personal data

Procedures and participants

We adopted the survey method. Considering COVID-19 prevention and control policies in China during the pandemic, we contracted the data collection process to a professional survey platform, Credamo, in China, which has more than 2.8 million members from diverse backgrounds. Drawing on Geng et al. (2021)'s research, we conducted a pilot test to examine ads with high and low social relevance, which are used as examples in the subsequent questionnaire. This is because the concept of social

Results

Partial least squares structural equation modeling (PLS-SEM) was considered the ideal data analysis method for this study. First, compared to covariance-based structural equation modeling, PLS-SEM can achieve a higher level of statistical power with a small sample size (Hair et al., 2019). The sample size of this study exceeded the sample size of 170 recommended by Hew et al. (2016). Second, PLS-

SEM is well suited to discussions of causal relationships between constructs and to the examination

Discussion and conclusion

Drawing on psychological ownership theory and the collective information boundary, this study explored how ad relevance impacts consumers' attitudes toward ad and social media platforms, as well as the mediators and moderators in this relationship. We proposed and validated the serial mediating role of perceptions of information co-ownership and feelings of vulnerability in the relationship between ad relevance and ad and platform attitudes. Specifically, the social and personal relevance of a

Theoretical implications

Our research findings make some theoretical contributions to the personalized advertising literature. First, we proposed a new serial mediation effect of information co-ownership perceptions and vulnerability feelings to explain the mediation mechanism of ad relevance on consumer attitudes, while prior research has mainly suggested a direct effect of ad relevance on consumers' ad attitudes (Zhang et al., 2020). Second, this study examined two ad relevance variables