



Full length article

The role of persuasion knowledge, assessment of benefit and harm, and third-person perception in coping with online behavioral advertising

Chang-Dae Ham^{a,*}, Michelle R. Nelson^b^a The Charles H. Sandage Department of Advertising, College of Media, University of Illinois at Urbana-Champaign, 330 Gregory Hall, MC-462, 810 S. Wright St., Urbana, IL, 61801, USA^b The Charles H. Sandage Department of Advertising, College of Media, University of Illinois at Urbana-Champaign, 323 Gregory Hall, MC-462, 810 S. Wright St., Urbana, 61801, USA

ARTICLE INFO

Article history:

Received 6 February 2016

Received in revised form

22 March 2016

Accepted 24 March 2016

Keywords:

Online behavioral advertising

Persuasion knowledge

Third-person perception

Benefit-harm assessment

ABSTRACT

Online behavioral advertising (OBA) provides Internet users with potential benefit (relevant ads) and harm (privacy infringement) through personalized covert persuasion tactics, making it an interesting case for understanding perceptions of media effects. In study 1 (survey), we found that subjective persuasion knowledge of OBA was positively related to third-person perception (TPP). Importantly, the assessment of the potential harm and benefit of OBA mediated the relationship between subjective persuasion knowledge and TPP. Objective persuasion knowledge however was only indirectly related to TPP via subjective persuasion knowledge. TPP related to personal (accept, avoid OBA) but not social-level (pro-regulation) coping measures. Study 2 (experiment) replicated study 1 and showed that the perceived effect of OBA on self (not others) drove the TPP and the responses to personal outcome measures. Implications for understanding perceived media effects and response to OBA are discussed.

© 2016 Elsevier Ltd. All rights reserved.

1. Introduction

“Consumers Conflicted About Privacy Vs. Personalization”
Marketing Daily (Mahoney, 2015)

This headline showcases the consumer ambivalence of the harm and benefit of online behavioral advertising (OBA; Smit, van Noort, & Voorveld, 2014). OBA tracks online behaviors and generates a profile based on the user's interests, preferences, etc. (McDonald & Cranor, 2010; van Noort, Smit, & Voorveld, 2013). The practice benefits the audience by providing more relevant advertising (Nill & Aalberts, 2014). Almost half of U.S. consumers surveyed about online advertising agreed that: “Advertising that is tailored to my needs is helpful because I can find the right products and services more quickly” (Marshall, 2014). Indeed, attitudes toward personalized advertising have been found to predict purchases online (Eastin, Brinson, Doorey, & Wilcox, 2016).

At the same time, the methods for targeting include collecting individual-level behavior data, which consumers do not always like (Nill & Aalberts, 2014). Baek and Morimoto (2012, p. 61) warn that ... “highly personalized ad messages may raise consumer fears about loss of freedom to control the use of private information.” Indeed, in the survey cited above, only about one third of those same consumers agreed with this statement: “I use free services online and on smartphones/tablets and don't mind if my data is potentially also used for advertising purposes” (Marshall, 2014). Consumers worry about the potential harm of the use of their personal information, which is private (Okazaki, Li, & Hirose, 2009) and they may not like the idea of being manipulated (Simonson, 2005). The irony is that “while some consumers see benefit in tailored ads, most don't want their information to be used to tailor them” (Marshall, 2014).

Given the ambivalent consumer attitudes toward OBA and varying perceptions of its usefulness, OBA provides an interesting context for studying perceived advertising effects. In general, people do not want to believe that they personally are affected by advertising although they believe that others may be affected (Eisend, 2015). This perception is based on third-person perception (TPP; Davison, 1983), which refers to differences in perceptions of

* Corresponding author.

E-mail addresses: cdham317@illinois.edu (C.-D. Ham), nelsonmr@illinois.edu (M.R. Nelson).

the influence of communication on the self and on others (Chang, Wei, & Lo, 2014). A robust body of literature has demonstrated TPP effects across various kinds of media (Conners, 2005), including online environments (e.g., Chen & Ng, 2016). However, a key moderating variable of TPP is the message desirability (Sun, Pan, & Shen, 2008). If the message is desirable, the perceptions are reduced or reversed. As discussed above, consumers' perceptions of the desirability of OBA may depend on their perception of the benefit and harm associated with the persuasion tactic.

Ambivalent attitudes may be caused by the technological complexity of OBA and consumers' lack of knowledge. Not many consumers know details about OBA (Jai, Burns, & King, 2013) or how such relevant ads are displayed to them (McDonald & Cranor, 2010; Smit et al., 2014). Thus, knowledge about OBA or how it operates (e.g., "persuasion knowledge"; Friestad & Wright, 1994) may relate to the propensity to exhibit TPP. Therefore, we examine the role of persuasion knowledge of OBA in gauging OBA's perceived effects on self and others. There may be differences in how people process information, especially if it is technical information, depending on if they have "objective" knowledge, which is "accurate stored information that consumers possess" (Carlson, Bearden, & Hardesty, 2007) or if they have "subjective" knowledge (e.g., perception of having knowledge about the persuasion or "persuasion knowledge"; Friestad & Wright, 1994).

Finally, consumers may cope with persuasion in many ways (from accepting to resisting; Fransen, Verlegh, Kirmani, & Smit, 2015); therefore, we investigate multiple intended behavioral outcome variables for TPP including personal coping responses (e.g., blocking advertising) as well as "social" coping related to support of OBA regulation. Understanding the coping mechanisms is particularly timely because the Federal Trade Commission (FTC) is considering regulations for OBA (Nill & Aalberts, 2014). In the meantime, increasing numbers of consumers are blocking advertising, which may damage the advertising industry in the future (Manjoo, 2015).

Typically, TPP research measures individuals' perceptions of undesirable media effects on self and others to examine social outcomes such as support for regulation (e.g., Shah, Faber, & Youn, 1999). Our research examines an ambivalent media context where the assessment of harm and benefit is an important factor for understanding perceptions of effects. In addition, we disentangle perceived effects on self and others to discern which perceived effect drives social and personal outcome measures. Although some studies have examined the relationship between knowledge and TPP (e.g., Huh & Langteau, 2007; Driscoll & Salwen, 1997), scholars have not yet investigated how different forms of knowledge (objective, subjective) relate to TPP in this ambivalent media context. Our research therefore contributes to the existing literature on PKM and TPP by examining more closely the relationships between knowledge and perceptions of effects by assessing harm and benefit and gauging the multiple personal and outcomes that can occur in this context.

2. Literature review

2.1. Persuasion knowledge and third-person perception in OBA

Online behavioral advertising (OBA) is a technology-driven advertising personalization method that enables advertisers to deliver highly relevant ad messages to individuals (McDonald & Cranor, 2010; van Noort et al., 2013). However, OBA's tracking online activities, collecting behavioral data, and disseminating information conflicts with consumer privacy because OBA's persuasion mechanism is covert, not requiring consumers' recognition, agreement, or permission (Nill & Aalberts, 2014). Such covertness

distinguishes OBA from other personalized advertising, in which consumers know, agree, or permit prior to receiving (e.g., opt-in personalized email messages). OBA's covert mechanism potentially harms consumers when they are tracked without their recognition of, or full agreement with, the potential risk of privacy infringement.

As a form of advertising, OBA will likely elicit typical third-person perception (TPP, i.e., people tend to overestimate communication effects on others whereas they underestimate effects on themselves; Perloff, 1999). Individuals are motivated to enhance their positive self-esteem by rejecting negative or undesirable persuasion attempts as well as by accepting positive or desirable ones, according to self-enhancement theory (Perloff, 1999). If OBA is deemed to be undesirable, then there is presumed to be a larger effect on others, whereas if it is perceived as desirable, the presumed effect might be reduced or reversed. However, desirability of OBA seems ambivalent. More importantly, the complexity of OBA may be an obstacle for consumers to determine whether OBA will be beneficial or harmful. Thus, knowledge of how OBA works may be a significant determinant in the perceived desirability of OBA.

Knowledge influences TPP. Studies typically show that it is the perception of knowledge and the confidence that arises out of that knowledge that may be driving TPP effects (e.g., Driscoll & Salwen, 1997; Huh & Langteau, 2007). People who perceived themselves as more knowledgeable in a communication topic were more likely to consider themselves as more capable of coping with the communication, but to consider others as less capable as they were, resulting in eliciting greater TPP. Knowledge about persuasion tactics has been explained by the Persuasion Knowledge Model (PKM; Friestad & Wright, 1994). The PKM proposes that people (the persuasion target) have their own knowledge or beliefs about how persuasion works to help them cope with marketers' (persuasion agents') persuasion tactics. When perceiving a hidden persuasion intent, people are likely to activate this persuasion knowledge, which enables them to actively cope with the tactic, either by resisting or accepting the persuasion tactic. We propose that the level of persuasion knowledge (PK) of the persuasion tactic (OBA) will determine the magnitude of TPP: i.e., when consumers are confronted with a covert advertising tactic, persuasion knowledge influences their perceptions of the ad's effect on themselves or others.

2.2. Objective and subjective persuasion knowledge

While we believe that PK will be positively associated with TPP, we argue that we should look at how different dimensions of PK may be associated with TPP. Although not specified in the original PKM model (Friestad & Wright, 1994), Carlson et al. (2007) proposed that *objective persuasion knowledge* (PK) should be distinguished from *subjective persuasion knowledge* (PK). *Subjective* PK is an individual's self-assessed perception about how persuasion works (e.g., "I know how OBA displays personalized ads to me") whereas *objective* PK is accurate information about a specific persuasion tactic (e.g., "Consent is not required for marketers to track users' online activities to display personalized ad messages"), which is stored in long-term memory (Carlson et al., 2007). The fact that an individual has subjective PK does not necessarily mean the person has accurate or objective knowledge about a specific persuasion tactic. Alba and Hutchinson (2000) argued that subjective and objective knowledge are distinct and can produce different effects on consumer assessment.

Past research shows mixed results with respect to the link between knowledge and TPP (e.g., Huh & Langteau, 2007; Driscoll & Salwen, 1997; Wei & Lo, 2008), but no studies have examined how objective PK, not knowledge of an object or topic, works on TPP. Further, given that OBA may be a context for which consumers

Download English Version:

<https://daneshyari.com/en/article/6836958>

Download Persian Version:

<https://daneshyari.com/article/6836958>

[Daneshyari.com](https://daneshyari.com)