



MASTER THESIS

WHAT ARE YOU OFFERING ME?

MEASURING CLICK-THROUGH
INTENTIONS WHEN OFFERING
INCENTIVES

Gabriela Donis Arriaza

FACULTY OF BEHAVIOURAL, MANAGEMENT AND SOCIAL SCIENCES

COMMUNICATION STUDIES

EXAMINATION COMMITTEE

Dr. A. D. Beldad

Dr. I. van Ooijen

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Abstract

Purpose: Personalized advertisements are everywhere when browsing the internet. Personalization is the most used strategy by marketers, for the reason that they are able to show customers and possible customers the products or services they may find interesting or attractive. However, internet users have become more and more aware of the fact that marketers are using their online footprints to tailor these ads. This leads consumers to develop reactance such as less click-through intentions, unfavorable attitudes towards the advertisement and privacy concerns, mainly because they encounter personalized advertisements on websites that they do not know or they consider as untrustworthy. Various studies have investigated how levels of personalization have an effect on click-through intentions, and how tailoring advertisement accordingly to the consumer needs is an important trait for engagement. However, little is known about the role of incentives in personalized advertisement and its placement in a website that is considered as trustworthy. Thus, this research examines the effect of lower and higher levels of personalization, rewards, website trust and attitudes on click-through intentions.

Method: To test the hypotheses a 2 (i.e., low personalization vs. high personalization) x 2 (i.e., reward vs. no reward) x 2 (i.e., less trustworthy website vs. more trustworthy website) between subjects experiment was performed. The experiment contained 8 different conditions and 210 participants from around the world.

Results: the results of the MANOVA analysis showed no three-way interaction between levels of personalization, website trust and reward on attitudes towards the advertisement. However, it showed a direct effect of website trust on click-through intentions and a direct effect of reward on click-through intentions. The findings suggested that people are more inclined to click on a less trusted website (Facebook) and when the advertisement is less personalized. The results also showed greater click-through intentions when a reward was offered. Thus, this research provides practical implications for marketers as it is important to consider which information is truly relevant for internet users to match their needs and create less invasive advertising.

Keywords

Personalization, advertisement personalization, web trust, click-through intentions, attitudes, online advertisement, online incentives, rewards.

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1. Introduction

The internet has given marketers multiple tools and opportunities to communicate, sell and engage with their online target groups. In the past decade, the way of creating marketing strategies has changed drastically. Nowadays, marketers have access to a massive amount of data on consumers online behavior, clicking attitudes, and browsing habits (Shanahan, Tran & Taylor, 2019). With this information, marketing specialists are able to create profiles of each consumer using their browsing behaviors and information based on their digital footprints. Thus, they are capable of showing advertisements that internet users are most likely to find attractive, as marketers have found this to be a good strategy for increasing engagement (Matz, Kosinski, Nave & Stillwell, 2017). This type of advertisement is called personalized advertisement. The main goal of personalization is to build relationships between a firm, its customers and potential customers. Moreover, personalized advertisement has been investigated as a successful strategy to increase sells, engagement and click-throughs (Gironda & Korgaonkar, 2018; Matz, Kosinski, Nave & Stillwell, 2017).

Many scholars have studied personalization as it has become one of the main topics of discussion in the marketing literature. On one hand, some research has found that showing advertisements with high levels of personalization has been considered as a threat to consumers' freedom, as they feel that they are being observed by the organizations (Perez & Steinhart, 2013; Bleier & Eisenbeiss, 2015). For example, a research conducted by Aguirre, Mahr, Grewal, de Ruyter & Wetzels (2015) found that showing tailored messages could be seen as intrusive and internet users may develop negative responses such as privacy concerns. Furthermore, they also found that website trust is a major factor influencing consumers' privacy concerns. On the other hand, researchers have acknowledged the importance of personalizing ads in ways that consumers find attractive as this not only increases click-throughs but changes customers' attitudes and behaviours. (Gironda & Korgaonkar, 2018; Matz et al., 2017). Moreover, Perez & Steinhart, 2013, examined the effectiveness of different levels of personalization and found that using high levels of personalization showed to be more effective than no personalization. Some studies used different methods to compare the different level of personalization (e.g. De Keyzer, Dens & De Pelsmacker, 2015; van Doorn & Hoekstra, 2013). However, these researches yielded inconsistent results about what motivates consumers to actually engage in click-through attitudes. Studies conducted by Bang, Choi, Wojdyski & Lee (2019) and Ünal, Ercis & Keser (2011) showed that consumers have favorable responses to highly personalized advertisement and have better attitudes towards advertisement when it matches their needs. Other researchers suggested that offering incentives can help changing consumers' attitudes when encountering personalized advertisement. Beldad, de Jong & Steehouder (2011) indicated that consumers may be less reluctant to click-through on advertisements when they are offered a reward, as they do not estimate the costs of

clicking-through and see it as an exchange of goods. The findings by Hui, Tan & Goh (2006) are similar and indicated that tangible rewards trigger consumers' willingness to engage with the advertisement. Conversely, contradictory results were reported in a research conducted by Aguirre, Mahr, Grewal, de Ruyter, and Wetzels (2015) showing that higher levels of personalization lead to less click-through intentions. Thus, further exploration into the impact of offering a reward using personalized advertisement is needed.

Furthermore, another important trait in online marketing is the website where the advertisement is placed, as a less trusted website may lead to more privacy concerns because internet users do not have enough information about the organizations' website, but they are encountering personalized ads. Thus, this could lead consumers to be more reluctant, decreasing their willingness to click-through and have less favorable attitudes (Aguirre et al., 2015). Xie, Teo & Wan (2004) found that a good way to make consumers engage with a website is showing advertisements offering incentives. Beldad, et al., (2011) described that tangible rewards can include vouchers, cash or gifts. While intangible rewards could include joining a social network or opening an email account. Moreover, Lambe, Wittmann & Spekman (2001), argued that intangible rewards include emotional satisfaction, values or sharing the same ideas. Hence, placing highly personalized advertisements on less trustworthy websites and offering incentives can be therefore a way of changing consumers' attitudes towards the advertisement and the website. Moreover, the inconsistency between consumers' privacy concerns and their actual behaviors of clicking-through when they are offered incentives could be explained by one of the self-disclosure theories such as social exchange theory (SET) which explains why some behaviors are interpreted by a cost and benefit analysis. SET explains that the outcomes from the interaction are not only measured by tangible rewards but also intangible reward such as obtaining something for emotional satisfaction, values or sharing the same ideas (Lambe, Wittmann & Spekman, 2001).

Personalized advertisements have been extensively studied. However, in the literature the concept of offering rewards is relatively new, and it remains to be further explored. Thus, the current study intends to examine in what context personalized advertisement offering a reward may have an effect on click-through intentions. More specifically, it aims to provide insights into the extent to which website trust and reward moderates the effects of attitudes towards the advertisement on click-through intentions. Leading to the following research question:

RQ: *To what extent do level of personalization, reward and website reputation affect consumers' click through intentions?*

Academic research has been done in the past on the different types of personalized advertisements and website reputation on the effect it has on consumers' click-through intentions. However, academic research on the effect of personalization, reward and website reputation is lacking. Therefore, this research is needed to provide a better understanding of the role of offering incentives in online advertisement, bridging the gap between the personalized advertisement and incentives. Moreover, not many research has focused on purely examining the effect of personalization and reward, neither in combination with website trust. Thus, this research aims to shed some light in the marketing literature to better understand the role of website trust, reward and personalization. Furthermore, this research provides practical implications as marketers need to have a better overview of consumers attitudes and what motives them to click-through on advertisement. Moreover, this research suggests that giving consumers something in return for being exposed to a personalized advertisement will make them less reluctant and click-through intentions will increase. Thus, by comparing different levels of personalization in combination with website trust and reward, marketers can better understand consumers' attitudes towards advertisement and customize ads more accurately taking into consideration their needs, attitudes and concerns.

2. Theoretical Framework

2.1 Personalized advertisement

Nowadays companies have been using online advertisement to promote their products and services. One of the most used methods is personalization which aims to deliver more accurate and unique messages to online customers. Personalization refers to the development of web content that meets the needs of consumers at the right time to maximize business opportunities (Tam & Ho, 2006). Personalized advertisement allows companies to tailor ads using consumer's past behaviors. This information helps marketers to improve online experiences by showing products or services matching their customers preferences while they are browsing the internet (Aguirre et al., 2015). Furthermore, personalization is used to create relationships with internet users and most of the times can be effective as organizations have access to a massive amount of data on purchase behavior, preferences and web browsing habits. All the information is used to ideally create engagement, loyalty, higher click-through rates and purchase behavior by highlighting products users are likely to find attractive or have previously shown interest in (Shanahan, Trang & Taylor, 2019).

2.2 Levels of advertisement personalization

Various research has examined the levels of personalization, ranging from zero to different levels or 'dimensions' and the possible consequences of using personalized ads (Gironda & Korgaonkar, 2018; Aguirre et al., 2015; Perez & Steinhart, 2013; De Keyzer et al., 2015). For instance, Gironda & Korgaonkar (2018) argued that personalized messages are crafted on the basis of the gathered information about consumers, and organizations are able to customize the ads accordingly to their target groups with the data they have available such as name, buying behavior, demographics, location, lifestyle interests, user profiles, browsing and search history. A research conducted by Matz et al., (2017) found that tailoring advertisements in ways that matches consumers' psychological profiles can be more effective in influencing their behavior. For example, using consumers' profiles to gather information about their likes could reveal their personality, thus, users encountering personalized advertisement matching their psychological traits are most likely to change their behavior and choices leading to more click-throughs and buying behaviors. Correspondingly, some studies (Bang et al., 2019; Maslowska, Smit & van den Putte, 2016) have found that organizations are able to personalize their ads using different dimensions or personalization. For example, using the name of the consumer, social identity, general information, cues about their social identity such as ethnicity and social status, or targeting them as individuals (e.g. email, birthday) or sending messages according to the social group they are identified with (e.g. gender) leads to more click-through intentions.

Moreover, these results are close to the findings in a research conducted by Perez & Steinhart (2013), tailored advertisements are more effective than non-personalized ads, but only when approaching internet users with lower levels of personalization. The research described three levels of personalization that can be taken into consideration, namely (I) name appeal (high level of personalization), (II) social identity (moderated level of personalization; e.g., age & gender) and (III) general (low level of personalization). In this light, De Keyzer, Dens & De Pelsmacker (2015), stated that personalization can be categorized into ‘no personalization’ or general including approaching internet users by their relationship status and ‘full personalization’ exposing consumers to advertising based on their location, browsing behavior, name and visits to specific pages. Thus, ideally, the different levels of personalization influence consumers’ click through intentions. Furthermore, a research by Aguirre et al., (2015) about online advertisement effectiveness (measured by levels of personalization on click through intentions and website trust) found that higher levels of personalization lead to lower click throughs. However, previous research by Malheiros, Jennett, Patel, Brostoff and Sasse (2012) examined the effectiveness and acceptability of rich-media personalized advertising and results showed that internet users feel less comfortable when they encounter highly personalized ads and feel discomfort for not knowing how the organization has obtained the data used to tailor these ads.

Perez & Steinhart (2013), found similar results: higher levels of personalization as mentioning consumers’ name, strengthens privacy concerns, leading to reactance towards click through intentions. Nonetheless, the results from a study conducted by White, Zahay, Thorbjørnsen and Shavitt (2007) found that only when consumers have a justification on why they are seeing highly personalized advertisement (e.g. the ad is offering something they perceived as useful) results in more favorable click throughs. However, these research yields inconsistent results. Thus, to further investigate the impact of personalization on click-through intention, in this research, lifestyle interests, browsing behavior, search history (Gironde & Korgaonkar, 2018) and visits to specific pages (De Keyzer et al., 2015) are selected as the dimensions of highly personalized advertisement leading to more click-through intention. Based on these findings the following questions is proposed:

RQ1: To what extent do personalized advertisements lead to more click-through intentions?

2.3 Attitudes towards personalization

While the usage of personalized advertisement is becoming more and more popular as a frequently used tool by marketers, there is enough evidence that proves that consumers do not feel comfortable and show unfavorable responses such as reactance when encountering ads (Goldfarb & Tucker, 2011; Liu & Matilla, 2017). Attitudes towards personalization have been considered to be one important trait in measuring consumers' responses to ads, as their attitudes determine the way they perceive the information provided and decide how to act upon it (Mir, 2011). Attitudes towards advertisements was defined by Lutz (1985) as the disposition to respond favorable or unfavorable to marketing stimulus during a specific exposure occasions. Moreover, attitudes are important in the marketing literature as they have been considered as the predisposition for consumers to behave in a specific way (Fishbein & Ajzen, 1975).

Although, some users do not respond to personalization in a positive way, other internet users may perceive value from the advertisement and it can be related to the perception they have about the benefits they can obtain from it (Carlson, O'Cass & Ahrholdt, 2015). Accordingly, a research conducted by Karjaluoto, Shaikh Saarijärvi & Saraniemi (2019), argued that consumers can interpret advertisement personalization as "the aggregation of benefits that the customer is seeking, expecting, or experiencing, as well as the possible undesired consequences resulting from them" (p. 253). This 'aggregation' can also be seen as the experience they have while encountering the ad, if it is attractive and personalized in a way that meets their preferences, they can show more favorable responses towards the brand and more disposition to click-through (Steenkamp & Geyskens, 2006).

Moreover, a research conducted by Shavitt, Lowrey & Haefner (1998), showed that consumers find advertisement informative and helpful for their decision-making process. Even when they do not trust advertisement, they have favorable responses when the ad matches their needs. O'Donnell & Cramer (2015) examined people's perceptions of personalized ads, and the results showed that major life events such as looking for a wedding dress, graduation gifts or other milestones in consumers' life have positive effects on how they react to advertisement. Thus, brands tailoring ads to match these life events have more positive attitudes towards clicks-throughs as the advertisement serves to the purpose of planning a specific event. In similar vein, previous research by Ünal, Ercis & Keser (2011) about attitudes towards mobile advertisement has shown that when the advertisement is personalized, informative and entertaining, consumers have better attitudes leading to click-through intentions. Correspondingly, in a study conducted by Hassan, Fatima, Akram, Abbas & Hasnain (2013) about determinants of consumer attitude towards social-networking sites found similar results: when consumers believe the advertisement is credible, informative, trustworthy and they perceive value from it they have more favorable attitudes towards advertisement.

However, the study conducted by O'Donnell & Cramer (2015) also found that consumers' attitudes towards click-through intentions can be affected by past bad experiences and they may develop less favorable attitudes towards advertisement. For example, getting malware or viruses for clicking on advertisement from unknown websites. Furthermore, they argued that recognizing the brands' name is an important role for trusting the advertisement. Similarly, in a research conducted by Cho, Lee & Tharp (2001) about forced exposure to banner advertisement, it was hypothesized that the forced exposure to advertisement make consumers develop less favorable attitudes towards advertisement. They based this hypothesis on the theory of reasoned action by Fishbein and Ajzen (1975) and argued that the unfavorable attitudes to the forced exposure can be transferred to unfavorable attitudes towards the advertisement and the brand. Nevertheless, the results yield different outcomes and found that people have favorable attitudes towards advertisement even when they are forced to encounter advertisement because they have to pay more attention to the information presented in the ad. Therefore, it can be predicted that attitudes is a mediator for click-through intentions. Thus, the present research hypothesizes the following:

H1: People's attitudes towards advertisement will be more positive when they encounter highly personalized advertisement compared to when they encounter less personalized advertisement.

H2: The effect of advertisement personalization on click-through intentions is mediated by attitudes towards the advertisement.

2.4 Reward as moderator

Personalized advertisement oftentimes rewards consumers with coupons or gifts to stimulate buying behavior of certain products or services. These rewards can be tangible or intangible. A research conducted by Beldad, et al., (2011) described that tangible rewards can include vouchers, cash or gifts while intangible rewards could include creating a social network profile or opening an email account. Moreover, research conducted by Lambe, Wittmann & Spekman (2001) argued that intangible rewards include emotional satisfaction, values or sharing the same ideas. Similarly, a study by Kaul (2016) argued that non-monetary incentives can include assistance, exclusive access or any other benefits that cannot be sold for money. Hence, both tangible and intangible rewards may encourage costumers' willingness to click-through on the advertisement to obtain these incentives.

Moreover, a study conducted by Hui, Tan & Goh (2006), found that when consumers are offered a reward, their perceived value is triggered, especially when they are offered tangible benefits such as monetary discount, vouchers or gifts; driving consumers' motivation to commit to the advertisement presented, thus, directly influencing their willingness their attitudes and their click-through intentions. Nevertheless, a study by Goldfarb & Tucker (2011) showed that

consumers might have different levels of tolerance towards personalized advertisement but only when they perceive the advertisements as useful and provides information and the novelty of the product. However, this tolerance can be affected by the levels of personalization used to approach customers. Even when internet users are offered something in return (i.e. rewards), they may feel that the ad is obtrusive and manipulative, affecting their attitudes and click-through intentions.

Furthermore, research conducted by Komulainen, Nadeem, Satokangas & Salo (2013) examined rewards in-game banner ad clicks with tangible incentives and found that the usage of incentives in banners such as discount coupons make consumers feel more connected to the company and to the brand, leading to more favorable attitudes as a result of the offered price. Similarly, Ünal, Ercis & Keser (2011) found that advertisements offering a reward positively affects attitudes towards the advertisements. Moreover, in a study conducted by Mir (2011) the results showed that users hold negative attitudes towards mobile personalized advertisement. However, this changes when the advertisement offers monetary incentives, their attitudes shifts, and they have more favorable attitudes towards advertisement.

A study on the impact of sample offer by Hupfer & Grey (2005) argued that banners including incentives are more likely to get more click-through rates than the ones without promotional incentives. Correspondingly, previous research by Xie, Donthu, Lohtia & Osmonbekov (2004) investigated the effectiveness of including incentives in online advertisement and found that offering a reward does increase and have an effect on click-throughs and attitude, but in their research, this effect was moderated by positive emotional appeals. However, there are no conclusive answers from earlier studies in advertisement personalization offering tangible reward. These contrary results indicate an opportunity for further research on the influence of reward on attitudes towards the advertisement. And it can be predicted that reward moderates the effect of levels of personalization and attitudes towards the advertisement.

2.5 Website trust as moderator

One of the main traits for consumers to engage with advertisements is trust. Web trust plays an important role in click-through attitudes. There are many strategies that organizations can perform to build a trustworthy website and be recognized as trusted among its visitors. A trustworthy website reduces internet users' uncertainty and they may develop more favorable attitudes towards advertisements and may be more willing to click-through on advertisements presented on those websites that they recognize as trustworthy, as they believe the organization would never jeopardize its reputation by 'betraying' its consumers trust. A study conducted by Coles & Smart (2011), found that organizations' efforts to gain internet users' trust in their websites could include using techniques such as encryption as an effort to make the website more secure. Moreover, in a research conducted by Casado, Dimoka & Sánchez (2019) borrowing information from Tan &

Thoen (2000), described website trust as the transaction that will be influenced by the subjective trust internet users have in the organizations' reputation.

Similarly, a research conducted by Hollenbeck & Macky (2019) defined online trust as the perception users have of how believable is the information provided by the website and the expectation they have from it. Thus, when consumers trust the organization and its website, they may be less reluctant and show more positive attitudes towards click-through intentions, as the firm has built a reputation to protect (Beldad et al., 2011). Moreover, in a research conducted by Xie, Teo & Wan (2004) about volunteering personal information on the internet, the effects of reputation, privacy initiatives, and reward on online consumer behavior, found that when an organization website has not built trust and does not have a good reputation, presenting advertisements offering a reward might be used as a strategy to attract consumers to interact with the website thus, gaining internet users' trust. However, encountering personalized advertisements may have a counterproductive effect, as showing highly personalized advertisements on less trustworthy websites may arouse online privacy related problems (Acquisti & Grosskalgs, 2007).

Internet users may trust the organization and the website, mainly because they have previously interacted with the firm or have purchased a product from them. However, when encountering advertisements offering a reward, the levels of personalization used to approach the consumers and the type of reward offered may lead consumers to have more or less tolerance towards the personalized advertisements (Yang & Wang, 2009). Thus, organizations' trust is an important trait for consumers to decide if they should or should not commit to the behavior of clicking-through, but only perhaps when the ad matches consumers' interests and offers them an incentive that they consider as valuable, changing their attitudes towards the advertisement, especially when the advertisement is placed in a trustworthy website. In this light, previous research by O'Donoghue & Rabin (1999), argued that people are impatient and want to get an immediate reward and face the consequences later. They refer to this impatient attitude as present bias. Internet users' clicking-through on personalized advertisement offering them a reward in a less trusted website, could be explained by present bias. This behavior depends on whether a reward or cost are immediate. People experiencing present bias are only aware of the benefit they are getting, the immediate reward, whereas any cost will be delayed (e.g. getting more highly personalized advertisement in the future). They also argued that people always give priority and extra weight to the present over future moments. Thus, it can be predicted that website reputation moderates consumers' attitudes towards the advertisement. which leads to the following set of hypotheses:

H3: Attitudes will be more positive and click-throughs will be higher when people encounter highly personalized advertisement from a trustworthy website even in the absence of a reward.

H4: Attitudes will be more positive and click-throughs will be higher when people encounter highly personalized advertisement from a less trustworthy website but offers them a tangible reward.

H5: Attitude towards the advertisement will be more positive and click through intention will be higher when people encounter highly personalized advertisement but only when a reward is offered compared when there is no reward.

2.6 Conceptual model

To provide an overview of the proposed hypotheses presented in the previous section, all the hypotheses for this research are plotted in a conceptual model (Figure 1).

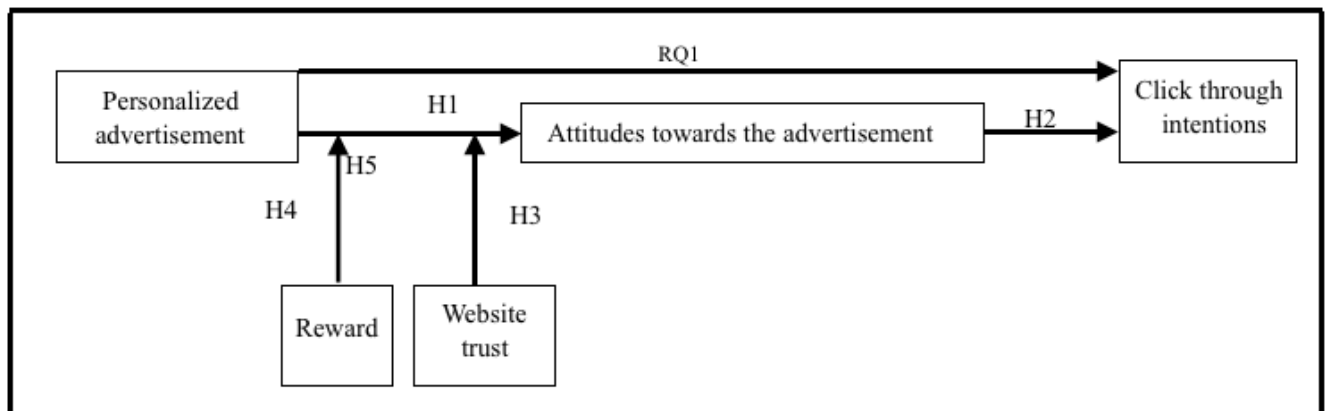


Figure 1: *Conceptual model*

3. Method

The research model used for this research was a scenario-based 2x2x2 between-subjects factorial experimental design to test the proposed hypotheses and answer to the research question. Before conducting the main study, a pre-test was performed in order to check whether the manipulations of level of personalization and website trustworthiness were successful. The manipulations for the main study were adjusted after obtaining the results from the pre-test.

3.1 Procedure

For the main study and the pre-test, all participants read an informed consent in which was stated that the experiment was anonymous, and all the information provided would be treated confidential and only used for this experiment. Next, participants were asked to read carefully the instructions and to imagine the scenario provided for this experiment as if they would encounter these scenarios in real life. The next page presented the BBC (most trustworthy) or Facebook (less trustworthy) page containing one of the eight conditions. In all conditions, participants encountered an Internet activity scenario where they were searching information about smartwatches because one of their family members who loves technology and gadgets was going to graduate.

After reading and viewing the advertisement, participants were asked to answer questions about attitude towards the advertisement, click-through intentions and a manipulation check for perceived personalization and trustworthiness of the website. To make sure every participant has answered the questions accordingly, two questions about the content of the advertisement were asked. Furthermore, participants were asked if they have previously browsed the websites that were used to present the personalized advertisement. Those individuals with no prior experience with the websites, were counted as invalid answers.

3.2 Stimuli material

To test the proposed hypotheses and to answer the research question, an online 2x2x2 between subjects factorial experiment was performed using the software Qualtrics. In which level of personalization (i.e., low level of personalization vs. high level of personalization), reward (i.e., offering a reward vs. not offering a reward) and website reputation (i.e., less trustworthy website vs. most trustworthy website) were manipulated. Table 1 contains the outcome of the experimental conditions that were generated. The experimental conditions allowed to measure attitudes towards these ads, website reputation, rewards and click-through intentions. For this study, the brand selected was Fitbit and for the placement of the advertisement, BBC and Facebook were selected. The pre-test results showed that BBC's website is considered as the most trustworthy and the Facebook page as the least trustworthy.

Table 1
Experimental conditions

Experimental condition	Level of personalization	Reward	Website
1	High personalization	Offer a reward	More trustworthy
2	High personalization	No reward	More trustworthy
3	Low personalization	Offer a reward	More trustworthy
4	Low personalization	No reward	More trustworthy
5	High personalization	Offer a reward	Less trustworthy
6	High personalization	No reward	Less trustworthy
7	Low personalization	Offer a reward	Less trustworthy
8	Low personalization	No reward	Less trustworthy

One example of the scenarios presented in the manipulations is shown in Figure 2 and the complete combination of scenarios and advertisement can be found in Appendix D.

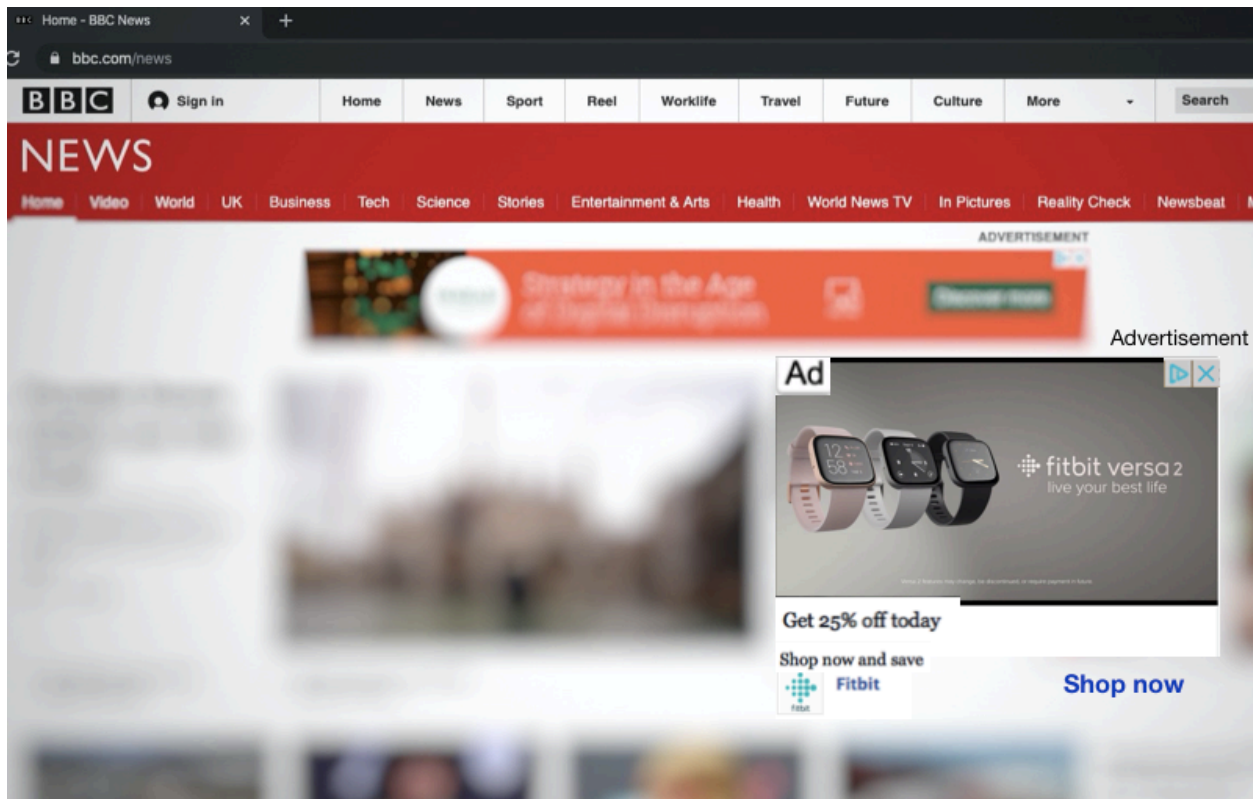


Figure 2: Example of the scenario presented in one of the manipulations

3.3 Pre-test

Prior to the main test, a pre-test was conducted to check the manipulations for the main study. For each condition, 20 people were gathered to answer to an online survey. In total 60 responses were recorded for the pre-test. All participants were randomly assigned to one of the 3 different conditions. Pre-test participants were excluded from the main study. The pre-test survey can be found in Appendix A.

The participants were asked to fill-in a survey in which three different conditions containing different levels of advertisement (e.g. none, low and high) were shown. These advertisements were used to check if the manipulations of level of personalization were successful. The three conditions contained the same questions but differed in scenarios. The different scenarios presented to the participants can be found in Appendix B.

First, participants had to read a scenario which contained an internet activity and the advertisement. After reading this, all participants were asked to evaluate their perceived personalization on a seven-point Likert scale (1-Strongly disagree, 7- Strongly agree). The results from the pre-test showed that the means of no personalization were significantly different from the means of low and high personalization. Nevertheless, there was no significant difference between low and high personalization, thus, based on this result the conditions for the main study were changed. The results of the pre-test can be found in Table 2. The pre-test also included questions about general attitudes towards advertisement. Participants held a neutral attitude towards personalization ($M=4.61$) and a neutral attitude towards advertisement ($M=4.19$).

Table 2 <i>Descriptive statistics of the perceived personalization of the different conditions</i>			
	<u>M</u>	<u>SD</u>	<u>N</u>
No personalization	3.16 ^{bc}	1.87	20
Low personalization	5.35 ^a	1.40	20
High personalization	5.32 ^a	.89	20
<i>Note</i>			
a Significantly different from the no personalization condition			
b Significantly different from the low personalization condition			
c Significantly different from the high personalization condition			
All dependent variables measured on a 7-point Likert scale (1=strongly disagree- 7=strongly agree)			

For the main study it was necessary to find two websites to be used in the manipulation and in which the different advertisement conditions were placed. The pre-test showed ten different websites that show advertisement as their marketing strategy and participants were asked to evaluate the trustworthiness of each website on a seven-point Likert scale (1-Strongly disagree, 7-Strongly agree). The results showed that BBC ($M=5.90$, $SD=0.49$) was selected as the most trustworthy website and Facebook ($M=2.81$, $SD=0.84$) as the least trustworthy website. The results showed that the trustworthiness of the BBC website was significantly higher than Facebook with a mean difference of 1.900 ($p=.000$). Furthermore, participants were asked to also evaluate their attitudes towards the websites. This was asked to prevent their attitudes to have an influence on the trustworthiness of each website. The pre-test showed that participants held somewhat positive to neutral attitudes towards BBC ($M=5.55$) and neutral attitudes towards Facebook ($M=4.00$). Based on these results, both websites were used for the main study.

Moreover, the brand selected for the manipulations was Fitbit. Thus, participants were asked to describe their attitudes and trustworthiness towards the brand in a seven-point Likert scale (1-Strongly disagree, 7- Strongly agree). The pre-test results showed that participants held a neutral attitude towards Fitbit ($M=4.96$) and the brand was considered somewhat trustworthy ($M=5.08$). Hence, Fitbit was the selected brand for the main study.

Based on the results from the pre-test, the scenarios and advertisement manipulations were changed accordingly to ensure a successful main test.

3.4 Participants

The participants for the main study were scouted through the personal network of the researcher. All the participants participated in this research voluntarily and they did not receive any compensation.

In order to collect reliable results, at least 25 people were needed for each condition. Thus, a total number of 200 were required for all of the 8 conditions. At the end, a total number of 278 responses were recorded. From the total number of participants, 68 have never browsed BBC or Facebook (depending on the group condition), thus these participants were not considered for this experiment. A total number of 210 responses were used for this test of whom 81 were males (38.1%) and 125 were females (60%) ranging from the age of 18 to 66 with different educational levels: Bachelor = 42.9%, Pre-master = 7.6%, Master = 49%, Doctorate = 0.5%. The demographic information can be found in Table 3 and 4

Table 3
Descriptive statistics of age and gender of the participants

Condition	N	Age		Gender		
		<u>M</u>	<u>SD</u>	<u>Male</u>	<u>Female</u>	<u>Prefer not to say</u>
1	25	27.72	8.25	10	14	1
2	25	26.40	5.62	16	9	0
3	27	32.15	10.85	14	13	0
4	31	30.81	9.74	10	21	0
5	25	30.06	11.21	10	15	0
6	25	31.88	11.61	8	17	0
7	28	28.43	9.14	10	16	2
8	24	31.75	11.85	3	20	1
Total	210			81	125	4
Percentage				38.1%	60.0%	1.9%

Table 4
Descriptive statistics of the demographics of the respondents

Condition	Education				N
	Bachelor degree	Pre-master	Master degree	Doctorate degree	
1	11	0	14	0	25
2	12	2	11	0	25
3	13	2	12	0	27
4	10	4	17	0	31
5	12	2	11	0	25
6	10	1	14	1	25
7	10	3	15	0	28
8	12	4	8	0	24
Total	90	17	102	1	210
Nationality		<u>N</u>	<u>Percentage</u>		
Dutch		70	33.3%		
Guatemalan		40	19.0%		
German		33	15.7%		
Indian		14	6.7%		
Mexican		8	3.8%		
Other		45	21.4%		
Total		210	100%		

All the participants answered to an online questionnaire and were randomly assigned to one of the eight conditions by using the randomizer option on Qualtrics. The collection of the data took place from 22 November 2019 until 11 December 2019. The survey of the main study can be found in Appendix C.

3.5 Manipulation check

A manipulation check was added to the experiment to ensure that participants understood the experiment conditions correctly.

In order to evaluate their perception about personalization, participants were asked to respond questions about their perceived personalization on a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree). The constructed used to measure perceived personalization contained four items from previous research done by Zhao (2009). The statements used were: 1. “I think this advertisement is tailored specifically for me”, 2. “the advertisement takes into account my current situation”, 3. “I recognize my own needs in the information provided by the advertisement”, 4. “This advertisement contains my personal situation.”. The reliability results showed a reliable alpha value ($\alpha = .900$).

The manipulation check results are shown in Table 5. In which the means of low personalization were different from the means of high personalization.

	<u>M</u>	<u>SD</u>	<u>N</u>
Low personalization	4.82	1.39	110
High personalization	5.43	1.49	100

Furthermore, to check the manipulation of website reputation, the different combinations of advertisement were placed in two different websites and participants were asked to evaluate their level of trustworthiness of the advertising website on a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). The measure used to measure trustworthiness of the website were adapted from previous research by Li (2014). The statements were: 1. “I think the BCC (or Facebook) website has a good reputation”, 2. “I think the BCC (or Facebook) website has good reputation compared with other rival websites”, 3. “I think the BCC (or Facebook) website has good reputation for offering good services”, 4. “I think the BCC (or Facebook) website has a reputation for being respectful to its visitors”. The results from the reliability test showed a reliable

result ($\alpha = .958$). Results from the T-test indicated a significant difference between trustworthiness of the website between Facebook ($M = 2.96, SD = 1.43, n = 103$) and the BCC website ($M = 5.50, SD = .93, n = 107$).

To ensure that no other factors might influence the manipulation of personalization, participant's attitudes towards Fitbit and Fitbit trustworthiness were measured. The desirable results of the measurement were either strongly positive nor strongly negative. The results can be found in Table 6 and they met the desirable expectations. Therefore, the manipulations for this study were successful.

	<u>M</u>	<u>SD</u>	<u>N</u>
Attitudes towards Fitbit	4.97	1.02	210
Trustworthiness of Fitbit	4.44	1.00	210

3.6 Measures

The constructs to measure the variables of attitudes towards advertisement, click-through intentions and perceived personalization are presented below together with their reliability scores. All the questions were measured on a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree). Each of the constructs and their sources are listed in Appendix E.

Attitudes towards advertising. The items used to measure attitudes towards the advertisement were adapted from previous work done by Lee, Loo, Peng & Xian (2014), and included the statements: 1. "I consider advertising is useful as it promotes the latest products." 2. "I refer to advertising because it allows me to enjoy the best deals." 3. "I support advertising because it plays an important part in my buying decision." 4. "My general opinion of advertising is favorable." The reliability analysis showed a reliable alpha value ($\alpha = .878$).

Click-through intentions. The construct for click-through intentions contained three statements, from previous research conducted by Zhao (2019). And state: 1. "I am inclined to click on this advertisement", 2. "The probability of me clicking on this advertisement is high", 3. "I have no problem clicking on this advertisement". The construct proved to be reliable ($\alpha = .963$).

4. Results

To test the proposed hypotheses for this research (Figure 1), a multivariate analysis of variance (MANOVA) was performed to determine any differences across the eight different conditions. Moreover, Table 7 shows the outcomes of the multivariate test. A Wilks' Lambda test was performed to examine the differences of the mean scores, standard deviations and the interaction effects between all conditions.

	<u>Wilks' Lambda</u>	<u>F-value</u>	<u>Sig.</u>
Levels of personalization	.892	1.81	0.16
Website trust	.973	2.82	0.06
Reward	.887	12.78	0.00
Levels of personalization*Website trust (interaction)	.993	0.73	0.48
Levels of personalization* Reward (interaction)	.994	0.62	0.53
Level of personalization*Website trust*Reward	.999	0.09	0.91

4.1 Test between subjects design effects (MANOVA)

The outcomes of the Wilks' Lambda test of between subjects design are presented in Table 8 below and shows the significant effects at alpha ($\alpha = .05$).

Table 8
Outcome of the test of between-subjects effects

		<u>F-value</u>	<u>Sig.</u>
Levels of personalization	Attitudes towards the advertisement	2.21	0.13
	Click-through intentions	3.48	0.06
Website trust	Attitudes towards the advertisement	0.02	0.87
	Click-through intentions	3.74	0.05*
Reward	Attitudes towards the advertisement	0.25	0.61
	Click-through intentions	17.69	0.00*
Levels of personalization*Website trust	Attitudes towards the advertisement	0.03	0.85
	Click-through intentions	1.07	0.30
Levels of personalization* Reward	Attitudes towards the advertisement	0.10	0.74
	Click-through intentions	0.39	0.53
Level of personalization*Website trust*Reward	Attitudes towards the advertisement	0.17	0.67
	Click-through intentions	0.11	0.73

Note: *Significant at $\alpha=.05$

Dependent variable measured on a 7-point Likert scale (1=strongly disagree-7=strongly agree)

4.2 Main effect of personalized advertisements on the dependent variable

The multivariate between subject design tests showed significant effects across the two levels of personalization on click-through intentions. The high level of personalization conditions showed a significant mean difference ($M=3.97$, $SD=1.99$) from the low level of personalization conditions ($M=4.42$, $SD=1.95$). Therefore, these results can be used to answer to the research question 1, concluding that people of the experiment are more willing to click-through on personalized advertisements but only when they are approached by advertisements using lower levels of personalization. Table 9 below shows the mean scores and standard deviation distribution of the independent variables.

4.3 Interaction of personalized advertisements on attitudes towards the advertisement

The results of the analysis showed that the mean scores of the high personalization conditions were not significantly different on attitude towards the advertisement ($M=3.83$, $SD=1.50$) than the low personalization conditions ($M=4.13$, $SD=1.47$). Furthermore, the study showed no two-way interaction between levels of personalization and attitudes towards the advertisements on the dependent variable. Hence, based on the results hypotheses 1 and 2 are not supported.

Table 9
Outcomes of the descriptive statistics from the MANOVA test

	<u>N</u>	<u>Level of personalization</u>	<u>Website Trust</u>	<u>Reward</u>	<u>M</u>	<u>SD</u>
Attitudes	110	Low personalization	Less trustworthy	No reward	4.20	1.41
		Low personalization	Less trustworthy	Reward	4.08	1.49
	100	Low personalization	More trustworthy	No reward	4.04	1.53
		Low personalization	More trustworthy	Reward	4.25	1.50
		High personalization	Less trustworthy	No reward	3.78	1.29
		High personalization	Less trustworthy	Reward	3.96	1.65
		High personalization	More trustworthy	No reward	3.71	1.38
Total	210	High personalization	More trustworthy	Reward	3.88	1.71
Click-through intentions	110	Low personalization	Less trustworthy	No reward	3.91	1.86
		Low personalization	Less trustworthy	Reward	5.20	1.57
	100	Low personalization	More trustworthy	No reward	3.69	1.97
		Low personalization	More trustworthy	Reward	4.95	2.02
		High personalization	Less trustworthy	No reward	3.77	1.72
		High personalization	Less trustworthy	Reward	4.91	2.15
		High personalization	More trustworthy	No reward	3.18	1.52
Total	210	High personalization	More trustworthy	Reward	3.93	2.15

4.4 Interaction of website trust on attitudes towards the advertisements

The study showed that there was no significant moderation effect of website trust ($F=0.02$, $p>0.05$) on attitudes towards the advertisement. (Table 8).

4.5 Interaction of reward on attitudes towards the advertisements

The MANOVA analysis showed that there was no significant moderation effect of reward on attitudes towards the advertisements ($F=0.25$, $p>0.05$). (Table 8).

4.6 Interaction of attitudes toward advertisements on click-through intentions

The study showed no three way interaction effects between level of personalization, website and reward on attitudes towards the advertisements. Moreover, highly personalized advertisement placed in a less trustworthy website offering a reward showed no significant mean difference ($M=3.96$, $SD=1.65$) from the low personalization condition ($M=4.08$, $SD=1.49$) on attitudes towards the advertisement. Furthermore, the mean differences between high personalization from a less trustworthy website offering a reward condition ($M=4.91$, $SD=2.15$) and the low personalization condition ($M=5.20$, $SD=1.57$) on the dependent variable (click-through intentions) were not significant. Therefore, hypothesis 3 and 4 are not supported. However, there is an interaction between website trust ($F=3.74$, $Sig.=0.05$) and the dependent variable as the outcome of the analysis showed that click-through intentions are always slightly higher for the less trustworthy website conditions.

Furthermore, the results from the multivariate between subject design test showed no significant difference between high personalization offering a reward ($M=3.91$) and in the absence of it ($M=3.75$) on attitudes towards the advertisement. However, there was a significant mean

difference on click-through intentions when the high personalization condition offers a reward ($F=17.69$, $Sig.=0.000$, $M=4.42$) compared to when there is no reward ($M=3.48$). Thus, hypothesis 5 is partially supported.

The outcomes of hypotheses tested in this research are summarized in Table 10 below.

	<u>Hypothesis</u>	<u>Outcome</u>
H1	People's attitudes towards advertisement will be more positive when they encounter highly personalized advertisement compared to when they encounter less personalized advertisement.	Not supported
H2	The effect of advertisement personalization on click-through intentions is mediated by attitudes towards the advertisement.	Not supported
H3	Attitudes will be more positive and click-throughs will be higher when people encounter highly personalized advertisement from a trustworthy website even in the absence of a reward.	Not supported
H4	Attitudes will be more positive and click-throughs will be higher when people encounter highly personalized advertisement from a less trustworthy website but offers them a tangible reward.	Not supported
H5	Attitude towards the advertisement will be more positive and click-through intention will be higher when people encounter highly personalized advertisement but only when a reward is offered compared to when there is no reward.	Partially supported

5. Discussion

The aim of this study was to experimentally investigate the effects of high and low levels of personalization, website trust, reward, and attitudes towards the advertisement on click-through intentions. The study investigated whether offering tangible incentives such as discounts would lead consumers to have more favorable attitudes towards highly personalized advertisements, increasing click-through intentions. First, it is essential to know that previous research in which this research based its hypotheses, had mostly investigated the effect of highly personalized advertisement on attitudes and click-through intentions but not in combination with a reward. Additionally, website trust and reward were investigated as possible moderators to understand whether more trustworthy website or less trustworthy website offering or not a reward would moderate the effect of the independent variable on the mediator (attitudes) and the dependent variable. The following section discusses the findings of this research and identifies the possible implications.

Based on previous studies on personalization (De Keyzer, Dens & De Pelsmacker 2015; White et al., 2007; Girona & Korgaonkar, 2018), this research hypothesized that highly personalized advertisement would lead to more click-through intentions. However, the results from this study did not provide substantial evidence that approaching consumers using high levels of personalization lead to more click-through intentions. The findings indicated that lower levels of personalization have a much greater effect on click-through intentions. This result affirms that consumers are more willing to click on the advertisement only when they are approached with lower levels of personalization. The result is in line with the findings of research conducted by Perez & Steinhart (2013) and Aguirre et al., (2015).

One possible reason for this result could be that highly personalized advertisement triggers consumers privacy concerns. Consumers have become more aware of personalization techniques that marketers are using online to increase click-throughs and they may perceive these attempts of persuasion as invasive. This finding is supported by the study conducted by Malheiros et al., (2012), the research examined the effectiveness and acceptability of rich-media personalized advertising and confirmed that internet users feel less comfortable when they encounter highly personalized advertisement and feel discomfort for not knowing how the organizations have obtained their information. Similarly, results obtained by Perez & Steinhart (2013), support this finding as they found that high levels of personalization strengthen privacy concerns, leading to reactance towards click-through intentions. Thus, participants may have been thinking about their general online privacy concerns when encountering highly personalized advertisement when they were asked to answer questions about their click-through intentions, especially those who were exposed to the highly personalized advertisement conditions without being offered a reward.

This study did not show a significant mediating effect of attitudes towards the advertisement on the relationship between high and low levels of personalization and click-through intentions. The results showed that attitudes towards the advertisement do not have an effect on click-through intentions and the different levels of personalization cannot predict attitudes. Nevertheless, the outcomes of the analysis showed that attitudes toward the advertisement almost scored a significant result on click-through intentions when participants were exposed to lower levels of personalization. However, the absence of a significant result on the expected effects of levels of personalization on attitudes towards the advertisement could be attributed to the informativeness of the advertisements presented. The current study showed advertisements without including any relevant information about the product that was being presented (i.e. characteristics, colors available, what make the product better than the previous versions). Thus, respondents may have not found it informative or helpful, even though a reward was being offered, their attitudes towards the advertisement did not change. Hassan et al., (2013) examined the determinants of consumer attitude towards social-networking sites and found that when consumers find the advertisement informative and perceive value from it they have more favorable attitudes towards the advertisement. This result is also in line with the results found by Ünal et al., (2011): when the advertisement is personalized and informative, consumers have better attitudes towards advertisement.

Moreover, this research found no three-way interaction effect between level of personalization, website trust and reward on attitudes towards the advertisement. No supporting results were found for the moderating effect of website trust and reward on the relationship between levels of personalization and attitudes towards the advertisement. Moreover, no other research has examined the antecedents of website trust, reward and levels of personalization combined. However, the outcomes of this study showed a direct effect of website trust and reward on the dependent variable (click-through intentions), where placing advertisement on a less trustworthy website showed to have a significant effect on click-through intentions even in the absence of a reward. A possible explanation for this different outcome is that this research recorded respondents from different cultures and backgrounds of which 19.9% of the respondents are from Guatemala. It is possible that respondents did not recognize the BBC website as the most trustworthy website, as they may not be familiarized with this website, making Facebook the most known and trusted website for these respondents. This finding is in line with the results found by Steenkamp & Geyskens (2006) in their research about how country characteristics effect the perceived value of websites as they found that perceived privacy and perceived security have a greater effect in individualistic countries than in collectivistic countries (i.e. Guatemala). Another possible explanation for this inconsistent result is that respondents' perception of personalization was confused with situational perceived personalization. It is possible that they answered the questions about click-through intentions based on their own perception of personalized

advertisement rather than personalization perceived from the scenario and the advertisement. Thus, leading participants to be more inclined to click on advertisements that are less personalized as they may perceived them as less intrusive.

Furthermore, reward showed to be statistically significant on click-through intentions. An explanation for this result could be that even when participants do not trust the website, obtaining an incentive makes them more interested in the advertisement as they can obtain immediate benefits from it. Thus, attitudes towards the advertisement do not need to be positive for participants to click-through on the advertisement, as they are more interested in immediate gratifications. This result is in line with research by O'Donoghue & Rabin (1999), who argued that people are impatient and want to get an immediate reward. They refer to this impatient attitude as present bias. Internet users' clicking on advertisements offering a reward in a less trusted website, could be explained by present bias, as those exposed to the reward conditions were only seeking for a tangible incentive. Moreover, the age of the respondents may also explain this result. 65.7% of the participants are in the age group between 18-29 years old from which 34.78% look for products online on a weekly basis. This might explain the present bias behavior, as young people are more likely to seek discounts and promotions of the products that they are interested in.

6. Theoretical implications

The results from this research shed some light on the theoretical implementation of advertisement personalization. This research fills the knowledge gap concerning personalization offering incentives in the online advertisement environment. Similar to other studies (i.e. Gironda & Korgaonkar, 2018; Aguirre et al., 2015; Perez & Steinhart, 2013; De Keyzer et al., 2015) this research analyzed the effect of two different levels of personalization and their effect on attitudes towards the advertisement and click-through intentions. Moreover, this research found that there is no significant difference between the two levels of personalization on attitudes and click-through intentions.

Furthermore, this research contributed to existing literature by measuring the moderation effect of website trust on personalization and attitudes towards the advertisement on click-through intentions. Researchers have introduced the concept of website trust to the marketing literature, to explain to what extent people are more willing to click on advertisement presented in different websites and leaving behind their privacy concerns (i.e. Wan & Li, 2004; Beldad et al., 2011). However, no previous study has investigated website trust, reward and levels of personalization in the context of personalized advertisement. Therefore, this study is the first to introduce the concept of reward and different levels of personalization in combination with website trust. However, this study did not find solid proof of the mediation effect of website trust and reward on attitudes towards the advertisement. Nonetheless, the results of this study provided significant evidence of

the importance of reward on click-through intentions. Thus, these findings could be used to further explore the effect of aggregating rewards to personalized advertisements, using different levels of personalization and techniques to tailor the advertisements. Moreover, websites trust was found to have an effect on click-through intentions, but only when the advertisement was placed on a less trusted website (Facebook) and with lower levels of personalization. Therefore, further research is needed to analyze in depth personalized advertisement on social media sites such as Facebook, especially because advertisement on social media is forced (sponsored) and further investigation about this topic could explain consumers inconsistent attitudes towards the advertisement and their click-through intentions, expanding previous research done by Cho, Lee & Tharp (2001).

6.1 Practical implications

This research also provides practical implications. The importance of online advertisement has grown very fast in the past decade, and this gives an unique opportunity to marketers to communicate with their customers. This research found that participants are more inclined to click on those ads that are less tailored. For this reason, it is important to consider which information is truly relevant for internet users to match their needs. Even if the website is considered trustworthy the advertisements should be less invasive and more informative. Furthermore, it was found that a way to increase click-throughs is adding rewards. It is necessary to understand that consumers are also looking for tangible benefits from which they can benefit. Thus, marketers should consider making appealing content for their customers and offering them something in return for being forced to advertisement exposure, specifically on social media websites.

7. Limitations and future research

Despite the contributions of this study to the marketing literature, specially to the research gap between personalized advertisement and online incentives, there are some limitations that should be discussed in this section. First, this research recorded information from participants from 45 different countries. Therefore, in future research, the participants recruited for the study should come from the same culture, as from culture to culture the perception of website trust changes, and the most common and trusted websites differ in each country. Furthermore, the pre-test recorded participants from Europe only and could have not been enough to ensure that the websites where the advertisements were placed were generally recognized by the population as the less or most trustworthy website.

Second, the manipulation of personalization was limited, as both low and high level of personalization contained information about past online browsing, whereas personalization can reach different dimensions of personalization. Gironda & Korgaonkar (2018) mentioned that marketers are able to customize advertisement accordingly to their target groups with the data they

have available such as name, buying behavior, demographics, location, lifestyle interests, user profiles, browsing and search history. Thus, for future research it should be considered to use different elements of personalization to truly customize the advertisement to match consumer needs.

Thirdly, this research investigated personalized advertisement without taking into consideration the strategies used by internet users to avoid advertisement such as ad blockers or deleting cookies. Hence, for future research this topic should be taken into consideration and it would be better to purely examine the effects of rewards and personalized advertisements on attitudes towards forced exposure to advertisements in social media (i.e Facebook, Instagram, Twitter). Furthermore, it would also be necessary to expand this research by taking into consideration other methods and strategies used by marketers to approach consumers when they have installed ad blockers (i.e. pages that force consumers to pause the ad blocker in order to show the information)

Lastly, the personalized advertisements only showed scenarios offering tangible incentives. Therefore, future research should explore the impact of tangible and intangible rewards on attitudes and click-through intentions. No other previous studies have investigated the effect of rewards on click-through intentions. This research investigated tangible rewards as moderator to attitudes towards advertising. However, there was no solid evidence that proved that rewards have a moderation effect on attitudes, but it proved to have a direct effect on click-through intentions. For this reason, future research should investigate in depth the difference between the two types of rewards to fully understand consumers' attitudes and click-through intentions.

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Appendices

Appendix A

Pre-test survey

Dear respondent,

Thank you for taking the time to complete this survey. This survey is a pre-test for a study about personalized advertising as part of my master's research at the University of Twente.

It is advised to conduct the survey on laptops or computers. It will take approximately 5 minutes to complete. Please answer the questions carefully.

This is an anonymous survey; all the information you provide is confidential and will only be used for this research.

If you have any questions or need other related information, please feel free to contact me (s.g.donisarriaza@student.utwente.nl).

Thank you for your participation!

Gabriela Donis

Do you agree to participate in this survey?

- Yes
- No

In the next page, a scenario which contains an imaginary internet activity is provided. Please imagine the scenario that is described on the next page. It is important that you feel as if the situation would really apply to you.

[Internet activity scenario]

[Advertisement]

Remember the scenario that you read before and answer the questions as if they apply to this specific situation.

Appendix B

Stimulus material for pre-test

Condition 1: No personalization

Imagine that next week one of your family members is graduating from college and you want to buy a gift for him. You know that after his studies he wants to go on vacation somewhere in South America. Therefore, you turn on your laptop and start browsing the internet checking for the best travel books. After a while, you find 5 different book that have caught your attention and you decide to ask one of your friend for her opinion. You send her the link to these books via Facebook. However, your friend suggest you to go to the local library as they have the same books for sale.

On the same day, you turn on your computer again and start browsing the internet and you see the following advertisement:



Live your best life
www.amazon.de
All new Fitbit Versa 2

Learn More

Condition 2: Low personalization

Imagine that next week one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, at a family reunion he mentioned that he wanted a smartwatch and that he was trying to save some money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as a graduation present. You read several blogs and articles on the internet and found that the best option within your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.

On the same night, you start browsing the internet and you see the following advertisement:


The image shows a Facebook-style sponsored advertisement for the Fitbit Versa 2. At the top left, there is the Amazon logo and the text "Amazon.com Sponsored". At the top right, there is a "Like Page" button. The main headline reads "Meet the new member of the Fitbit family." Below this is a large image of three Fitbit Versa 2 smartwatches in different colors (pink, white, and black). To the right of the watches, the text "fitbit versa 2" is displayed in a large font, with the tagline "live your best life" underneath. Below the image, there is a sub-headline "Discover the new Versa 2" and the text "There is a fit for every you." At the bottom left of the ad, the URL "WWW.AMAZON.DE" is shown. At the bottom right, there is a "Shop Now" button. Below the advertisement, there are engagement metrics: "20" likes, "562 Comments", and "311 Shares". At the very bottom, there are icons and labels for "Like", "Comment", and "Share".

Condition 3: High personalization

Imagine that next week one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, in a family reunion he mentioned that he wanted a smartwatch and he was trying to save some money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as graduation present. You read several blogs and articles on the internet and found that the best option for your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.

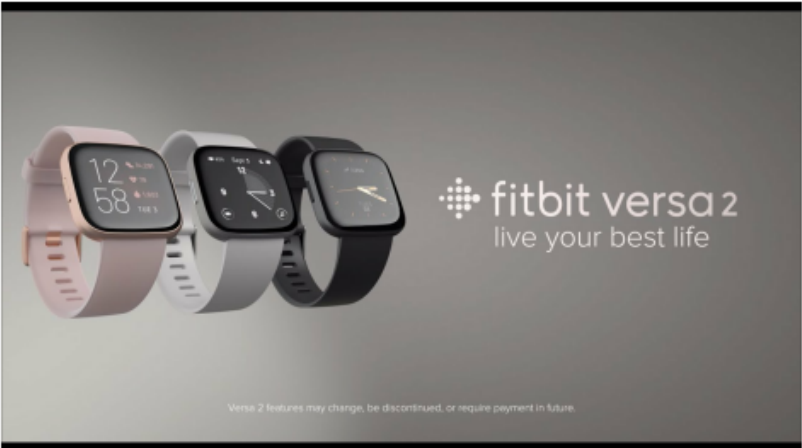
On the same night, you start browsing the internet and you see the following advertisement:



Amazon.com
Sponsored

 Like Page

New Fitbit Versa 2. The products you love are only a click away. Join the #fitfamily





fitbit versa 2
live your best life

Versa 2 features may change, be discontinued, or require payment in future.


Click. Shop. Save
Get 15% off only today


WWW.AMAZON.DE

Shop Now



20

562 Comments 12 Shares

 Like

 Comment

 Share

I support the advertisement because it plays an important part in my buying decision.

In general, I have a favorable attitude towards the advertisement.

Remember the scenario that you read before and answer the questions as if they apply to this specific situation

Q3: Please answer to what extent you disagree or agree with the statements below.

	Strongly Disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I am inclined to click on this advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The probability that I will click the advertisement is high.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have no problem clicking this advertisement.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q4: What information did the scenario contain?

- Searching information about smartwatches
- Searching information about gadgets
- Both mentioned above
- I do not remember anymore

Q5: Which brand did the advertisement contain?

- Fitbit
- Apple Watch
- I do not remember anymore

Remember the scenario that you read before and answer the questions as if they apply to this specific situation.

Q.9-A: Have you ever browsed BBC?

Yes

No

Q10-A: Please answer to what extent you disagree or agree with the statements below.

	Strongly Disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I think the BBC's website has a good reputation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think the BBC's website has good reputation compared with other rival websites.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think the BBC's website has good reputation for offering good services.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think the BBC's website has a reputation for being respectful to its visitors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q.9: Have you ever browsed Facebook?

Yes

No

Q10: Please answer to what extent you disagree or agree with the statements below.

	Strongly Disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I think Facebook's website has a good reputation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think Facebook's website has good reputation compared with other rival websites.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think Facebook's website has good reputation for offering good services.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think Facebook's website has a reputation for being respectful to its visitors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

In this section, all the personal information you provide is confidential and will only be used for this research.

Q11: Please indicate your gender:

- Male
 Female
 Prefer not to say

Q12: Please indicate your age:

Q13: Please indicate your level of education:

- Bachelor degree
 Pre-master
 Master degree
 Doctorate degree

Q14: Please indicate your nationality:

Q15: How often do you search for products online?

- Daily
 2-3 times per week
 Weekly
 Monthly
 Never

Appendix D

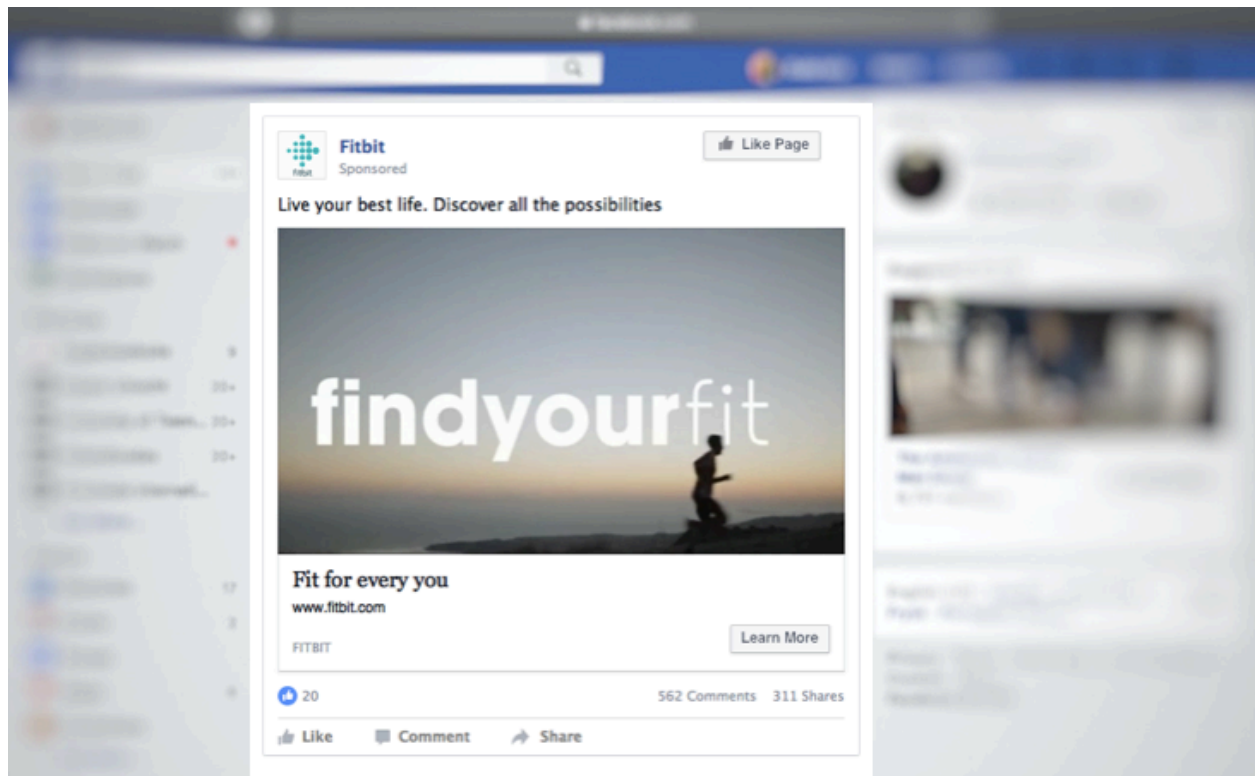
Stimulus materials main test

Condition 1: Low personalization - no reward x Facebook

Imagine that next week, one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, at a family reunion he mentioned that he wants a smartwatch and that he was trying to save money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as a graduation present. You read several blogs and articles on the internet and found that the best option within your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and the new Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.

On the same night, you start browsing the internet and you see the following advertisement:

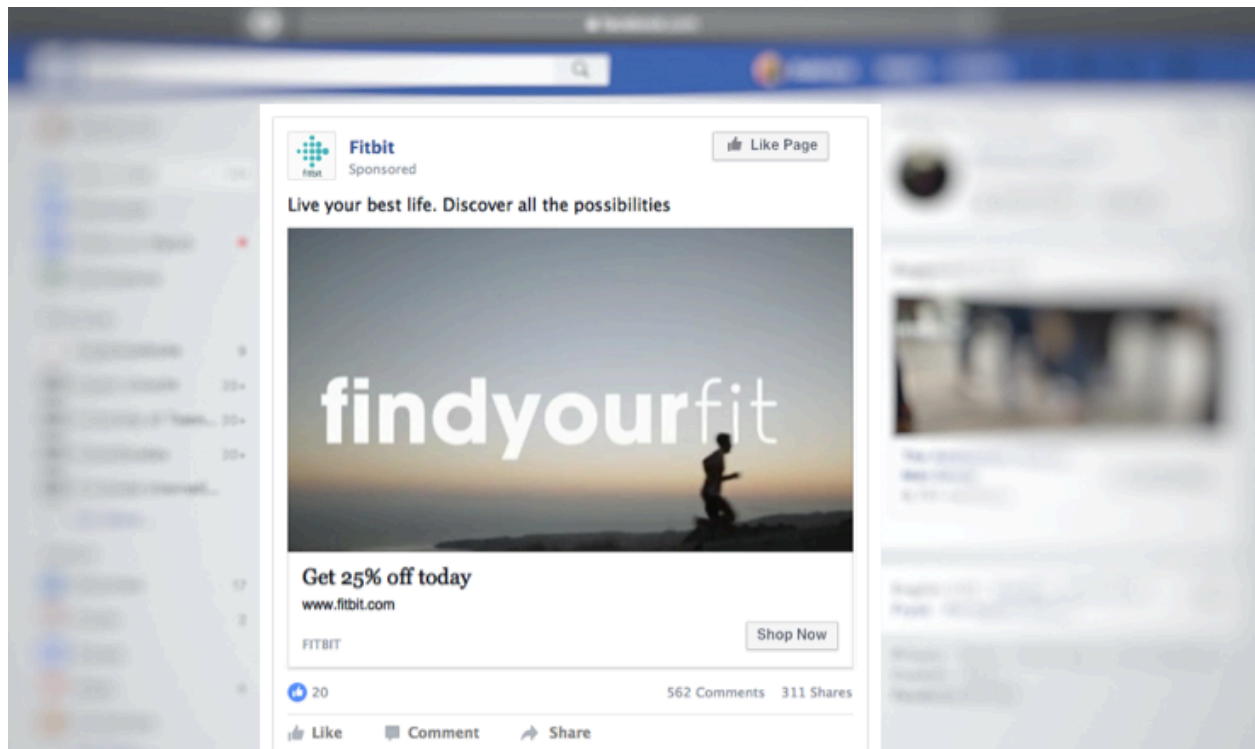


Condition 2: Low personalization + reward x Facebook

Imagine that next week, one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, at a family reunion he mentioned that he wants a smartwatch and that he was trying to save money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as a graduation present. You read several blogs and articles on the internet and found that the best option within your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and the new Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.

On the same night, you start browsing the internet and you see the following advertisement:



Condition 3: High personalization + reward x Facebook

Imagine that next week, one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, at a family reunion he mentioned that he wants a smartwatch and that he was trying to save money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as a graduation present. You read several blogs and articles on the internet and found that the best option within your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and the new Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.

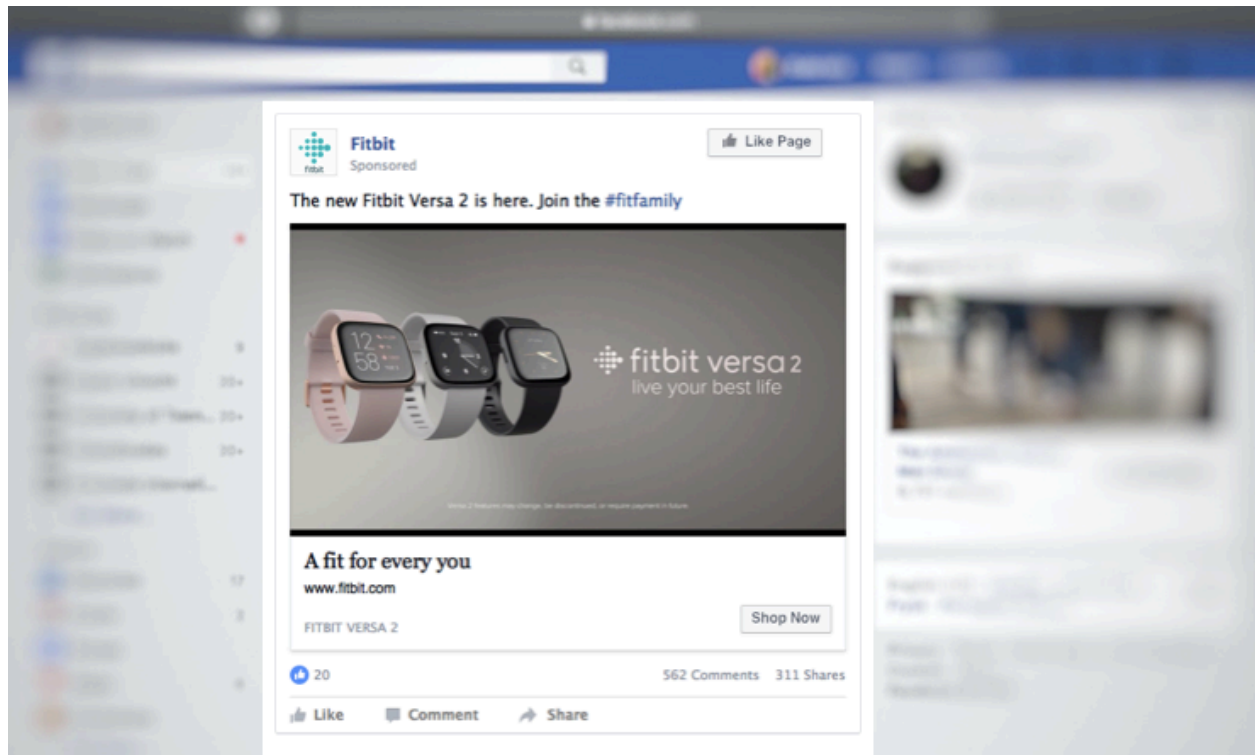
On the same night, you start browsing the internet and you see the following advertisement:

The image shows a Facebook advertisement for the Fitbit Versa 2. At the top left, there is the Fitbit logo and the word "Sponsored". To the right is a "Like Page" button. The main text reads "The new Fitbit Versa 2 is here. Join the #fitfamily". Below this is a large image of three Fitbit Versa 2 smartwatches in different colors (pink, white, and black) with the text "fitbit versa 2 live your best life". Underneath the image, it says "Get 25% off today Shop now and save" and "FITBIT VERSA 2". A "Shop Now" button is located at the bottom right of the ad. At the bottom of the ad, there are engagement metrics: "20" likes, "562 Comments", and "311 Shares". Below these are icons for "Like", "Comment", and "Share".

Condition 4: High personalization - no reward x Facebook

Imagine that next week, one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, at a family reunion he mentioned that he wants a smartwatch and that he was trying to save money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as a graduation present. You read several blogs and articles on the internet and found that the best option within your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and the new Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.



On the same night, you start browsing the internet and you see the following advertisement:

Condition 5: High personalization + reward x BBC

Imagine that next week, one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, at a family reunion he mentioned that he wants a smartwatch and that he was trying to save money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as a graduation present. You read several blogs and articles on the internet and found that the best option within your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and the new Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.

On the same night, you start browsing the internet and you see the following advertisement:

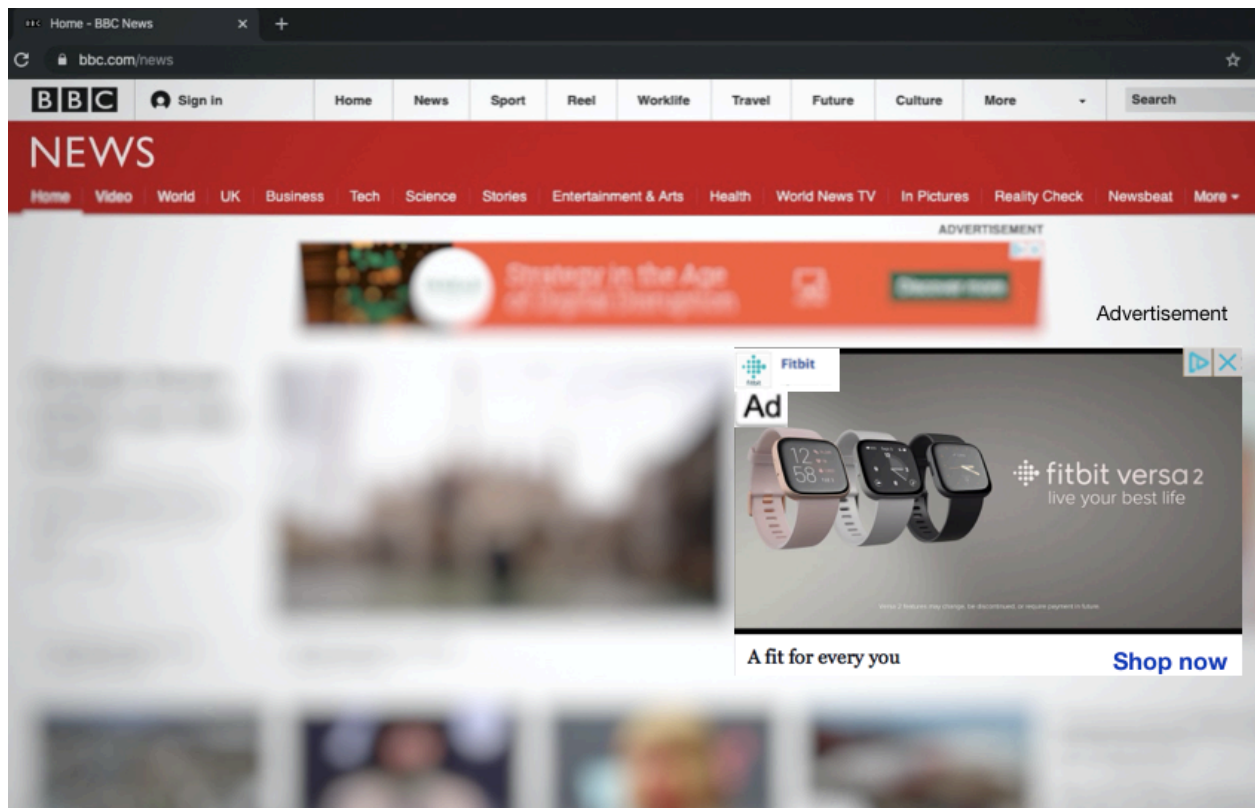
The image shows a screenshot of the BBC News website. The browser address bar displays 'bbc.com/news'. The website's navigation menu includes 'Home', 'News', 'Sport', 'Reel', 'Worklife', 'Travel', 'Future', 'Culture', and 'More'. Below the navigation, the word 'NEWS' is prominently displayed. A red banner at the top of the main content area contains the text 'Strategy in the Age of Digital Disruption'. Below this banner, there is a large advertisement for the Fitbit Versa 2 smartwatch. The ad features three smartwatches in different colors (pink, white, and black) and the text 'fitbit versa 2 live your best life'. Below the image, the ad offers a 'Get 25% off today' discount and includes a 'Shop now and save' button with the Fitbit logo and a 'Shop now' button.

Condition 6: High personalization - no reward x BBC

Imagine that next week, one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, at a family reunion he mentioned that he wants a smartwatch and that he was trying to save money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as a graduation present. You read several blogs and articles on the internet and found that the best option within your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and the new Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.

On the same night, you start browsing the internet and you see the following advertisement:



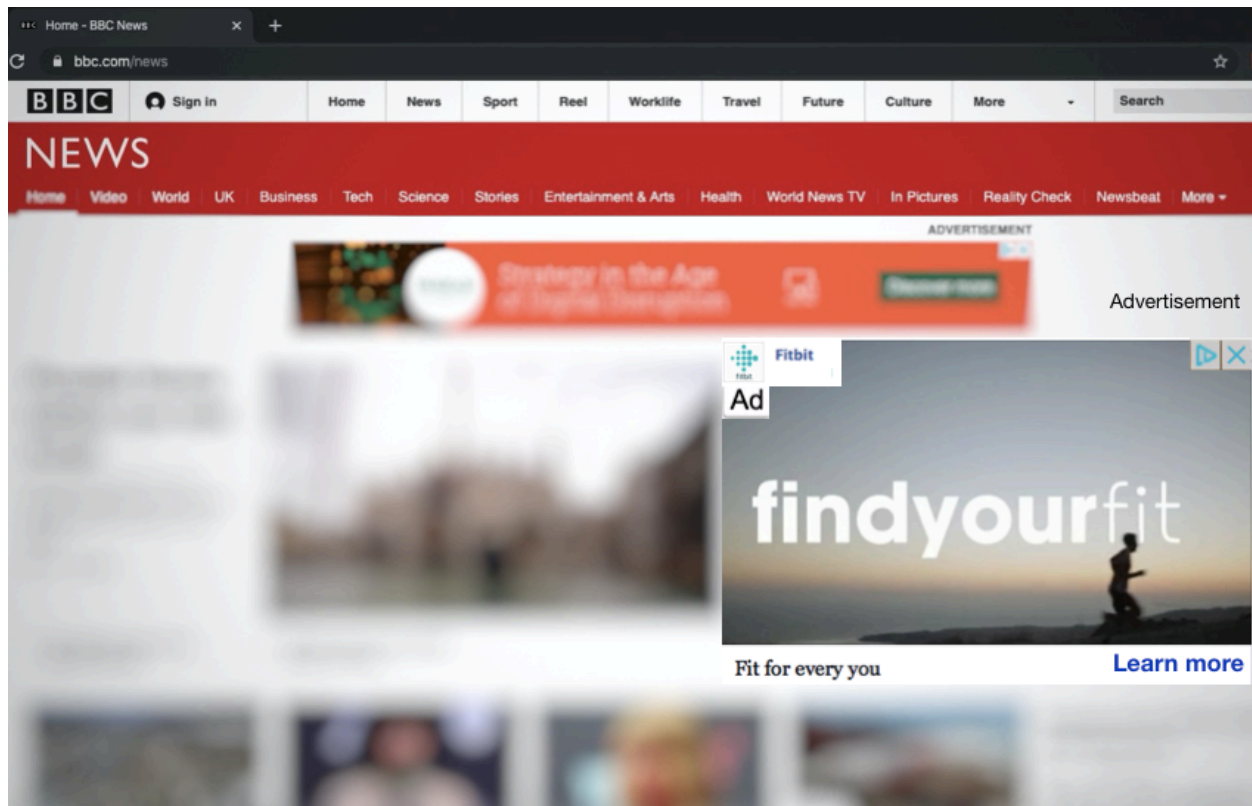
The image shows a screenshot of a web browser displaying the BBC News website. The browser's address bar shows "bbc.com/news". The website's navigation menu includes "Home", "News", "Sport", "Reel", "Worklife", "Travel", "Future", "Culture", and "More". Below the navigation menu, the word "NEWS" is prominently displayed. A red banner at the top of the main content area reads "ADVERTISMENT". Below this banner, there is a large advertisement for the Fitbit Versa 2 smartwatch. The advertisement features three smartwatches in different colors (pink, grey, and black) and the text "fitbit versa 2 live your best life". At the bottom of the advertisement, it says "A fit for every you" and "Shop now".

Condition 7: Low personalization - no reward x BBC

Imagine that next week, one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, at a family reunion he mentioned that he wants a smartwatch and that he was trying to save money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as a graduation present. You read several blogs and articles on the internet and found that the best option within your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and the new Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.

On the same night, you start browsing the internet and you see the following advertisement:

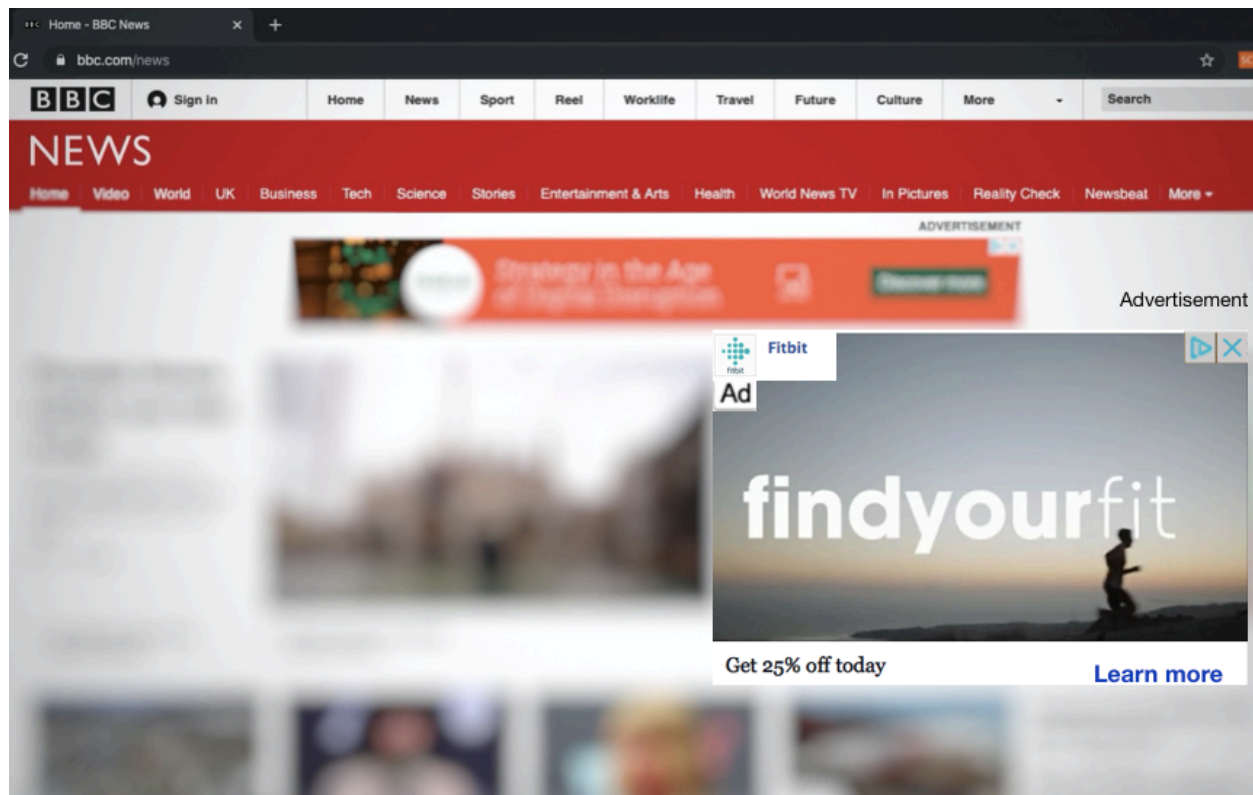


Condition 8: High personalization + reward x BBC

Imagine that next week, one of your family members is graduating from college and you want to buy a gift for him. You know that he loves technology and gadgets. Recently, at a family reunion he mentioned that he wants a smartwatch and that he was trying to save money to buy one. Therefore, you talked with the rest of the family and decided to buy him a smartwatch as a graduation present. You read several blogs and articles on the internet and found that the best option within your budget is Fitbit.

You start looking on different online stores for Fitbit, but there are different models to choose from. Finally, you come to the conclusion that the best options for your family member are between Fitbit Charge 3 and the new Fitbit Versa 2. Thus, you start reading reviews about the pros and cons of both products. However, you want to discuss this with your family and go to the store to see the products in real life before making any decision.

On the same night, you start browsing the internet and you see the following advertisement:



The image shows a screenshot of a web browser displaying the BBC News website. The browser's address bar shows "bbc.com/news". The website's navigation menu includes "Home", "News", "Sport", "Reel", "Worklife", "Travel", "Future", "Culture", and "More". Below the navigation menu, the word "NEWS" is prominently displayed. A red banner at the top of the main content area reads "ADVERTISMENT". The advertisement itself features the Fitbit logo in the top left corner, the text "findyourfit" in large white letters, and a silhouette of a person running against a sunset background. Below the main text, it says "Get 25% off today" and "Learn more".

Appendix E
Overview of items to measure constructs

Construct	Item	Source
Attitudes towards advertisement	I consider advertising is useful as it promotes the latest products I refer to advertising because it allows me to enjoy the best deals I support advertising because it plays an important part in my buying decision My general opinion of advertising is favorable	Lee, Loo, Peng, Xian (2014)
Click-through intentions	I am inclined to click on this advertisement The probability of me clicking on this advertisement is high I have no problem clicking on this advertisement	Zhao (2019)
Perceived personalization	I think this advertisement is tailored specifically for me The advertisement takes into account my current situation I recognize my own needs in the information provided by the advertisement This advertisement contains my personal situation	Zhao (2019)
Attitudes towards Fitbit	I see Fitbit as a good brand I see Fitbit as a positive brand I regard Fitbit as a satisfying brand	de Keyzer et al. (2015)
Fitbit Trust	I trust Fitbit I think Fitbit is a safe brand Fitbit is an honest brand I can rely on Fitbit products	Chaudhuri & Holbrook (2001)
Website trust	I think the BBC/Facebook's website has a good reputation I think the BBC/Facebook's website has good reputation compared with other rival websites I think the BBC/Facebook's website has a good reputation for offering good services I think the BBC/Facebook's website has a reputation for being respectful to its visitors	Li (2014)
General attitudes towards personalized advertisement	I like the idea of personalized advertisement Viewing personalized advertisement is a good idea Viewing personalized advertisement is a wise idea	Gaber, Wright & Kooli (2018)

Appendix F
Outcomes of the validity analysis

<i>Outcomes of the validity analysis</i>				
<u>Item</u>	<u>Attitudes towards advertisement</u>	<u>Click-through intentions</u>	<u>Perceived personalization</u>	<u>Website trust</u>
I consider advertising is useful as it promotes the latest products	.642			
I refer to advertising because it allows me to enjoy the best deals	.740			
I support advertising because it plays an important part in my buying decision	.807			
My general opinion of advertising is favorable	.655			
I am inclined to click on this advertisement		.936		
The probability of me clicking on this advertisement is high		.886		
I have no problem clicking on this advertisement		.870		
I think this advertisement is tailored specifically, for me			.756	
The advertisement takes into account my current situation			.571	
I recognize my own needs in the information provided by the advertisement			.705	
This advertisement contains my personal situation			.748	
I think the BBC/Facebook's website has a good reputation				.914
I think the BBC/Facebook's website has good reputation compared with other rival websites				.842
I think the BBC/Facebook's website has a good reputation for offering good services				.852
I think the BBC/Facebook's website has a reputation for being respectful to its visitors				.840