

Online Behavioral Advertising Avoidance in Online Retailing in Sri Lanka: Through the Mediating Role of Ad Skepticism

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In this era, information technology plays a major role in every organization. Besides, those organizations are engaging with online behavioral advertisements (OBA) to promote their businesses. Thus, many users spontaneously neglect those kinds of behavioral advertisements. This study mainly focused to reveal the factors which involve in creating an impact on OBA in the field of online retailing in Sri Lanka. For this research, the data were collected among 430 participants who were getting benefits from the online platforms for their day to day purposes. The convenient sampling method had been used for the study while quantitative methods such as correlation and regression were used for analyzing purposes. In this study, Ad skepticism was used as the moderate variable while privacy concern and perceived personalization were used as the dependent variable. In addition to that advertising avoidance considered as the independent variable. when clarifying among the influencing factors, there was a significant impact of ad skepticism on OBA avoidance. Positive impact occurred privacy concern towards ad skepticism. Other than that, related to the perceived personalization there was a significant negative impact on ad skepticism in this study. When considering the researches according to the Sri Lankan context, OBA is a kind of uninvestigated field comparing with other areas. As well this study also benefits both consumers and the handlers of the online retailing industry, in order to come up with more significant decisions that effect to that field.

Key Words: *Online Behavioral Advertising, Online Retailing, Privacy Concern, Ad Skepticism, Goal Impediment*

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Introduction

Due to the advanced modifications of technology, it permits advertisers to move to modern techniques in order to acquire the target market more effectively. Mainly, in the e-commerce industry where the buying and selling transactions are doing through the computer networks. There're specific ways to deliver the advertisements' behalf of using the traditional advertising methods. Nowadays most of the advertisers shift towards new personalized advertising methods to deliver the message to the individuals in a convenient manner. Online behavioral advertising is a form of target advertising which mostly used by online retailers to customize the user's preference in order to decide which advertisements to display (Leon et al., 2012). OBA obtaining this advantage by using a small file called cookie which assists to track user's personal information to visualize more user flavored ad content (Jai, Burns, & King, 2013). Therefore, online retailing companies are rapidly using these sophisticated online tracking technologies to deliver more relevant ads by tracking user's browsing history, purchasing history and searching history to attract more potential online purchasers (Kelly, Kerr, & Drennan, 2010). Related to the global context, these kinds of advertisements are more lucratively used by online retailers namely Amazon, eBay, Stitch fix, Henrys, etc. (Akinwumi, 2018; Cambra, 2018).

However, so far OBA is beneficial to the users in online retailing purposes, based on specific factors people tend to avoid these kinds of advertisements (Munir, Rana, & Tariq Bhatti, 2017). In general, within the online retailing industry, when exploiting the association between buyer and seller, one of the most requiring aspects is the trustworthiness. Therefore, among the reasons, "ad skepticism" can be defined as the most influencing cause in order to avoid OBA (Raziq et al., 2007). Due to the enhancement of the distrust, consumers are recognizing advertisers' certain actions related to OBA and it always encourages them to keep away from those kinds of advertisements (Baek & Morimoto, 2012). Other than that, OBA avoidance can be done due to the perceived personalization. When the revealing information was not suited to the preferences of the customers, enhancement of the ad rejection occurs towards the OBA (Sanje & Senol, 2012). Therefore, Marketers should always create online advertisements according to the characteristics of the users in order to minimize ad avoidance (Li & Huang, 2016).

For further clarifications, this study is different when comparing with the existing studies because in the Sri Lankan context there're few studies have done on OBA avoidance but there're no significant study has completed based on OBA avoidance online retailing. The reasons behind the online advertising avoidance related to the factors are unclear and unknown. Thus, this study is aimed to find out the factors which create impact directly and indirectly towards the OBA avoidance in online retailing within the boundaries of Sri Lanka.

Literature Review

Online behavioral advertising in online retailing

With the growth of technological advancement related to the e-commerce industry, people tend to do their online purchases more convenient way in the online platforms (Jai et al., 2013). In 2018, 1.8 billion people do their purchases through online platforms and 2.8 trillion online sales growth has obtained in that year (Clement, 2019). Other than that, online retailers held their transactions with their consumers connected to the virtual world and when comparing with manual purchasing (Sanje & Senol, 2012). According to Sanje and Senol (2012), in order to enhance the sales and to attract customers, online retailers use different

kinds of techniques and online behavioral advertising is the most beneficial trend which has a huge influence. Moreover, online behavior advertising (OBA) can be mentioned as, an activity that tracks user's personal online behavior in order to create most suitable advertisements based on users' preferences (Leon et al., 2012). However, OBA offer benefits, it tends to avoid by the individuals because of some reasons such as privacy concern, goal impediment, perceived personalization, ad skepticism and negative experience (Bang & Wojdyski, 2016). Among those factors, ad skepticism can be mentioned as highest influencing factor which leads to advertising avoidance (Raziq et al., 2007).

OBA Avoidance

Advertising avoidance can be defined as "all actions by media users that differentially reduce their exposure to ad content" (Speck & Elliott, 1997). According to the above causes, advertising avoidance can be categorized into three main types such as cognitive, affective and behavioral avoidance (Li & Huang, 2016). Moreover, Hossain (2018) mentioned that users' beliefs are based on cognitive avoidance, effective avoidance always shifts with the emotional aspects and behavioral avoidance enhancing due to the users' negative actions. Based on the prior studies there's avoidance in the traditional media as well as in online platforms (Li & Huang, 2016). But, due the technological advancements, there're specific methods, namely adblocking software and remotes are used to reject online ads more conveniently and easily (Munir et al., 2017). The above differed three categories of avoidance of the advertisements are applicable to OBA avoidance as well. When the belief of the user about the online ads was destroyed ten to cognitive ad avoidance (Ajzen, 1991). Besides, if the negative belief connected with the OBA represents cognitive avoidance in the online context (as an example intentional ignoring of the ads) (Cho & John Cheon, 2004). Further, some other individuals' emotions can be affected to reject the advertisements which displaying on the screen (Alwitt & Prabhaker, 1994). As above referred their dimensions cognitive, affective and behavioral avoidance will be deliberate through this study by linking it to the OBA avoidance in online retailing in Sri Lanka.

Privacy Concern

Privacy concern also provides a greater impact on online platforms when compared with traditional media. When considering Baek and Morimoto (2012) point of view, privacy concern is the "degree to which a consumer is worried about the potential invasion of the right to prevent the disclosure of personal information to others". In the online retailing context, occur three major primary obstacles namely, (i) recognition of users when they are online, (ii) enhancement of unwanted marketing connections towards the users and (iii) entry for the data of the users by the unknown third parties which has fewer relationship with the consumers (Miyazaki & Fernandez, 2000). In order to overcome these kinds of privacy issues, there's a solution called "trusted ad" concept which benefited to secure form unspecified tracking information (Oger, Olmez, Inci, Küçükbay, & Emekci, 2015). Further, when there's high privacy concern occur, it led to disbelief or ad skepticism towards the online advertisements and there are a positive relationship in-between Ad skepticism and the privacy concern (Baek & Morimoto, 2012). According to the above-examined details, the study had revealed the impact of privacy concern toward Ad skepticism in online retailing in Sri Lanka.

H1: There's a significant impact of privacy concern toward ad skepticism in online retailing in Sri Lanka.

Perceived Personalization

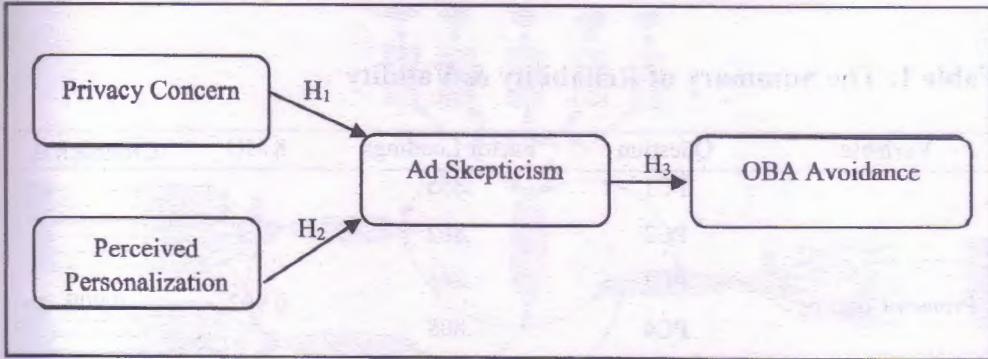
Perceived personalization is known as, users identifying that the certain thing is personalized their taste and preferences which related to the interest (Li & Huang, 2016). When it comes to the digital world, perceived personalization has a huge favorability and offers the idea to the users which develop the advantage for online retailers to create the message relate to the band name of them more personally (Munir et al., 2017). In a simple way, the major target of this concept is offering the most matching and preferable ad to the most accurate user by targeting the correct time in the online platforms (Bang & Wojdyski, 2016). That's defined as web-based personalization (Li & Huang, 2016). Personalized advertising deemed as a rising star in the new digital marketing world which hugely can be visualized in the platforms in social media (Girona & Korgaonkar, 2018). Further, Baek and Morimoto (2012) said that, if these kinds of online advertisements are revealing information truthfully, users tend to avoid due to the lack of beliefs toward the online advertisements, and it creates negative relationship with Ad skepticism and Perceived personalization. Considering above information, this study is mainly conducted to explore the impact of perceived personalization towards ad skepticism in online retailing Sri Lanka.

H2: There's a significant impact of perceived personalization towards-ad skepticism in online retailing in Sri Lanka.

Ad skepticism towards OBA avoidance

As mentioned by Bae (2018), Ad skepticism is a "general tendency to distrust the informational claims of the advertising". When considering the types of ad skepticism, there're three categories namely General ad skepticism, Social ad skepticism and International ad skepticism (Khuhro, Khan, Humayon, & Salam Khuhro, 2017). In the online context, when visualizing these ads, it tends to develop some disbelief towards the advertisements due to the identification of certain activities of the online retailers by the customers (Baek & Morimoto, 2012). According to Ju (2007), By looking at high skeptical users tend to disbelieve the advertisements and less skeptical consumers are more prefer to trust the ads related to the OBA in the online context (Obermiller & Spangenberg, 1998). In addition to that, when mentioning the ad skepticism and OBA avoidance, there's a positive relationship towards ad avoidance, because high skeptical users evaluate ads more negatively than the fewer spectacle users (Baek & Morimoto, 2012). By looking at the above-clarified information, the study explored the impact of ad skepticism and OBA avoidance which related to the Sri Lankan context. Thus, the study aimed to follow the below hypothesis.

H3: There's a significant impact of Ad skepticism towards OBA avoidance in online retailing in Sri Lanka.



Source: Based on (Baek & Morimoto, 2012) and (Khuhro et al., 2017)

Fig 1: Conceptual Framework

Methodology

Due to the unavailability of the sampling framework, this study used convenience sampling methods under non-random sampling. For further clarification, the study used a deductive approach and as the participants, males and females who are frequently using online platforms for their day to day purposes in western province Sri Lanka were used to get the correct data. Other than that, qualitative data were collected by using a questionnaire and it's distributed among 430 participants, meanwhile 330 were distributed online and 100 distributed manually. The data collection was done by focusing the Sinhala and Tamil New Year season which starts from 1st of April to 31st of May. When designing the questionnaire, it consists of demographic factors such as Age, Gender, Social status, and usage. Moreover, the study has used 5-point Likert scale (1= Strongly agree to 5= Strongly disagree) in order to discover and measure the factors which affect OBA avoidance. Further for analysis, correlation and regression analysis were carried out to obtain a successful outcome.

Finding and Discussion

The survey was distributed among 430 participants who were located within the western province in Sri Lanka. when considering the deployment of the sample, the following demographical results can be illustrated. When looking into the gender, the highest percentage goes to the male by 60.1% and females represent 39.9% out of 100 percent when considering the age category, 62.1% falls to the category of 18 -30 years old. furthermore, when determining status of the sample, the greater part could consider as employed because they stand for about 39.4%. thus, most of them are engaging with the online retailing to accomplish their day to day consumption, hence it takes 31.2% out of 100.

Table 1: The Summary of Reliability & Validity

Variable	Question	Factor Loadings	KMO	Cronbach α
Privacy Concern	PC1	.855	0.902	0.909
	PC2	.862		
	PC3	.846		
	PC4	.808		
	PC5	.783		
	PC6	.820		
Perceived Personalization	PP1	.879	0.914	0.944
	PP2	.905		
	PP3	.895		
	PP4	.886		
	PP5	.875		
	PP6	.866		
Ad Skepticism	AS2	.909	0.902	0.943
	AS3	.885		
	AS4	.903		
	AS5	.895		
	AS6	.904		
	OBA Avoidance	A1		
A2		.898		
A3		.875		
A4		.889		
A5		.904		
A6		.889		

Before conducting further analysis, the validity and reliability of the data set should be taking place. Above mentioned Table 1 signify the factor loadings, KMO and Cronbach alpha values of each and every variable. Thus, all factors are taken factor loading above 0.7 hence it represents the valid contribution of all factors towards its variable. In addition to that, all variables reach higher KMO value while getting the required margin of Cronbach alpha values to indicates the validity of the data set.

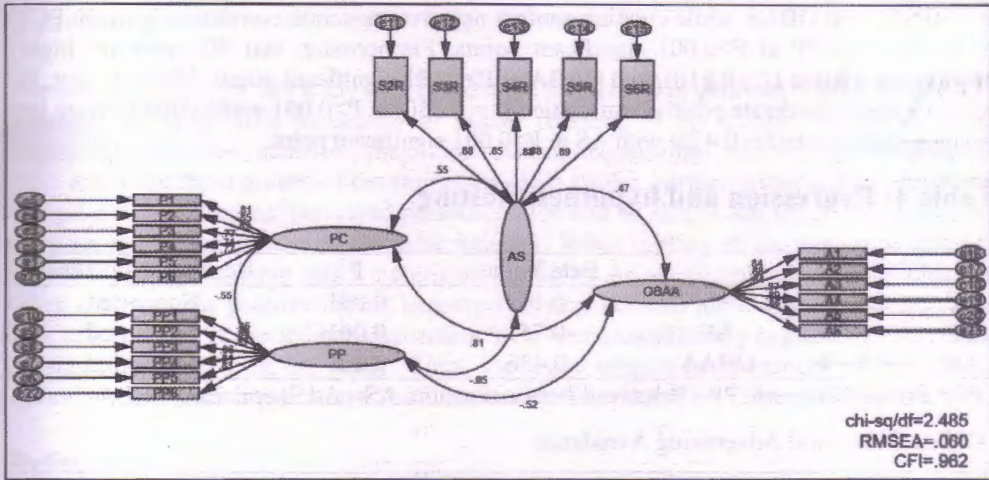


Fig 2: Structural Equation Model

Above illustrate Fig 2, which represents the structural equation model of this study. PC and PP indicate as the independent variables while AS represents the moderate variable. And OBAA configuring as a dependent variable.

Table 2: SEM Fitting Index

Index of fit	Chi-sq/df	RMSEA	CFI
Values	2.485	0.060	0.962

Model fit indexes represented in Table 2 by using three fitness indexes. Chi-sq/df takes part in the parsimonious fit, and it takes 2.485. And under the absolute fit index, RMSEA was the factor that this study uses to arrange its fitness, hence it got 0.060 as a perfect value within the margin. As a final index, the incremental fit index takes apart by getting CFI, and it also scores 0.962.

Table 3: Correlation between variables.

		r value	P – value
PP	↔ OBAA	-0.517	0.001
PP	↔ AS	-0.845	0.001
PC	↔ PP	-0.551	0.001
PC	↔ OBAA	0.810	0.001
PC	↔ AS	0.550	0.001
OBAA	↔ AS	0.472	0.001

PC= Privacy Concern, PP= Perceived Personalization, AS= Ad Skepticism, OBAA= Online Behavioral Advertising Avoidance

Above illustrate Table 3, signify the coefficient correlation between independent, moderate and dependent variables. It shows a highly negative correlation between PP (r = -0.845) with AS at P>0.001 significant points. And there was a negative moderate correlation between PP

($r = -0.517$) and OBAA while creating another negative moderate correlation between PC ($r = -0.551$) with PP at $P > 0.001$ significant points. Furthermore, that PC generates highly positive correlation ($r = 0.810$) with OBBA at $P > 0.001$ significant points. Not only that, PC with AS create moderate positive correlation ($r = 0.550$) at $P > 0.001$ while OBBA create low positive correlation ($r = 0.472$) with AS at $P > 0.001$ significant point.

Table 4: Regression and hypothesis testing.

			Beta Value	P	Result of Hypothesis
PC	→	AS	0.202	0.001	Supported
PP	→	AS	-0.751	0.001	Supported
AS	→	OBAA	0.436	0.001	Supported

PC= Privacy Concern, PP= Perceived Personalization, AS= Ad Skepticism, OBBA= Online Behavioral Advertising Avoidance

Table 4, represents the regression paths and hypothesis testing according to this study's objectives. The first objective mainly emphasis the impact of privacy concerns (PC) towards Ad Skepticism (AS). When it comes to online platforms, most of the users worry about their privacy due to many reasons. Then disbelieve of ads arise because of these privacy issues. As mentioned by Baek and Morimoto (2012), that privacy concerns directly impact the ad skepticism in online platforms. Hence taking Sri Lanka as a geographical framework, this study found that there is a positive significant impact ($\beta = 0.202$) create PC to AS at $P > 0.001$. When PC increases that AS increase by 20 percent hence accompanying the first hypothesis (H1: there is a significant impact of privacy concern towards Ad skepticism).

The initial idea of the second objective was to identify the impact of perceived personalization (PP) towards Ad Skepticism (AS). Ads that come with the personalized interface have created a more customer-friendly situation. Because most customers tend to believe those kinds of ads. And most past researchers found there is an impact of perceived personalization towards the Ad skepticism in online platforms (Baek & Morimoto, 2012). Thus, in the Sri Lankan context, most of users would like to be a unique customer, that clearly displays from the negative impact of PP towards AS ($\beta = -0.751$) at $P > 0.001$. Ad skepticism (disbelieve of ads) goes down by 75 percent while personalization of ads increases, hence supporting the second hypothesis (H2: there is a significant impact of privacy concern towards Ad skepticism).

The third objective mainly demonstrates the impact of Ad Skepticism (AS) towards Online Behavioral Advertising Avoidance (OBAA). Ad skepticism plays a moderate role between other influencing factors and OBA avoidance. In any context, disbelieve of ads directly forces ad avoidance, either in online or traditional platforms. as well when taking past researches which has similar idea about the advertising avoidance, most of them confirm that Ad Skepticism was created an impact towards OBA Avoidance (Baek & Morimoto, 2012; Khuhro et al., 2017; Munir et al., 2017; Obermiller & Spangenberg, 1998; Tran, 2017). When excepting another context on Sri Lanka, there also have a direct significant impact of Ad Skepticism towards OBA avoidance ($\beta = 0.436$) at $P > 0.001$. hence it accompanying the third hypothesis of the study (H2: there is a significant impact of Ad skepticism towards OBA avoidance).

Conclusion

The major objective of this study is to find out the factors which generate impact directly and indirectly towards OBA avoidance in online retailing in Sri Lanka. Moreover, when comparing with other industries, the online retailing industry has more connection with the OBA due to the rapid growth of developments of Sri Lanka. Further, as the factors, this study has got privacy concerns, perceived personalization and ad skepticism which recognized by the prior researchers related to the same industry. When moving to the numerical findings related to this study, there was a significant impact of Ad skepticism and OBA avoidance. Other than that, the positive impact happened privacy concern towards ad skepticism. And also, related to the perceived personalization there was a significantly negative impact on the ad skepticism based on the study. Thus, the more precise performances of the above-mentioned areas direct to customer fulfillment and contentment for OBA in online retailing.

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