

The Attitude toward The Programmatic Advertising on Click-Through Intention

Meidy Nurindah Hasri¹, Noemi Silva², Yosef Budi Susanto³, P. M. Winarno⁴

{meidynh96@gmail.com¹, nb_silva@yahoo.com², bsusanto@umn.ac.id³, pmwinarno@umn.ac.id⁴}

Universitas Multimedia Nusantara^{1,3,4}, Notre Dame University²

Abstract. A new system called programmatic advertising has had a very high adoption rate. The problem is the lack of advertisers' education about programmatic advertising. The majority of those are due to retargeting or acquisition. Retargeting is an output from processing user personal data. This study was conducted on 110 respondents using simple random sampling that used a quantitative approach and SEM-PLS data analysis. This study explains 55,4% of the variance on click through intention. The result of modelling and hypothesis test is discovering the variables that perform the most to increase the attitude and intention of user through personalized advertising. The conclusion is advertiser most likely consider the attitude variable towards click through intention. The second highest level of importance is the intrusive variable on attitude. The third highest importance value is indirect surprise to click through intention through attitude. And the forth is surprise to personalization perception.

Keywords: programmatic advertising, personalised advertising, click through intention, personalization.

1 Introduction

Programmatic advertising is a digital advertising ecosystem that has a more automated system compared to non-programmed or traditional digital advertising. Programmatic advertising continues to grow until now and shows its popularity with the most ad spend. In the US and China, programmatic advertising is the largest percentage of advertising spending in the world. Indonesia is in the top 18 countries with a fast growth program. In 2019 and 2020, Indonesia is the country with the number 1 fastest growth program among 17 other countries [1]

However, most advertisers struggle with their understanding of programmatic advertising and are therefore hesitant about adopting it. Other biggest problems are advertisers' fear of ad fraud, complex systems, and a lack of understanding of the benefits of programmatic advertising itself. Among these problems, advertisers in adopting programmatic advertising have the biggest marketing goals on the acquisition / retargeting side [2]. It is stated that 90% of advertisers use data to target their advertisements [3]. This indicates that serving relevant or personalized advertisements is very important for advertisers, which of course can be supported because of the ease of programmatic technology. Personal data regarding shopping habits is the data most approved by internet users to access at least 45% [4]. So this is a consideration for companies to

think about consumer privacy data along with personal ad targeting. This consideration has been increasingly recognized by many companies in the last 2 years [5]. But can using personal targeting in programmatic advertising increase conversions in every ad? In fact, even though consumers feel that personal targeting in advertisements helps them, their desire to make clicks is very small compared to accidental clicks [6]

2 Literature Review

2.1 Theoretical foundation and Research framework

Consumer behaviour and marketing strategy theory will be used as the theoretical foundation of this study. A marketer also talks about consumer behavior in terms of marketing a brand with the aim of a marketing strategy being carried out. along with the increasingly widespread use of the internet, it influences in encouraging online transactions to expand and is used as a forum for one of the promotional mixes, namely advertising media for marketed products [7]. Advertisers will place their ads on potential publishers that have a lot of visitors in accordance with what has been strategic [12] . This is how they make a strategy. In general, this consumer analysis has a framework consisting of three elements, namely affective and cognitive, environment, and consumer behavior. The third element is used to understand and analyze consumer behavior that can be applied in a marketing strategy [9]. Affective and cognitive are talking about the feelings of a consumer and how they design a marketing based on the results they feel. In Plutchick's theory of emotion wheel, surprise is one of the 8 main emotional parts. Surprise is an emotion that is between distraction and amazement and the opposite of the emotion of anticipation [10]. The most obvious type of promotion is advertising. This promotion strategies affect consumers' affective and cognitive responses and their overt behaviors. Consumer behavior affects a consumer's intention to act more like a decision to buy which has always been the main goal in marketing a product.

In the research of [11], discussing the conditions of programmatic type advertisements that have a supportive system in advertising personalization. This research was conducted in the UK. The variables raised are emotion, perception, concern, attitude, and click through intention. The conclusion is that emotion (surprise) has a positive effect on perceptual values (timeliness, personalization, & relevance) but concerns about privacy and intrusiveness have a negative effect on attitudes towards male gender. So that for female gender, surprise has a positive effect on click-through intention.

If the previous research is related to the theoretical basis that has been described, emotion which is an affective is examined and uses an emotion called surprise which is one of the 8 main emotions[10]. Surprise is used because it has an unexpected meaning which corresponds to the case of personal advertising in programmatic advertising. Personalization perception, privacy concern, and intrusive concern are real forms of cognitive perception. Affective and cognitive influence an attitude and intention which in this study is attitude toward advertising and click through intention as a consumer behaviour. Advertising as the environment affects those other two aspects as the theory stated. Interconnection between affective cognitive, environment, and

behaviour to create solution of communication process in marketing strategy. The advertising as one of the promotion types has a big role on this research particularly as a digital advertising [9]

We suggest our research methodology in Figure 1 based on customer behavior and marketing strategy as well as previous studies with adoption. This research includes six variables: surprise, personalization experience, privacy concern, invasive concern, attitude toward ads, and intention to click through.

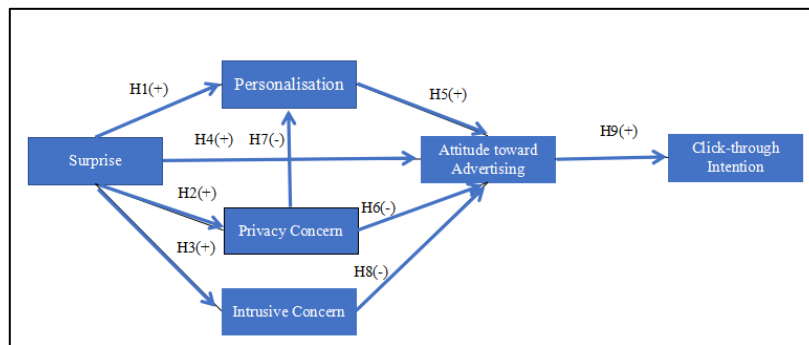


Fig. 1. Research Framework

2.2 Hypothesis development

We suggest nine hypotheses based on theoretical foundations, review relevant literature, and discuss some of the points raised above. The following is the nine hypothesis: *H1: Surprising ads have a positive effect on their perception of personalized advertising; H2: A surprising ad has a positive effect on privacy concern; H3: Ads that are surprising have a positive effect on intrusive concerns; H4: Surprising ads have a positive effect on their attitude; H5: Perception of personalized advertising has a positive effect on their attitude; H6: Privacy concern has a negative effect on their attitude; H7: Privacy concern has a negative effect on their attitude with the perception of personalized advertising as a mediator; H8: Intrusive concern has a negative effect on attitude; H9: Attitude has a positive effect on click-through intention*

3 Methodology and Data Analysis

3.1 Research Method

This study has 6 latent variables, namely surprise, personalization perception, privacy concern, intrusive concern, attitude and click through intention. 4 variables of which have four indicators and 2 other variables have 3 indicators so that the total indicators in this study are 22. Therefore $22 * 5$ is 110, which means that the number of respondents needed in this study is 110 respondents as the research sample. This sample calculation method is calculation according to

Hair with a minimum of 100 respondents [12]. The sample technique is using simple random sampling and there is no sampling frame. This study uses Structural Equation Model (SEM) analysis techniques with the help of SmartPLS. This study wants to test the previously formulated hypotheses of several variables from behavior management theory to analyze the factors that affect click through intention.

3.2 Data Analysis

Based on the collected data (data source = 110 participants), several data analysis procedures were performed using Smart PLS version 3. First, demographics information (n = 110) was analyzed, for instance, there were 44 males and 66 females. Second, the outer model was performed on variables to confirm that all items were reliable and valid to be used for further data analysis. We followed SEM rule of thumb, such as factor loading > 0.7, AVE > 0.5, cross loading > 0.5, composite reliability > 0.7 [10]. Our outer model results showed that all the requirements were met, all items were considered reliable and valid. Third, inner model was performed to the test hypothesis 1-9. The results showed some significant results.

The relationship between surprise and personalization perception has a t value of 4.009 > t table 1.645 with a probability value of 0.000 < p value 0.005 and has an original sample value of 0.386. Therefore H1 is concluded as acceptable. The relationship between surprise and privacy concern has a t value of 0.875 < t table 1.645 with a probability value of 0.382 > p value 0.005. Therefore, it is concluded that H2 can be rejected. The relationship between surprise and intrusive concern has a t value of 0.727 < t table 1.645 with a probability value of 0.468 > p value 0.005. Therefore, it is concluded that H3 can be rejected. The relationship between surprise and attitude toward advertising has a t value of 3.846 > t table of 1,645 with a probability value of 0,000 < p value of 0.005 and an original sample value of 0.303. Therefore, it is concluded that H4 is acceptable. The relationship between personalization perception and attitude has a t value of 4.102 > t table 1.645 with a probability value of 0.000 < p value 0.005 and has an original sample value of 0.319. Therefore, it is concluded that H5 is acceptable. The relationship between privacy concern and attitude has a t value of 0.688 < t table 1.645 with a probability value of 0.492 > p value of 0.005. Therefore, it is concluded that H6 can be rejected. There is no relationship between the privacy concern variable and attitude mediated by personalization perception which has a t value of 0.170 < t table 1.645 with a probability value of 0.865 > p value 0.005. Therefore, it is concluded that H7 is rejected. The relationship between intrusive concern and attitude has a t value of 5.095 > t table 1.645 with a probability value of 0.000 < p value 0.005 and has an original sample value of -0.357. Therefore, it is concluded that H8 can be accepted. The relationship between attitude and click through intention has a t value of 16,797 > t table of 1,645 with a probability value of 0,000 < p value of 0.005 and has an original sample value of 0.745. Therefore, it is concluded that H9 can be accepted.

This research has hypothesis about mediating effect of personalization perception between privacy concern to attitude toward advertising. There are probability other variable has a mediating effect. Testing the effect of the mediating variable can be done if the main effect of the independent variable on the dependent variable is significant and it would be stated as a mediator if the p value is < 0.005 [13]. That is why the mediating hypothesis is not tested anymore because it is not significant. Table 1 is the main effect of the research that results significant

effect and define are they having a mediating effect. There are variable that defined as a mediator. First, personalization perception that mediated the impact of surprise to attitude toward advertising. Second, attitude toward advertising has a mediating three effects, those are intrusive concern to click through intention, personalization perception to click through intention, and surprise to click through intention. Last is personalization perception and attitude toward advertising mediated the impact of surprise to click through intention.

4 Research Result and Discussion

The main finding of this study is that the attitude toward advertising or a consumer's action towards advertising has the greatest influence on click-through intention or consumers' desire to click on personal advertisements they encounter. Consumer actions such as being interested in advertisements, reading or watching advertising material, not closing advertisements, not using ad block, not reporting on advertisements encountered are some examples of consumer actions that support increasing consumer desire to click on these advertisements. Hence, the implication is that it is very important to consider an advertisement that can make advertisements given a good attitude by consumers and determine an appropriate metric to read an attitude from consumers.

The second major finding is in increasing consumer attitudes towards advertising, the main factor that must be considered and the biggest influence compared to other variables in this study is whether the advertisement makes consumers feel disturbed. This variable is larger than consumer perceptions of personal advertising and consumer concerns about privacy data for advertising. This finding indicates that to imply consumer attitudes towards personal advertising is to serve ads that are not distracting to consumers. With this finding, advertisers need to understand and limit an annoying ad by sorting out previous ads that had low click performance from being used again in future ad servings. In addition, relevant ad placements fall into the category of non-disruptive ads [11]. So that personal ads that indicate a relevant ad are an important factor in supporting ads so that they don't interfere with a certain personal level so that it will create good attitude by consumers.

The third finding is that there is an indirect effect between surprise and click through intention by attitude toward advertising that has the highest value than other mediating variables. A consumer's affection affects their desire to click on an ad. By creating an unexpected ad or surprise effect in the ad. This means that creatives play a big role in creating predictable ads for consumers. By performing A/B testing of various types of creative advertising, ad placement, and levels of personal targeting data, advertisers can find an unexpected ad standard for consumers that can affect their attitude as well as influence their desire to click.

The next finding is if this is the first advertisement that will be broadcast so that it does not have any history of what kind of annoying advertisement it is, it can be by increasing the perception of good personal advertising to consumers. The role of creating a good perception in personal advertising is to consider the contextual message in the material whether it is really useful for the reader so that the importance of a copywriter to make advertisements is very

necessary and placing advertisements that are in accordance with the cognitive demands of consumers such as the example of a consumer who has no intention Those that are high for converting a product or are not in the consideration category in the marketing funnel will not be attracted to ads that have a persuasive message to buy.

5 Implication and Suggestion for Future Research

In practical terms, advertisers have the main goal of increasing the desire of users to click on advertisements displayed by increasing their attitude. In digital advertising, metrics to measure the success of an ad's performance are very important and very reliable by all sides of the digital advertising ecosystem. Clicks can be measured by the number of clicks received or click through rate (CTR) on each campaign but not by click through intention. So the researcher describes an attitude conversion as a metric which means that a user pays attention to the ad before clicking, such as watching a video advertisement of 50%, 75%, or until it runs out, or the percentage does not click on the close button and so on. So far, the attitude metric that can be tracked is the length of the video watched. At least a video ad is seen as much as 50%, it can be said that the user has a good attitude towards the ad.

Advertising that is considered annoying is the biggest factor in this study that affects attitude. Therefore, advertisers must filter the inventory of advertisements that are selected to serve their advertisements, whether that type of inventory is considered disturbing or not. Indirectly, the creation of creative content affects their desire to click on the ad. Ads that contain unexpected elements in this case personal ads are not. It is said that ads that are contextually too personal are less attractive than ads that are not clearly relevant to the user. Advertisers also need to pay attention to the color factor of the material according to the user's psychology, relevant placement, and the information in the material is adjusted to the level of user involvement in order to influence a good user's attitude.

Apart from that, a good perception can be done with a placement that has a good reputation and content material in accordance with the user's cognitive demand, where if you want to get a high attitude from the user, place an ad in media that has a high user's cognitive demand, such as in search engine management (SEM). Google or display marketing that is targeting the consideration category keywords.

In relation to programmatic, advertisers consider programmatic for the reason of retargeting which utilizes processed user personal data so that the advertisements displayed are in accordance with what the user has been looking for. In fact it is stated by practitioners that retargeting is not a valid impact drive even though it is the metric it offers. 90% of companies want to do more consumer personalization but less than 20% do. Perhaps this is due to mixed results between previous studies on retargeting and general subject uncertainty [14].

Retargeting / acquisition may be the main goal in marketing, specifically the reason why they use programmatic, using personalization. However, the accuracy of the data may create uncertainties regarding the efficiency between actual and retargeting technologies in the past and is something that continues to be developed to improve transparency of data and actual users. Cross device matters also need to be considered and direct retargeting compared to retargeting with time lag results in better performance.

Compared to the previous research. This research finds non intrusive is the main factor of affecting attitude and click through intention in Indonesia. It answers to provide a better understanding of how consumers' perception to personalized online ads can predict their ad click intentions. but there are still numerous areas and gaps left uninvestigated. About 55,4% of the variation in click-through intentions is explained. The previous studies click-through intentions is explained under 50%.

The following are suggestions for further studies that are considered to be able to complement and enhance the results of this study. Click through intention variable is influenced as much as 55.4% by the variables in this study. So that there are still 44.6% of other variables that influence click through intention that must be explored. Likewise, the attitude variable was influenced by 44.7% by the variables in this study. So that there are still 55.3% of other variables that influence attitude that need to be explored. In this study only limited consumer desire to click on an ad. This research results in no influence from privacy concern. The exogenous variables in this study are emotion and concern. Parts of emotion and other concerns can be explored to complement the influence on attitude and click through intention.

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