

**Negative consequences of using behavioural targeting in online  
personalised advertising**

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## **ABSTRACT**

Personalised online advertising is being implemented as a prominent feature of online marketing strategy. Behavioural targeting is seen as a key tool for marketers to implement in their efforts to reach users online with the right message, at the right time, advertising the right products and services. The success the practice has enjoyed has been based on its reliance on data collected from user's online activity. Behavioural data allows marketers to understand what interests and purchase intentions could exist in a user. Target segments are formed from finding users who exhibit similar online behaviours and marketers enjoy the benefits the practice brings such as reduced wastage. Due to its widespread usage and success, research on its potential negative consequences have not been thoroughly explored. The practice does however experience negative consequences owing to factors such as user privacy concern and intrusiveness by marketers.

This exploratory study focuses on the negative consequences, marketers can encounter from making use of the practice. Data was gathered through conducting 8 semi-structured, in depth, face to face interviews with online marketing practitioners who make use of the practice of online behavioural targeting. The participants gave accounts of their usage of the practice, the negative consequences they themselves have encountered as well as those that they have not encountered but are aware of, and understanding was gained into how they go about coping with the negative consequences. Further understanding was also gained into their process of continuous learning as they strive to eliminate negative consequences from subsequent online marketing campaigns.

## **KEYWORDS**

Behavioural Targeting, Personalised Advertising, Negative Consequences, Reactance, Online Advertising Strategy

## **DECLARATION**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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11 November 2019

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# 1 CHAPTER 1: PROBLEM DEFINITION AND PURPOSE

## 1.1 Introduction

Modern advertising strategies and techniques such as personalised advertising which make use of behavioural targeting, have gained wide scale acceptance in their application of online advertising campaigns. Whilst advertisers enjoy the benefits of these practices it is also true that they could have unintended negative consequences, such as reactance. Advertising practitioners are entrusted to make decisions as to the relevance of using these techniques. The proposed research study will be based on advertising practitioners understanding of the need for the use of such techniques, the challenges they pose along with their success factors, how they go about making strategic choices and if they view the unintended consequences as significant enough to curtail the use of them.

Personalised advertising techniques such as behavioural targeting, aim to match the correct communication to the correct users at the correct moment in order to minimize the effort required by the user to match their own interests in attempting to navigate the process of gathering info from advertising communications (Aguirre, Mahr, Grewal, de Ruyter & Wetzels, 2015). Personalisation has been described as involving interactions with consumers in order to collect and process information so as to deliver marketing output (Vesanen & Raulas, 2006) The benefits of personalised advertising range from improved matching of preferences, lower cognitive overload, convenience, higher levels of customer service and increased customer satisfaction and loyalty. Further to this the advertiser is able to gain greater competitive advantages which allows them to charge more for their products and services resulting in increased profits. Owing to these benefits it is said that personalised advertising is more effective than impersonal advertising for the advertiser (Aguirre et al, 2015).

Boerman, Kruikemeier & Borgesius. (2017), cited online behavioural advertising as a new technique used in personalised advertising, that is important for reaching targeted users and is the future of online advertising. They posit however, that in spite of this, in depth understanding of the practice is missing, which has resulted in various different definitions that have emerged to describe the practice. Further to this they put forward that the research that has been conducted have resulted in no clearly defined body of knowledge. They went on to define online behavioural advertising as the practice of monitoring people's online behaviour and using the collected information to show people individually targeted advertisements. Varnali. (2019), cited that the practice of online behavioural advertising can be subjected to acts of dishonest data collection, threaten the safety of consumers, pose legal difficulty to marketer

and does so whilst the users who are participating do not understand how the process, actually works.

## **1.2 Background and Research Problem**

Amidst this growing sentiment that personalised advertising and techniques employed such as behavioural targeting are key elements of online advertising strategy exists troubling issues such as a concept known as reactance. This is owing to the reality that vast numbers of consumers find the practice intrusive and unwelcome (Brinson, Eastin & Cicchirillo, 2018). White, Zahay, Thorbjornsen & Shavitt. (2007), cited that Brehm. (1966), defined reactance as a negative reaction to perceived impositions on an individual's freedom and autonomy. Brehm said that reactance theory is a social psychological theory that explains human behaviour in response to the perceived loss of freedom in an environment).

Brehm further postulates that reactance is affected by the degree that the behaviour threatened must be important, that the severity of the threat to the behaviour increases, that the threat affects other freedoms and that the user has actually enjoyed this freedom in the past. The user is said to be seeking to re-establish control over a situation. The threat posed to the user's freedom is being opposed and the pressures exerted are being resisted against (Edwards, Li & Lee, 2002). Whilst personalised advertising can prove to be useful to the user as it demonstrates an understanding of their likes and are aligned with their interests, it can also be said to be off-putting as it violates their privacy. When this happens, reactance is said to occur (Anand and Shachar 2009; Lambrecht and Tucker 2013; White, Zahay, Thorbjornsen & Shavitt, 2007).

Technological advancements in digital communication such as targeting has allowed advertising to be more informative. This is due to targeting allowing for the advertising content to be served only to users who are potentially interested in purchasing the products or services being advertised and because the content can be tailored to fit the users interests more accurately. Tucker cited that informativeness in an advertising communication is seen by the user as adding value to the communication through a heightened understanding of alternate offerings. When product and service offerings seem homogenous this informativeness allows the user to be more well informed about products and services and their prices (Tucker, 2014).

Informativeness however does come with the cost implication of surrendering one's information for targeting purposes. Users have been known to resist the surrendering of their data due to them perceiving the advertising as being privacy-invasive or overly intrusive. Tucker cited a concern that allowing advertisers to track them so closely could raise concerns

about them being targeted with tailored pricing. Other concerns could be that perceived intrusiveness of the advertising communication could be causing a disutility to the targeted user. In the absence of a clearly defined economic model of utility, research has relied mainly on social psychological theories such as reactance to better understand the perceptions of the user (Tucker, 2014).

Tucker cited that the majority of research on advertising intrusiveness had been to date survey based which did not give the industry answers as to what users really want. In order to cope with negative responses from user's, advertisers have implemented strategies such as improving targeting and creating adverts that could be obtrusive. Both these techniques were found to work well in isolation but not in combination. This could be because both these techniques are ultimately an impingement on user privacy. Negative responses to these techniques when combined are even more noticeable the more privacy sensitive the industry in which the products or services compete, such as healthcare and finance. Advertisers then need to come up with solutions that still enjoy the benefits of targeting without inducing privacy concerns through intrusiveness (Tucker, 2014).

Predicting a user's propensity to experience psychological reactance to personalised advertising is difficult in the online environment. This is because the online environment is a combination of mass media communications as well as personalised communications. This has meant that studies in reactance of users has seen personalised and mass communication being studied in combination as this is the nature of the environment (Brinson et al, 2018).

### **1.3 Research Problem**

Online advertising practitioners have become reliant on personalised advertising techniques such as behavioural targeting to try to achieve the goal of reaching the correct target, with the correct message at the correct time (Aguirre et al, 2015). Behavioural targeting makes use of data collected by advertisers in order to gain insight into the interests and habits of the consumer (Li & Huang, 2016). Behaviourally targeted advertising can take the form of broad personalisation, narrowly targeted one to one communications and even bespoke webpages to a specific target user. The personalised advertising communication acts in real time, using data that is collected in real time, collecting actual behaviours of a user in order to manipulate the content of the advertising whilst they are engaged in online activity to meet their needs. The data gathered and the targeting offered in these processes can be given into voluntarily or on an involuntary basis by the user (Moore, Moore, Shanahan & Mack, 2015).

Behavioural targeting has gained wide scale acceptance and it is thought that it serves as a reminder to the user about the product or service they looked up, that it signals to the user that this is a product or service of quality and that it aids the advertiser in preventing to some extent the user visiting competing websites in order to find a similar product or service. It is therefore of great importance for the purpose of strategy on behalf of the advertiser to know which mechanisms to use to serve the user the behaviourally targeted communication (Sahni, Narayanan & Kalyanam 2018). Online marketing campaigns using behavioural targeting can also incur negative consequences as studies have shown that a vast number of consumers find the practice intrusive and unwelcome (Brinson et al, 2018).

The possibility that negative consequences can befall a behaviourally targeted online marketing campaign can render a marketer's efforts ineffective. The lack of a unified understanding of the practice holistically can have more far reaching negative consequences to the campaign as well as the brand it is advertising. Online marketing practitioners making use of behavioural targeting must consider these negative consequences in deciding to use this strategy.

#### **1.4 Purpose of Research**

It is the purpose of this study to explore the negative consequences marketers experience when using behavioural targeting in their online marketing campaigns. In doing so the study aims to gain greater understanding into what these negative consequences are, what is being done to understand what leads to these negative consequences and what strategies are being implemented in order to cope with or avoid negative consequences.

#### **1.5 Scope of Research**

The scope of the research is limited to (1) the extent with which marketers employ behavioural targeting in online marketing strategy, (2) the negative consequences that can be encountered by behaviourally targeted campaigns (3) the strategies marketers deploy in response to negative consequences they encounter, (4) the practices marketers use to understand the extent of negative consequences, (5) the strategies marketers are able to employ in order to implement behaviourally targeted campaigns that do not experience negative consequences. The expectation is that the practice of online behavioural targeting will be found to be used to a great extent, owing to its ability to deliver personalised advertising to the right user, using the right content, at the right time (Strycharz, van Noort, Helberger & Smit, 2019). It is also expected however that marketers in doing so still experience challenges that can lead to negative consequences (Brinson et al, 2018; Varnali, 2019). With respect to negative

consequences it is also expected that marketers making use of the practice have developed an understanding of their complexities and have developed ways and means of coping with them and negating them.

## **1.6 Relevance and Motivation of Research**

Ozcelik and Varnali cited that in a 2018 study conducted by media agency Magna, 44% of global media spend would be allocated to online advertising with the greater proportion of it being dedicated to personalised advertising practices, in that year (Ozcelik & Varnali, 2018). The effectiveness of the personalised advertising however is dependent on consumers narrowly defining their own preferences and is also affected by the stage in the customer journey the consumer is currently in. Using consumers personal information advertisers are able to implement campaigns known as Online Behavioural Advertising (OBA) (Li & Huang, 2016). Making use of information from search, browsing and purchase history as well as other sources of data such as geography and interests personalised advertising becomes possible. The intent is to improve effectiveness and efficiency, but advertisers find that the users can and do react negatively towards these methods. The case for advertisers to overcome OBA avoidance behaviour is becoming more relevant. The ability to pinpoint what makes users behave in this way can have positive implications for scholars to understand the theoretical underpinnings of the problem as well as help advertisers overcome avoidance behaviour diminishing the strategic value of their campaigns (Li & Huang, 2016).

In an effort to enhance their web browsing experience many users rely on tools known as advertising blockers. Advertising blockers also provide more privacy and added protection against malware. These advertising blockers make the task of advertisers reaching their targeted or retargeted audience more difficult. In response to this, publishers are seeking out advertising blockers in order to disable them or convince the users to turn them off, a process termed anti-adblocking (Nithyanand, Khattak, Javed, Vallina-Rodriguez, Falahrastegar, Powles, Cristofaro, Haddadi & Murdoch, 2016). Whilst adblocking and anti-adblocking are not considered to be unethical, it is fair to say that publishers of websites and their users have taken serious measures in order to reach and control the online acceptance and experience.

Whilst much research to date has been conducted into the concept and use of personalisation techniques it would be highly beneficial to understand the relevance of such issues from the perspective of advertising practitioners such as media strategists. Strycharz et al, in their 2019 paper attempted towards bridge the consumer-practitioner gap. Their aim was to contrast the practitioners perspective against the consumer perspective of which much is already known,

how the practitioner's perspective contributes to the creation of shared knowledge in the practice of personalisation, to understand the personalisation process in practice, understand questionable practices in personalisation and lastly to gain insight into the current practice and trends. Amongst the questions they attempted to answer were how practitioners justify the use of personalisation, whether they thought it to be effective or not, what are the factors they perceive to be constraints and what are the cost implications of personalisation (Strycharz et al, 2019).

The problem that exists holistically is that advertisers need to make the most of the online advertising techniques available to them to succeed in reaching the correct user, with the correct advertising communication at the correct time. The techniques that are available to them such as behavioural targeting for the purpose of personalisation of advertising communication have proven to be successful in this regard however the caveat is that they could be exposing brands to the unintended consequence of concepts such as reactance which lead to actions of advertising avoidance and the possibility of tools such as advertising blockers being employed by the target audience. Finding the right balance between what is considered appropriate and what is considered over optimised can prove to be a challenge for advertisers and their intermediaries. The ability to target consumers to a point that can be considered "hypertargeting" can show great initial returns but could result in the long-term detriment of a brand (Fulgoni, 2018).

Personalisation through behavioural targeting as an advertising strategy has gained wide scale acceptance by businesses in order to place their brands at the forefront of the consumers decision making processes. Evidence suggests that it has had great success in this regard, but that care must be taken to ensure it continues to do so and does not fall prey to behaviours such as reactance. Advertisers spend vast sums of money on advertising, placing the responsibility of the decision making and implementation into the hands of marketers and advertising agencies. In 2013 a study conducted in the US amongst digital marketing professionals determined that 90% of digital platforms and 80% of advertisers online were making use of data to personalise advertising communications (Strycharz et al, 2019). On the consumer side however, personalised advertising has developed issues that cannot be ignored including concerns about privacy and the growing negativity amongst users which could render the personalisation ineffective (Strycharz et al, 2019).

The findings of this research aim to offer marketers deeper insight into the practice of online behavioural targeting, what negative consequences can arise in response to the practice and how these negative consequences should be dealt with in order for the practice to continue to

succeed. Adding to this the research will also contribute findings of South African relevance on online behavioural targeting in the advertising industry.



## **2 CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

The previous chapter introduced the practice of behavioural targeting in online personalised advertising and posited that the practice could be subject to experiencing negative consequences. Personalised advertising research studies have been found to be scarce and insufficient in extant literature (Gironde & Korgaonkar, 2018). When planning to utilise online personalisation techniques such as behavioural targeting, which makes use of personal information about consumers, advertisers should take cognizance that it does come under public scrutiny. Whilst ensuring a high fit to the consumers preference can garner a heightened purchase intention (Goldfarb & Tucker 2011; van Doorn & Hoekstra, 2013) a low fit can often cause irritation (van Doorn & Hoekstra, 2013), whilst some behavioural targeting can even induce reactance if seen to be opposite to the position of the consumer (van Doorn & Hoekstra, 2013).

What could be considered an unwelcome amount of insight into the personal information and behaviour of a consumer could cause them mental or psychological strain (Goldfarb & Tucker 2011; White et al, 2007; van Doorn & Hoekstra, 2013). An advertising campaign of this nature can see to it that the consumers cognitive response can derail their pursuit of a goal when online (Li et al, 2002; van Doorn & Hoekstra, 2013). The intention to induce engagement with a piece of advertising by a marketer can be perceived as annoying by the consumer and cause reactance meaning they might not see the advertisement due to its intrusive nature (Brinson et al, 2018). This can result in a campaign being hurt or even nullified as the advertiser elicits the opposing reaction from the consumer (van Doorn & Hoekstra, 2013). This led van Doorn and Hoekstra to ask can the personalisation of advertising meant to provide a greater fit to the targeted consumer result in detracting from its effectiveness due to its intrusiveness (van Doorn & Hoekstra, 2013).

Online personalised advertising can lead to negative feelings as consumers may believe the information has been collected in a way that has been undeclared by the advertiser. These negative feelings can lead to reactance which can cause users to resist online personalised advertising. According to Guild. (2013), only 13% of users online admit to clicking through on advertising that has been behaviourally targeted or retargeted. Much of the research done on the click-through rates of online personalised advertising have been based on positive responses from users. Reactance remains an area that deserves further exploration to contribute to extant literature on the personalisation paradox as this can help advertisers identify short comings in their marketing strategies (Chen, Feng, Liu & Tian, 2018).

Seyedghorban, Tahernejad, & Matanda. (2016), cited that, Cho and Cheon. (2004), found that perceived impediments to a consumer's goal, clutter, as well as previous negative experiences online can lead to advertising avoidance, on a cognitive, affective and behavioural level (Cho & Cheon, 2004). Seyedghorban et al. (2016), replicated this study in order to further develop and validate it. They also noted the need for the study to be replicated owing to new more sophisticated tools for advertisers to use in their attempts to better target consumers surfacing in the past decade as well as the emergence of tools that allow consumers to avoid advertising they perceive as being intrusive such as advertising blockers and filtering tools (Seyedghorban et al, 2016). Additionally, they cited not only a need for understanding the reasons behind advertising blocking but also the need to better understand the different types of advertising avoiders as well (Jung et al, 2014).

Chen and Stallaert. (2014) set out to analyse the economic effects of behavioural targeting in advertising. They identified the advertisers and the online publishers that provided the platforms for the advertisers to buy advertising space. With regards to the advertisers, they found that the payoffs of using behavioural targeting are affected unevenly with some advertisers showing better results using behavioural targeting and others not. It was found that when the advertiser happened to be the dominant advertiser in a market they may or may not receive positive results from using behavioural targeting. Therefore, those possessing a significant competitive advantage when using traditional advertising could still grab a larger share of the user's attention (Chen & Stallaert, 2014). Their study draws conclusions that advertisers have different motivations to use behavioural targeting. Those that do not hold the dominant position enjoy greater pay offs through behavioural targeting and would naturally choose to use this strategy. Only in very specific situations, in which the competitive advantage was low, did the dominant player enjoy the benefits of behavioural targeting. Leading to the conclusion that a dominant player would be well advised to avoid switching from traditional advertising to behaviourally targeted if they possess a particularly strong competitive advantage over the other advertisers (Chen & Stallaert, 2014).

This chapter accounts for extant literature on the use of behavioural targeting in online personalised advertising. Premised on the research problem and purpose accounted for in Chapter 1, the research draws from Psychological Reactance Theory (Brehm, 1966) as a theoretical framework. The chapter also focuses on factors that drive the extent of use of the practice such as its foundation in big data analytics (Malthouse & Li, 2017), and the challenges it faces with regards to user concerns of data privacy and protection (Girona & Korgaonkar, 2018) and intrusiveness it is known to elicit from marketer (Moore et al, 2015). The chapter

closes with a section from extant literature on strategies that can be employed by marketers to cope with or negate negative consequences.

## **2.2 Theoretical Frameworks**

### **2.2.1 Psychological Reactance Theory**

Bleier and Eisenbeiss, state that reactance can be described as a negative psychological response that causes consumers to withstand the action or effect of a persuasive effort, in which they consider a coercive act is being perpetrated (Bleier & Eisenbeiss, 2015). Turow, King, Hoofnagle, Bleakley & Hennessy. (2009), stated that consumers regularly feel negative towards targeted advertising. Chen et al cited, stated that consumer reactance is associated with an individual negative response directed at online personalised advertising, which is thought to allow advertisers to anticipate a user's initial beliefs from a negative-effect perspective (Sharot et al., 2010). The consumers feelings towards the communication being received shifts as they perceive a threat to their freedom (Chen et al, 2018). User reactance is a result of users weighing the benefits and risks factors within the personalisation paradox. Consumer reactance can be described as a user's final negative reply to the use of online personalised advertising, therefore with regards to the consumer reactance, users may be forming their risk benefit analysis from a negative point of view. Consequently, the need for a new understanding of the risk and benefit analysis taken from a negative-effect perspective is required (Chen et al, 2018).

Perceived targeting by the user affects reactance in that the user weighs up the perceived utility of receiving the personalised advertising communication against the costs of receiving it (Li & Huang, 2016). Having had a prior negative online experience such as lack of usefulness and incentive, a user's behaviour becomes significantly impacted as is their information processing. Many different potential perceived risks from the use of online personalised advertising can lead to reactance. Through communicating offerings to consumers that are based on their personal needs and preferences, online personalised advertising can lead to consumers feeling manipulated or threatened with regards to their freedom of choice (Chen et al, 2018). Choosing to study reactance from a rational choice theory perspective, Chen et al, considered the effects on the risk-benefit trade-off within the personalisation paradox. Rational choice theory offers a theoretical explanation for how individuals makes decisions when faced with choices. It focuses on the rational choices rather than the impulsive choices made by individuals. Putting forward that rational choice factors from a negative-effect perspective are comprised of two beliefs, being perceived costs of non-personalisation and perceived risks of online personalised advertising (Chen et al, 2018).

Youn and Kim cited that anger is a more significant element of reactance than negative cognitions, as it usually goes hand in hand with hostility and aggression. It is also thought that anger is more responsive to messages that attempt to persuade as they appear to incite a greater threat to an individual's freedom. Reactance inducing messages elicit negative emotions that can be as simple as irritation to more complex like rage, brought on in the individual when they are confronted with an advertising communication that they perceive to be impeding their goal. This type of freedom-threatening advertising communication results in anger as the feeling of freedom of choice gets removed in the mind of the individual (Youn & Kim, 2019). Youn and Kim further cited that reactance has the ability to create a variety of different results in individuals. These can be attention, thought, attitude and behaviour all of which are implemented in an attempt to remove the perceived threat to their freedom (Youn & Kim, 2019).

Users demonstrate a resistance to communication which demonstrates a failure of the communication to change the attitude of the of the user. Resistance is formed in a sequential process that can be affective when the user thinks "I don't like it", or cognitive when the user thinks "I don't believe it" or behavioural when the user thinks "I won't do it". This resistance is a demonstration of user attitude against an unwanted influence (Baek & Morimoto, 2012). A key concept of resistance is reactance, which represents the affective and motivational components of resistance. Reactance postulates that when a user is presented with information that they perceive as restricting or eliminating free behaviour they act in order to reaffirm their freedom and autonomy. Much like a user will demonstrate reactance to a "pop-up" advertisement because of its intrusiveness, so too will they demonstrate reactance to narrowly personalised and targeted advertising communications because of the perceived threat and the feeling of being closely observed by the advertiser (Baek & Morimoto, 2012).

### **2.3 Big Data in Behaviourally Targeted Online Marketing**

Big data analytics is further explored providing insight on how personalised advertising through behavioural targeting is practiced. Malthouse and Li. (2017), cited that big data is described as the "3 Vs" being large volumes of data created at high velocity using a variety of sources. Oftentimes data can be so large and complex that conventional data-processing methods and computing environments prove incapable of coping with the large data sets. By collecting data from various touchpoints throughout the digital environment information from millions of users are recorded, creating these large data sets. In the case of a brands touchpoints online this allows advertising to be done completely through the use of big data. Decisions such as buying of advertising placements, the cost of doing so and what message to communicate are all possible through the use of big data (Malthouse & Li, 2017). As stated by Martin and Murphy

however, these practices can lead to negative consequences such as placing the user in danger of being defrauded, acting as an invasion on the user's privacy, bombardment of unsolicited marketing communications as well as extremely targeted and obtrusive marketing communications that can affect the user experience (Martin & Murphy, 2017).

Online retail environments contain search history, web logs, wish lists and shopping carts. The data collected through these touchpoints allows marketers to know each product the user has engaged with in a browsing or shopping session, even if purchase does not occur. The characteristics of the user indicating demographics and interests can easily be purchased by advertisers from third-party data collectors. Big data can also be used to serve advertising in a targeted manner allowing decisions on whether or not to serve a customer an advert, what advert to serve them and what it should cost (Malthouse and Li, 2017). Martin and Murphy cited that these methods can allow for price discounts, free services and other benefits allowing marketers to provide greater benefit to the user, however they have also resulted in a greater focus on privacy by the likes of academic researchers, social commentators and regulatory bodies (Martin & Murphy, 2017).

The implementation of big data in online advertising opens the advertiser up to acts of fraud. Through using "bots", "nonhuman traffic" can make the advertiser believe that the advertising communication they have served has reached its intended target when in fact a fraudulent act has been committed to increase the click-through rates that are measured. It is also a pitfall with using big data that the data sets could contain errors, compromising the quality of the data sets. Lastly big data allows the advertiser access to sensitive personal information about a user. A marketer must then ensure they target accurately without giving the user the feeling that the advertising has violated their privacy (Malthouse and Li, 2017). Internet service provider-based tracking which is the most insidious form of data collection online is enabled through a computer's Internet Protocol (IP) address. The IP address is given to the computer and thus the user by the internet service provider (ISP). This allows for a log to be kept recording all internet activity of the computer and thus the user. Due to the connection to cable or DSL requiring a registration it is possible then that even the physical address of the computer can be known (Nill & Aalberts, 2014).

In order to profile users accurately large amounts of data must be collected. This is done by marketing research firms who follow large amounts of users on their panels in order to know what their activities have been. New technologies have enabled vast amounts of data to be collected but it yet remains to be determined how best to utilise the information once it is gathered (Trusov, Ma & Jamal, 2016). Online marketers gathering the data for themselves face the challenge of only being able to collect bits and pieces of data on a user as online

profiles become highly fragmented. Should more detailed profiles be required these marketers need to purchase it as anonymized data gathered from panels usually from a 3<sup>rd</sup> party. (Trusov et al, 2016).

Due to the vastness of online activity records, marketers need scalable algorithms for processing, or they will end up with meaningless inferences from digital footprints left by online users. This can be further complicated if the inferences are made from data gathered in real time from auction-based display advertising. Fully automated systems also can detract from inferences being made by marketers themselves (Trusov et al, 2016).

Even though technology allows for vast tracking and collection of consumer activity, drawing conclusions or inferences and making correct predictions remains a challenge to marketers, as consumers navigate using multiple websites, multiple times over a length of time and for multiple needs. Marketers must thus draw conclusions from the observable online activities of consumers, which form from a collection of visitations to multiple websites across various categories, reflecting a combination of various interests and behaviours. The practice of obtaining interests and behavioural patterns from online browsing data that is multidimensional remains an area largely unexplored by marketers (Trusov et al, 2016).

A marketer must deal with the reality that information will be fragmented and that they will not have complete information to use about a consumer. Even the larger online businesses must accept the challenge that fragmentation offers, as the ability to reach large numbers online does not imply comprehensive knowledge about the population (Trusov et al, 2016). The balance that is being sought out can be considered data driven quantitative targeting that is still cognizant of a mass reach approach that has been successful for a long time. Whilst it is true that narrowly targeted campaigns can achieve sales-targets they lack the benefit of mass appeal and emotional resonance that long term brand campaigns offer. Further to this the concept of narrowly targeting is counterintuitive to the goal of growth as new buyers get ignored in this process (Fulgoni, 2018).

Online campaigns utilising targeting suffer significant business implications due to inaccurate data. The potential exists then for wastage of investment, which causes brands and media agency efforts to go in vain and antagonizes the user. These errors can diminish return on investment, and negatively disrupt the brand. Errors can range from the incorrect assignment of gender or ethnicity in terms of demographics to more behavioural related inaccuracies such as intent to purchase. Advertisers looking to avoid such issues must question the veracity and validity of the data collection process, by asking the vendors that supply such data to provide

proof that the correct identification of target segments has been identified and through questioning what parameters of accuracy have been identified (Sylvester and Spaeth, 2019).

## **2.4 The Role of Invasiveness and Privacy**

Gironda and Korgaonkar site with regards to privacy concerns that it actually serves as a stand in for privacy itself. This is because it is very hard to truly measure privacy (Gironda & Korgaonkar, 2018). Extant literature on advertising obtrusiveness states that the practice can lead the consumer to believe the marketer is trying to manipulate them. This perceived manipulation can result in the consumer having negative feelings towards the brand or product that the marketer is advertising. Targeting that is meant to add value to the marketer's efforts then can be overpowered by its own obtrusive nature. This has led marketers to question why this might be the case. The conclusion they have come to is that it could be the effects of privacy concerns (Goldfarb & Tucker, 2011).

Gironda and Korgaonkar's, results propose that they might have found practical means to positively influence click-through and purchase intent. Advertisers making use of personalisation should remain cognisant of maintaining the boundaries of individuals who reflect this personality trait so as not to create a strain on their privacy concerns or perceived intrusiveness, as this would likely result in reduced click-through and purchase intent. Additionally, as perceived invasiveness exhibited direct negative impact on click-through and purchase intent with regards to personalised advertising, it bears relevance to marketers trying to alleviate perceived invasiveness of personalised advertising since it was found to directly influence intention variables. Furthermore, because perceived privacy control was confirmed as a negative antecedent of privacy concerns and perceived intrusiveness, marketers should strive to heighten the users perceived control, over personalised advertising. Lastly, in order to achieve greater click-through and purchase intent, privacy concerns and perceived invasiveness should be reduced (Gironda & Korgaonkar, 2018).

Goldfarb and Tucker in their 2011 study on advertising obtrusiveness, define obtrusive advertising or advertising with high visibility as possessing one of the following characteristics; when the advertising appears in a new window above the window that was already being browsed, which is known as a pop-up advertisement, when the advertising opens under a window that was already open to be seen once the existing window has been closed or minimized, which is known as a pop-under advertisement, when advertising forms part of a video stream which is known as in-stream video and audio, when advertising temporarily covers the on-screen webpage on which the content is displayed, which is known as a takeover, when the advertising automatically plays video and audio without being prompted

by the user, which is known as non-user-initiated video and audio, when the advertising is shown to the user prior to content loading on an intended destination page, which is known as an interstitial, when the advertising automatically plays background music, which is known as non-user-initiated background music, when the advertising uses all the available viewing space on a typical computer screen, which is known as a full-page banner advertisement, when the advertisement engages the user in two-way communication, which is known as an interactive advertisement, or when the advertisement is not initiated by the user and instead is displayed as a superimposed communication which typically lasts 5-30 seconds, which is known as a floating advertisement (Goldfarb & Tucker, 2011).

Goldfarb and Tucker determined that privacy is a key determinant when the user is sensitive to intrusiveness as well as when considering the type of product involved in the intrusive advertising communication. Their data showed that people that were determined to be privacy conscious respond in a positive way to high visibility advertising if the advertising has not also been contextually targeted. Their findings further indicated that marketers in the categories of banking, health, health services, OTC medications, insurance, investments, mutual funds, retirement funds, loans and other financial services must be mindful of privacy concerns due to two factors. These are that an initial study done by Tsai et al. (2010), confirmed through survey data that the categories that made up health and finance were the ones in which consumers thought privacy to be of particular importance. The second factor was that the products in these categories have privacy policies built into them themselves (Goldfarb & Tucker, 2011).

Girona and Korgaonkar cited issues such as privacy concerns and recent data breaches as some of the main concerns in using personalised advertising. Another concern they cited, is the ease of slipping into invasiveness when personalising advertising, especially if the advertising communication is too well targeted or “over personalised” as this can be interpreted as being “creepy”. Many advertising practitioners have recognised that their personalised advertising efforts elicit feelings of annoyance and invasiveness in the users being targeted and that these users can feel as though they are being “stalked” by a particular piece of targeted advertising that persists to be served to them, simply because they visited a particular retailers website (Girona & Korgaonkar, 2018).

Moore et al. (2015), in their research were able to define “annoying” and “creepy” advertising and broke these down into six categories for annoying and four categories for creepy advertising. Under annoying marketing, category one was identified as aggressive tactics, in which the respondents in their study defined annoying marketing by assigning a level of aggression or persistence they perceive the marketer is employing. Aggressive marketing was



noted to be persistent even upon refusal from the user, the application of pressure to induce purchase, excessive promotions and anything that makes the user feel overwhelmed. Category two was identified as repetition, noted as the continued appearance of promotional selling efforts, such as a pop-up advertisement or banner, of a single business or brand. Category three was identified as obnoxious, this is when the user perceives the targeted advertising communication as garish and loud or possessing low quality. Vulgarity and cheapness of the advertising were also noted contributors to this category. Category four was identified as unsolicited, noted as a user receiving communications when none have been requested. Category five was identified as irrelevant content, noted as advertising communications that are annoying due to being irrelevant, lacking in sense or not being focused. Category six was identified as advertising that causes avoidance, noted as marketing strategies that affect user behaviour. Any advertising communications that are seen to drive the user away, induces no interest from them and even induces the feeling of purchasing a competing brand instead, all fit into this category.

Creepy marketing categories are made up as follows, category one was identified as invasive tactics, noted as tactics used by marketers that are perceived as invasive. The methods used in gathering the user data, the invasion of a user's personal space and acts of stalking or tracking the user form part of this category. The gathering of personal data is thought of as resulting in advertising that is perceived as being "too personal". Category two was identified as causing consumer discomfort, noted as discomfort brought on due to the employment of a marketing strategy. Feelings of fear, uncertainty and discomfort make up this category. Category three was identified as violating social norms, noted as marketing communication containing content that goes against social norms through the use of inappropriateness. Marketers that are willing to use topics that are out of bounds from the norm and cross a line on taboo topics fall into this category. Category four was identified as out of the ordinary tactics, noted as the use of abnormal strategies. This category is difficult to describe practically but is made up of anything the user considers as weird or unusual (Moore et al, 2015).

Moore et al concluded that creepy marketing is a perceptual construct comprised of the invasion of privacy, stalking behaviour and violation of social norms. Businesses and marketers should be mindful that creepy marketing is different, changes from customer segment to customer segment and that perceptions will change over time. Until a practice becomes acceptable marketers should be careful not to make these types of errors (Moore et al, 2015).

## 2.5 Security Risks Affecting User Behaviour

Ozcelik and Varnali cited perceived security risks that are related to clicking a personalised advertising communication, as being based on potential negative results of consumption. The unknown result of the engagement induces a perceived security risk prior on the user even deciding to click-through, which can be considered, risks such as financial or personal data related. They put forward that personalised advertising which makes use of personal behavioural data induces feelings of risk about advertising that makes use of customization techniques (Ozcelik & Varnali, 2018).

Ozcelik and Varnali. (2018) found that perceived security risk related to clicking on a personalised advertising communication increases the irritation which can be caused by behavioural targeting. This led them to conclude that psychological factors within the user can also contribute to over-all effectiveness of behavioural targeting. Citing prior findings of negative effects of risk perception, their own findings offer that, security risk perception related to clicking personalised advertising communications online is a highly significant threat to the practice of behavioural targeting. Their study found that decreased levels of informativeness and entertainment had been perceived by users who demonstrated increased security risk perception (Ozcelik & Varnali, 2018). Chen et al, suggest that opportunity cost can have as influential a role as privacy concerns in consumer reactance. Therefore, with regards to the personalisation paradox both opportunity cost and privacy are relevant to its definition (Chen et al, 2018).

Issues around privacy in online interaction are on the rise and are becoming commonplace between buyers and sellers in this environment. Distrust has become present in consumers as to how their data has been gathered and how marketers will make use of this information. The rise of social media online activity places consumers in a position in which they have made freely available information such as their images, names, addresses and other personal data (Alnahdi, Ali & Alkayid, 2014). Ozcelik and Varnali. (2018), further cited that when encountering behaviourally targeted advertising, the user has not given outright permission to the advertiser to target them using prior online behavioural data, they have actually only consented to the cookie that will be dropped into their computer. If marketers were to be more explicit in communicating that behavioural targeting will be taking place using data gathered from the user those that demonstrate higher levels of security risk would likely be unwilling to engage and would turn down receiving the cookie. This action by the marketer would create a more user friendly and clear safeguarding of user rights, the result of which could be greater affinity towards the brand the advertiser is communicating. Marketers hoping to succeed in the practice of behavioural targeting should seek to design advertising that communicates

messaging based on previous online behaviour of the user subtly and ethically, more future research on how to achieve this is required.

Awad and Krishnan talked about there being a personalisation paradox (Awad & Krishnan, 2006) in that whilst personalisation leads to increased click-through rates and greater attention to advertising placements, mitigating blindness to the advertising, it is also true that privacy risk becomes more prevalent, a fear of being bothered online by personalised communication, a perceived increase in cost of processing the communication and perceived discriminatory costs based on an individual's data are all relevant concerns as well. These concerns are validated by Turow et al when they found that 55% of users in the 18 to 24 years old, age group did not wish to be targeted based on their personal data (Turow et al, 2009).

## **2.6 Advertising Avoidance**

Advertisers gather and use personal information on user's online history in order to deliver advertising communications to them that are highly targeted, which leads to a privacy concern. This can negatively impact on user behaviour in terms of their buying decisions as their trust is perceived to have been breached (Li & Huang, 2016). Online advertising avoidance is said to be three separate dimensions described as cognitive avoidance in which users choose to avoid advertisements, affective avoidance in which users dislike the advertisements and behavioural avoidance in which users intercept or close the advertisements (Li & Huang, 2016).

Distinctions can be made between advertising avoidance in the way a consumer indulges in the practice. Scrolling past an advertisement is an example of behaviourally avoiding the advertisement whilst the use of advertising blockers is a form of mechanical advertising avoidance (Seyedghorban et al, 2016). Seyedghorban et al cited, that cognitively avoiding an advertisement is an intentional psychological form of advertising avoidance and is displayed by the consumer ignoring the advertising they have been shown (Prendergast et al 2014). Cho and Cheon postulate that this is due to the consumers belief about the advertising leading them to intentionally ignore it. Affective avoidance occurs when the consumer has a negative reaction to the advertising they are being served. Behavioural avoidance is demonstrated when a user not only actively and consciously avoids the advertising but also takes action by scrolling past, using advertising blockers or clicking away from the webpage they were browsing (Seyedghorban et al, 2016).

Goal impediment is seen as a contributing factor towards advertising avoidance in that users are browsing a website with a specific objective in mind. Their encountering advertising, whilst

doing so, leads to cognitive and behavioural avoidance because they perceive that they are being interrupted (Li & Huang, 2016). The perception that the consumers goal is being impeded is noted as a key predictor that advertising avoidance will occur. Due to the internet being a medium in which the consumer is usually pursuing a goal advertising can be seen to be an interruption if it is unsolicited by the consumer. Additionally, the perception that the content of the communication is seen to be unaligned with the content on the webpage, the consumer could possibly see it as a source of disturbance (Seyedghorban et al, 2016).

Behavioural avoidance exhibited by users can sometimes be the result of reactance, having users served the same advertising repeatedly. In this scenario, achieving increased unblocking uptake could hinge on using fewer appeals, changing the content being served to the user or selectively targeting users that seem likely to conform are all strategies that the advertiser should consider. Another strategy is to force the user into unblocking through the blocking of content that is not advertising related or through paywalls both of which would force a user into deactivating the advertising blocker (Sollner and Dost, 2019).

Youn and Kim cited that users react or resist advertising communications in various ways. Advertising avoidance is but one of these ways and it is particularly harmful to the efforts of an advertiser as it shuts down the line of communication to the user. Any action taken by a user to limit their exposure to advertising is an act of advertising avoidance. Marketers are attempting to circumvent these acts by finding ways to get users to engage with the advertising by force, however users have been found to simply adopt new ways of avoiding the advertising (Youn & Kim, 2019). From the study conducted by Strycharz et al, some of the findings were around personalisation and targeting, in that practitioners much like academics have not settled on a definitive definition of the concepts. The prevailing attitudes however indicated that three elements have commonality amongst practitioners, which are, to reach the right person, with the right content at the right time (Strycharz et al, 2019).

## **2.7 Advertising Blockers**

In attempting to combat the personalised advertising techniques used by advertisers many users are employing the use of advertising blockers to gain control over their browsing experience. The use of advertising blockers has largely been attributed to having its roots in psychological reactance theory. It has been said that an increased understanding of what is causing the psychological reactance can prove useful to advertisers and reduce the amount, of users turning to advertising blockers as a solution. Some of these advertising blockers can be installed for free such as Adblock Plus (ABP) (Brinson et al, 2018). Advertising industry leaders have since begun to adopt methods that counteract the users choosing to use

advertising blockers by making the user experience friendlier. The measures taken include tactics such as reducing advertising file size, restricting data usage and reassuring the users about user choice and data privacy (Brinson et al, 2018).

When considering the use of advertising blocking tools by users of publisher's websites it is useful to note that the personalised targeting has not been consented to by the user (Baek & Morimoto, 2012). It is currently not clear which one of these will win out, but a more reasonable result will be for there to be a balanced outcome for both sides of the relationship. Publishers are exploring compromises such as privacy-friendly advertising and ways to increase control by the users in their navigation of the websites and adverts that are served on them (Nithyanand et al, 2016).

Increased control over the internet by consumers owing to tools such as Adblock and Adblock plus on browsers such as Firefox and Chrome have led to consumers perceiving online advertising as less distracting and disruptive. Thus, since the initial studies conducted Seyedghorban et al, report that goal impediment now has a weaker association with advertising avoidance. The impact of prior negative experience and advertising avoidance was found to be stronger among para-telic users, meaning that users with different modes to using the internet will have different responses to advertising (Seyedghorban et al, 2016).

Sollner and Dost cited, that the use of advertising blockers diminishes the pool of targetable users, causes the cost of an effective advert to increase and also adds to the concerns over what some call "the death of advertising". In order to counteract the rapid uptake of advertising blockers advertisers are attempting to implement online initiatives to remedy intrusive and irritating online advertising communications. This is done even though the success rate of convincing users to deactivate their advertising blockers is yet unknown (Sollner & Dost, 2019).

In the absence of industry wide solutions to the problem advertisers are encountering from advertising blockers, many content providers are resorting to appealing to users they wish to target to selectively unblock the focal website so as to positively influence advertising acceptance. It has been suggested that this could lead to a reduction in the use of advertising blockers. Banner appeals are made by the advertiser which appear on a website's landing page. These banners describe how advertising blockers diminish the website and explain how the user should go about selectively unblocking them (Sollner & Dost, 2019).

The use of advertising blockers is a threat to online service platforms however, not much research exists on the issue. Sollner and Dost put forward that in order for a user to be

convinced to unblock advertising, marketers must serve advertising that is perceived to be less disruptive, serve advertising that is considered to be more useful or advertising that is perceived to be more discreet. The key is to address user annoyance and privacy concerns. Ultimately though these measures may only prove to offer limited success. In fact, only 6% of users surveyed showed a willingness to react in a positive manner to appeals from advertisers to unblock. This is still considered to be worth pursuing though, as it does not require a marketer to change advertising and does not bear any burden on the advertiser's revenue model. The trade-off advertisers must consider is that whilst advertising blocking can be reduced among some users the majority do not conform (Sollner & Dost, 2019).

## **2.8 Forming Strategies to Manage Negative Consequences in Behaviourally Targeted Online Marketing**

Marketers are faced with the trade-off that online behavioural targeting works well but can be subject to negative consequences in the data collection process and in instituting the data collected into a targeting strategy. As the practice has been said to offer more positives than negatives marketers will continue to make use of it in their online strategies. The following section provides options that marketers have at their disposal to try to cope with or avoid negative consequences in forming their targeting strategies.

### **2.8.1 Using Reciprocity to Gain Acceptance**

The theory of reciprocity proposes that a user is willing to give up their data if it means they are able to make use of a website for free. The theory of relevance on the other hand states that advertising becomes more personally relevant if data is allowed to be collected. It was found that users tended to accept the theory of reciprocity more than the theory of relevance (Boerman et al, 2017). Schuman et al put forward that a reciprocity appeal approach could increase acceptance of target advertising among users of free web services. The reciprocity appeal approach is described as a transaction that occurs socially whereby the web platform draws special attention to the nature of its services being free. This is done in order to coax feelings of reciprocity out of the users who should then act by allowing their personal data to be used by the web service provider, so that they can continue to offer their services free of monetary charge. Initial findings point out that reciprocal behaviour could be increased greatly by users observing the act of reciprocity being committed by other users which does add to the difficulty of its success as a strategy, so to, does the mentality that the internet is meant to be a free service (Schumann, von Wangenheim & Groene, 2014).

Among Schumann et al.'s (2014), assertions were that through their study they add to the further knowledge of how reciprocity works in marketing exchanges. This was achieved by showing that reciprocity can be successful in the anonymous internet environment. Previous studies only indicated its success in settings that could offer the individual the benefits of conformity and change in social status. They put forward that users online choose reciprocity as they see the giving up of their personal information as a type of currency. They also determined that users can identify the utility of a free service provider and how the surrendering of their information allows them to be co-creators of the free nature of the service. They also put forward that reciprocity can enhance the user's eagerness to share their data (Schumann et al, 2014). Jai, Burns and King posited that the manner in which data is shared also affects the user's willingness to give up their data. 3<sup>rd</sup> party sharing of data leads to greater distrust than internal sharing of data only (Jai et al, 2013).

When looking at the scenario of a free web platform, reciprocity can be a successful strategy for three reasons. The first is that in an online act of reciprocity from the user, they have already enjoyed the benefit of the free service and can realistically attach value to what they have received. The second is when considering the cost that the parties involved incur in the reciprocal transaction the user who understands the cost of providing the websites core service plus the incremental cost of providing an improved advertising experience should see fair value when giving up their data. Lastly, individuals accept the act of reciprocation because they have a sense of indebtedness and an obligation to see distributive justice done (Schumann et al, 2014).

Reciprocation as a strategy to positively influence acceptance of targeted advertising is necessary as Schumann et al cited that acceptance rates have not been the best and have been on the decline. They state that websites utilising targeted advertising can benefit from the findings of their study on reciprocity. The implementation of a reciprocity strategy should be done when requesting permission to gather user's information (Schumann et al, 2014).

### **2.8.2 Offering User Control and Autonomy**

Nill and Aalberts. (2014), on the subject of online behavioural targeting in advertising, put forward potential guidelines for online advertisers. They state that online behavioural targeting should remain free of deception, practiced as actively transparent, offer consumers control over their information, that marketers should take reasonable precautions to ensure data security, that online marketers should have due consideration of all stakeholder interests, and that online marketers should practice fairness to all parties (Nill & Aalberts, 2014). Youn and Kim cited that advertisers trying to persuade users can activate a foundational need for them

to regain control over their freedom, in doing so psychological reactance is considered the primary driver of this need (Youn & Kim,2019). For reactance to occur the user first must feel that there is a sense of autonomy in the user experience. This feeling of autonomy allows the user to be comfortable that a level of privacy about their past online activity exists. With increasing use of personalised advertising users are beginning to experience a loss of this autonomy and that is how reactance comes into the fold. Stimulating this reactance is what leads users to take up advertising blocking methods (Brinson et al, 2018; Bleier & Eisenbeiss, 2015).

Psychological reactance fulfils a crucial role in demonstrating to the marketer which of their communications elicits greater or lesser resistance from the user. In Youn and Kim's study of reactance on a social media platform, it was found to perform a particularly important role as users perceived the advertising communications to be forceful and covert and a blockage to their goal orientation, which is the consumption of media content. Their study indicated that reactance is affected strongly by perceived advertising intrusiveness, but that by empowering users with options to avoid or block advertising they could reduce negative reactions towards the advertising and reduce the effects of psychological reactance. The provision of autonomy to the user is seen then to alleviate advertising intrusiveness (Youn & Kim, 2019).

Tucker cited that a strategy that could offer positive results is, to offer users a customizable user experience when online. In order to reduce disutility users can be allowed greater control over the usage of the data they are giving up. A real-world example of this being implemented is on Facebook where they have implemented technology that allows users explicit control over the level of data that can be made publicly available about them. This could have significant impact on psychological reactance as it plays to the great importance users place on control. Tucker cited that in a field study on Facebook it was noted that allowing users to perceive that they have greater control can still be an effective strategy for websites offering targeted advertising (Tucker, 2014).

Gironda and Korgaonkar state that online retailers must endeavour to adequately satisfy consumer concerns to function normally and to steer clear of potential legal transgressions, that could harm the business's potential customer base, when using personalised advertising strategies. One such example of satisfying consumers concerns would be to offer personalised advertising on an opt-in basis so that consumers could feel a greater level of control over their data (Gironda & Korgaonkar, 2014).

Privacy concerns and opportunity cost were the two main focuses of the unfavourable consequences in Chen et al.'s study. The loss of control of their personal information that is



shared with an advertiser is the privacy concern. These privacy concerns significantly affect an individual's attitude and behaviour intentions in a negative way. Limited resources and unlimited wants are what leads consumers to experience an opportunity cost. Limited access to various resources leads to opportunity cost being triggered. Personalisation can lead to feelings that free access is being impeded as advertisers determine what users see. Personalisation therefore may limit a user's choices or detract from their ability to make informed decisions regarding not only purchases but attitudes as well (Chen et al, 2018).

### **2.8.3 Implementing the Use of Real Time Bidding**

Online advertiser targeting uses, user information to drive online display advertising. Marketers have at their disposal various technologies that can aid them in this endeavour such as Real Time Bidding (RTB). RTB also known as Programmatic Advertising, heavily relies on individual profile data, can draw inferences from partial data and can be used to predict performance through distinct sets of first party data. Unlike traditional methods of purchasing online display advertising, RTB allows for the potential value of each individual advertising impression to be assessed so that they may make informed bidding decisions. This allows marketers to leverage information that is rich in nature from each individual impression increasing the success rate of campaigns and show greater return on investment (ROI) (Trusov et al, 2016). RTB occurs on ad-exchange platforms with auctions taking place completely under automation, virtually instantly. The advertiser winning the bid gets to place their advertising on the publisher's website. The advertiser is allowed to track user behaviour compiled over many websites and choose which segments of users get to see their advertising whilst also being able to take note of the users click-through behaviour with regards to their advertising placement (Wedel & Kannan, 2016).

Chen et al (2018) cited that the future of targeted advertising lies with the capabilities of RTB especially from an ROI perspective. These capabilities include the correct placement of advertising through historical user data personalised to a high degree, accurate advertising placement costing through matching current supply and demand and highly visible and highly measurable advertising placements (Thomas, 2017). Other benefits of using RTB include that filtering is possible through setting pre-targeting criteria. A bid can also be made by a marketer on a placement that meets pre-targeting criteria because the impression can be served through specific publisher who has users that match a certain demographic and will demonstrate certain behaviours. Additional information about the impression can also be passed on by the facilitating platform such as geo-location, publisher information, advertising position on webpage, and device type. Lastly, along with the bid request will be the platform users ID or cookie which can then be matched to any pre-existing internal information the

marketer has been able to gather about the user. This can provide a real advantage to a marketer that is able to leverage internal information on a user through the matching of the cookie (Trusov et al, 2016).

#### **2.8.4 Varying the Degree of Personalisation**

Extant literature says that the degree of customization and the potential benefits it offers affects consumers reactions to marketer's use of personalisation techniques. White et al found that usefulness of the communication to the consumer could make up for its intrusiveness by varying the degree of personalisation they noted that higher levels of personalisation could counteract this (White et al, 2007; van Doorn & Hoekstra, 2013). Characteristics of advertising vary in terms of size, formats, content and design. The creation of advertising that is creative, enjoyable and interactive is thought to be the future of what these characteristics should be trying to achieve. Multimedia capabilities are said to achieve these goals. In addition to this the credibility of the advertising communication is said to contribute to the believability of the advertising communication (Alnahdi et al, 2014).

Further findings of Alnahdi et al were that advertising which exhibited favourable characteristics had a positive effect on the targeted visible advertising's effectiveness. Their results also showed that consumers react positively to advertising that contained pictures of products and used multimedia. Content and credibility were found to increase the likelihood that a user would click on an advertisement. The presence of a privacy policy on a website was found to also increase the likelihood that a user would more freely share their information and that a website that does collect cookies must have terms, conditions and privacy policies for the users to freely share their information (Alnahdi et al, 2014). Through using obtrusive advertising elements such as video or audio features, that make it harder to ignore an advertising communication, Tucker and Goldfarb found that it increased the propensity for a consumer to engage with the advertising. They also found this to be true when advertising content is matched to the website it is placed on. Combining these two approaches however was not found to result in increased purchase intentions (Goldfarb & Tucker, 2011; van Doorn & Hoekstra, 2013).

Contextual advertisements are related to the themes of a webpage a user has visited during an online interaction. An example of this is if an advertisement has been shared with a user of a hotel because they were just on an airline or travel agency website. The concern for privacy in these kinds of online advertising interactions is fairly low, as not much information about the user is required to successfully implement this online advertising strategy. The user is somewhat aware of how the advertiser is making use of the information they have gathered.

When used in search engine online activity though, there is a greater need for concern for privacy. Search engines such as Google are able to piece together all the data it has collected on its users from product webpages, their emails, and other online webpages such as YouTube (Nill & Aalberts, 2014). Messages based only on browsing data offer value when targeting larger numbers of consumers, by also including information such as names and past transactions the communication increases both its distinctiveness as well as its intrusiveness. The use of transactional information in order to personalise advertising is becoming prevalent. Transactional information is thought to increase the suitability of personalised advertising (van Doorn & Hoekstra, 2013).

van Doorn and Hoekstra postulate that a user's intent to purchase is diminished due to intrusiveness when higher degrees of distinctive information are used in seeking a better fit to the user. This is what is known as the double-edged sword in online customization. The conclusion they drew from their studies was that advertisers should account for the level of intrusiveness their personalised communications elicit. They subsequently concluded through their research that increasing personalisation through means such as transactional information or personal identification can increase the feeling of intrusiveness and ultimately negatively affect purchase intention. Marketers making use of these methods can offset some of the intrusiveness by aiming for a greater fit to their requirements or interests. The gains that can be achieved through increased personalisation however should be sought out with care as the positive effect is noted to be weaker when the intrusiveness factor is higher and that higher degrees of fit, whilst being able to induce higher purchase levels, can also lead to higher degrees of intrusiveness and that this response varies from industry to industry (van Doorn & Hoekstra, 2013).

The depth of personalisation can be a key determinant in the success or failure of the advertising as it factors in how closely a user's interests are matched to the advertisement. The breadth of personalisation on the other hand determines how much of a user's depth of personalisation has been matched (Bleier & Eisenbeiss, 2015). One of the areas that media strategists and advertisers can gain a level of acceptance from the users they are targeting is to control the level of personalisation they make use of in online behavioural advertising (Boerman et al, 2017). Tucker and Aguirre say that the types of information available to digital media strategists include aspects such as age, gender, location, education level and interests. This kind of personal data can be sourced from browsing data and search history (Tucker, 2014; Aguirre et al, 2015).

By using a combination of browsing data and search history or just one of these the level of personalisation can be managed (Boerman et al, 2017). By controlling the level of

personalisation in the advertising communication the advertiser is managing the perception of the user in terms of choice theory, psychological ownership theory, and psychological reactance theory (Aguirre et al, 2015; Bleier and Eisenbeiss 2015; Tucker 2014). A perceived loss of control and choice in these interactions leads to negative feelings and responses by the users (Boerman et al, 2017). Adjusting advertising communications to closely match the user's interests can result in them engaging further with the communication. By knowing what the user is looking for, the amount of unnecessary information communicated can also be avoided ensuring the user doesn't experience information overload. A high level of depth and a narrow breath of personalisation offering fewer options to the user also enhances their experience. The result of the correct usage of depth and breadth in personalisation can have a positive effect on reactance (Bleier & Eisenbeiss, 2015).

Another factor for advertisers to consider is the level of accuracy used in the retargeting of users (Boerman et al, 2017). Users tend to feel that an advertiser is making an inference about them based on an implied social label, if they recognize that the advertising is based on their past behaviour. They are likely in these circumstances to adjust the purchase behaviour and this could result in them not reacting in a positive way toward the advertising communication. The more accurately the users perceives they are being labelled the more likely this reaction becomes (Summers, Smith & Reczek, 2016). This leads to the rather strange conclusion that in order to successfully retarget a user a level of inaccuracy could be beneficial to the advertiser.

### **2.8.5 Strict Control of Data Management**

The ecosystem in which behavioural profiling of consumers takes place is comprised of two different types of businesses being search engines and advertising networks. These types of businesses hold vast amounts of consumer data and as such play a key role in the ecosystem. Search engines serve as the entry point for the consumer into many of the webpages being accessed. Advertising networks on the other hand trade with many online businesses to manage their display advertising inventory (Trusov et al, 2016).

Although they carry large amounts of user data marketers making use of this data should be wary that it does come with certain biases such as advertising networks only being able to track websites with significant amounts of advertising inventories thus ignoring websites that do not and search engines only being able to track the first click a user makes from the search engine and not any subsequent clicks. It has in fact been found that advertising networks and search engines do not offer a proportionately accurate story of what the consumers online activity is (Trusov et al, 2016). Browser-based tracking occurs when information about the

user is gathered from pooling together pieces of data collected using multiple webpages and over a number of online interactions. When a user visits a webpage, a cookie is installed or dropped into the user's browser. The browser having been marked by the cookie will now be recognized if the user moves on to other webpages on different websites. An advertiser can thereafter use the data gathered to create a profile of the user based on data from different context and during different times in their online activities. It is common for commercial websites to use some type of browser-based tracking, however even non-profit businesses such as churches have been known to use cookies on their websites. Users do have the option to opt out of or even block the cookies from being installed on the browsers, however that is not without its own issues as many websites now offer this along with diminished browsing capability over their webpages. Users also can delete cookies after each online session in order to avoid their data to from being collected over a series of times (Nill & Aalberts, 2014).

Personalised online marketing that has become the norm for online businesses, made possible by a marketer's ability to gather and analyse data on an individual level. Consumer interests and preferences gleaned from user online activity are highly valued by most online businesses and offers them the ability to apply the data gathered across multiple areas of online marketing. It is not without its challenges however and these need to be overcome if the real value it has to offer is to be realized. Individual consumer data provides huge amounts of information to the marketers which require scalable high-performance processing algorithms. For it to be used correctly the data needs to be represented in easy to interpret formats or managerial decisions will suffer. Firm centric data can lead to incorrect views and there is a need to correct for biases (Trusov et al, 2016). Stealth browser-based tracking is based on the use of targeting technologies which can nullify the efforts of users to delete or void cookies being delivered to their browsers. Through the installation of these trackers within software code of local shared objects (LSOs) such as Adobe's Flash multimedia software. This ensures that even if the user deletes their browsing history and cookies after an online session their historical data remains available to the advertiser to collect and use for targeting purposes (Nill & Aalberts, 2014).

### **2.8.6 Seeking Greater Understanding of Users**

Smit, van Noort and Voorveld. (2014), cited, in terms of what users actually know about online behavioural targeting, that early studies indicated a general understanding accompanied by varying degrees of confusion with regards to how certain aspects such as cookies affected them. Misunderstandings ranged from not understanding the nature of how geotargeting works to mixing up the difference between cookies and browsing history (Smit et al, 2013). Girona and Korgaonkar state that advertising practitioners making use of personalised

advertising need to equip themselves with a more in depth understanding of consumer perceptions about the practice. This will allow for them to make more informed decisions through these insights and thus fully realise the value of personalised advertising by allaying fears over issues such as privacy concerns (Gironda & Korgaonkar, 2018).

In terms of the degree of concern about privacy in users, that those surveyed were worried about the type and amount of information advertisers are able to gather on them. More than half reported that they had concerns about advertising based on browsing history even if the data could not be linked directly to them through their name or other personal data. Many of the respondents were also concerned that personal information is linked to the targeted advertising's data collection. In terms of how users cope with online behavioural targeting, two different strategies can be employed by users, coping by approach and coping by avoidance. Coping by approach entails a proactive, head on strategy that sees the user attempting to gain greater understanding through actions such as reading privacy policies or installing technology such as firewalls in an attempt to "master" the internet. Coping by avoidance is a strategy that entails the user becoming evasive when confronted with online data collection activities as they avoid, reject or block cookies (Smit et al, 2014).

Smit et al cited, in terms of how to approach different internet users, that not all users react in the same manner. Some research has offered that a privacy-concern base segmentation be implemented. The differentiation is based both on the amount of concern demonstrated in the past as well as background traits of the user. It was found that the segment that comprised the most concerned users is made up of those that are not college educated and earn less money than those that are less concerned. It was also noted women demonstrate higher levels of privacy concern than men (Smit et al, 2014). Factors that are thought to affect the effectiveness of online behavioural targeting include perceptions, beliefs and culture, the nature of the advertising in terms of its visibility, the characteristics of the advertising and privacy. With regards to perceptions consumers react to stimuli from their external environments in order to make sense and give meaning to their experiences. When they focus on specific stimuli and ignore other stimuli, they are practicing selective perception. The result for marketers is that consumers can selectively ignore their online communications unless they can match their advertising communications to that of the consumers values or interests (Alnahdi et al, 2014).

Moore et al cited stalking which is defined as "conduct directed at individuals that involves repeated physical proximity, unwanted communication, threats, fear, or a combination of these events" as a violation of social norms that can also occur in the virtual world. Furthermore, they noted that social norms that exist in real life bear close resemblance to those in virtual or

online environments. In terms of communication “more than one overt act of unwanted pursuit of the ‘victim’ is perceived as being harassing” (Moore et al, 2015). Marketers also must be cognizant of how culture affects an individual’s online behaviour, especially in an international environment such as the internet. The influence of culture can be due to factors such as socialization, attention paid to advertising in different media, the perceived level of advertising exposure as well as the patterns of online advertising. Perceptions of online advertising varies, marketers must strive to understand culture, when communicating to consumers from varied cultural backgrounds (Alnahdi et al, 2014).

Building trust is a key determinant in the success of the advertiser’s campaign. Advertisers use websites that users deem to be trustworthy and have also been known to signal to the users that they themselves are trustworthy (Aguirre et al, 2015). Further to this White et al, postulate that there are two factors that can mitigate user reactance in the effort to personalise advertising, justification and perceived utility. By increasing the level of fit between an advertising communication and the users interests and characteristics advertisers can justify the use of personalisation. Justification is not based only on the fit of the advertising to the user but rather on its ability to also be able to make the user understand why the use of their personal information was relevant to tailor the communication. Perceived utility of the advertising communication is based on how much the benefits of the communication are seen to outweigh the cost involved in receiving personalised advertising by the consumer (White et al, 2007).

### **2.8.7 Implementing Retargeting Practices**

Retargeting is a form of personalised online advertising, and is also a strategy of behavioural targeting, as it allows advertising to follow the user based on their prior activity on a specific website. Advertising spend on retargeting is on the rise as it can find the users that have previously visited an advertiser’s website and serve them with offers of similar products or services as the user has already demonstrated some level of interest in it. Further to this the advertising serves what is relevant to the user and does so with a relatively short time lag since they last visited the site (Sahni et al, 2018). The question of when the retargeting is most effective has been raised. It is thought that retargeting serves as a reminder to the user about the product or service they looked up, that it signals to the user that this is a product or service of quality and that it aids the advertiser in preventing to some extent the user visiting competing websites in order to find a similar product or service. It is therefore of great importance for the purpose of strategy on behalf of the advertiser to know which mechanisms to use to serve the user the retargeted communication (Sahni et al, 2018).

With platforms such as Facebook using retargeting as a key selling point to advertisers (Lambrecht & Tucker, 2013) the in-depth understanding of this type of campaign is of great importance. Summers et al, offer that retargeted advertising is tantamount to an implied social label (Summers et al, 2016). They posit that user's reaction to it is that the advertiser has made an assumption about who they are today based on what they did online in the past and that this impacts on purchase intentions. Their study concluded that the user's self-perception can adjust in response to behaviourally targeted advertising if the user sees a reasonable correlation between the implied social label and their past behaviour (Summers et al, 2016).

The study conducted by Boerman et al, concluded that OBA's success in increasing the click-through rate of users being retargeted relies on other factors to be considered as well. These include level of personalisation, information used, advertiser transparency, trust in the advertiser, perceived usefulness of the advertising, feelings of intrusiveness and privacy concerns (Boerman et al, 2017). It is important to note that personalised advertising communications are not addressed to a particular user but rather seeks out groups of users that are identified to fit into the narrow consumer subset identified by the advertiser and their intermediaries (Baek & Morimoto, 2012).

### **2.8.8 Practicing Overtiness Over Covertiness in Data Collection**

Overt information collection strategies ensure that the user is aware of the data collection that is taking place through the collection of cookies. Covert information collection strategies on the other hand take place unobtrusively without the user being aware it is taking place (Aguirre et al, 2015). Transparency on behalf of the advertiser can be a key determinant in the decision making of the user. Being open about the data collection methods employed, how the data will be used and if the data will be shared all have an effect on how the advertising communication is perceived. Cookies that are gathered are sold to brokers, these brokers then aggregate these cookies with first party data which is freely provided by the user, as well as with 2<sup>nd</sup> party data who work with the 1<sup>st</sup> party online partners, this data is then sold to 3<sup>rd</sup> parties who are interested in using the data to target consumers (Brinson et al, 2018).

Overt openness on behalf of the advertisers in these interactions can lead to increased chance of click-through by the user (Boerman et al, 2017). If a user perceives that data has been gathered covertly the feeling of vulnerability can manifest itself in their minds. Users will behave in a way that removes the feeling of vulnerability leading them to remove the object causing the feeling (Aguirre et al, 2015). Ultimately the user's intention to click-through is increased when they are made aware of the advertiser's intention to retarget and decreases when they perceive the advertiser to be retargeting without making the user overtly aware



(Boerman et al, 2017). Other influencers of click-through intention are associated with retargeting based on the user's interests such as celebrity interests rather than through use of background information such as choice of school (Boerman et al, 2017).

## **2.9 Conclusion**

Alnahdi et al found that consumers are agreeable towards online behavioural targeting, as it allows them to be served advertising that has greater relevance to them. Consumers however are of the opinion that the practice can become irritating and obtrusive but that targeting, and the choice of formats can positively influence their intention to purchase. Privacy concerns remain an issue in the minds of consumers and that targeting can become intrusive in terms of their privacy. When privacy is at the forefront of a consumer's concerns, they become more wary of online behavioural targeting. With regards to the relationship between perception and visible advertising it was found that a positive perception of online behavioural targeting can result in greater click-through rates of targeted visible advertising due to them being less obtrusive. Contextual targeted advertising was also found demonstrate that targeted visible ads and privacy concerns have negative relationships (Alnahdi et al, 2014).

Marketers have various tactics at their disposal in trying to implement online behavioural targeting campaigns that do not incur negative consequences. The act of the user giving into targeting if the marketer communicates to them that the act will give them a greater user experience was posited by Schuman et al. (2014). Nill and Aalberts. (2014) put forward allowing the users a greater perception of autonomy over their online activities. Research has shown that the use of automation technology can provide a marketer with a greater ability to use data and receive return on investment (Trusov et al, 2016). Other research has pointed to achieving a greater understanding of users as a means to online behavioural targeting succeeding in avoiding negative consequences (Smit et al, 2014). Ultimately marketers will use some or all of these methods and more as they try to navigate the complexities of online marketing strategy.

It has been put forward that ethical dialogue is required to properly control the behaviours of marketers online. Even when consumers are aware that online behavioural targeting is taking place, marketers cannot assume that they are able to steer clear of online businesses practicing these methods. The reality is that if they are engaging even with the businesses that do not practice online behavioural tracking, they are still using the same internet that every other business uses. Consumers who wish to be excluded completely from the practice then can only do so by staying off the internet. Other issues however are that most users are

unaware that the behavioural advertising is taking place, are not educated on tracking technology and what steps to take to limit their exposure to it (Nill & Aalberts, 2014).

### **3 CHAPTER 3: RESEARCH QUESTIONS**

The following section outlines the questions that the study aims to find answers to.

#### **3.1 Research Questions**

##### **Research Question 1**

*To what extent is behavioural targeting used in online marketing strategies?*

Aguirre et al. (2010) postulate that in the pursuit of targeting users with the correct message at the correct time marketers have become heavily reliant on the use of personalised advertising strategies such as behavioural targeting. The practice of using behavioural targeting is thought to serve as a reminder that they have interacted online with a product or service, or that the product or service is of good quality, as such marketers should be familiar with how the practice gets implemented (Sahni et al, 2018). Ozcelik & Varnali. (2018), cited from a study conducted in 2018, that 44% of all global media spend will be dedicated to online advertising with a large proportion of it being allocated to personalised advertising tactics such as behavioural targeting.

Following from the above, Research Question 1 aims to understand how prevalent the use of behavioural targeting is in online marketing strategy and if the practice is necessary for the success of marketer's online advertising strategies.

##### **Research Question 2**

*What are the negative consequences encountered by marketers making use of behavioural targeting in online marketing campaigns?*

Brinson et al (2018). Put forward that many online users find the practice of behaviourally targeted advertising to be intrusive and as such can cause an advertising campaign to incur negative consequences. Moore et al (2015) postulate that due to its invasiveness behaviourally targeted advertising can be perceived as annoying and creepy by the user. Privacy concerns and the feeling of opportunity cost have also been linked to behaviourally targeted advertising causing users to react negatively to these types of advertising communications (Chen et al, 2018). Seyedghorban et al, (2016) posit that the practice can result in advertising avoidance behaviour, which prompts users to implement tools such as advertising blockers to avoid being targeted by marketers.

Keeping the above research in mind, Research Question 3 aims to investigate what negative consequences behaviourally targeted advertising campaigns have incurred and how significant these negative consequences have been to marketers advertising campaigns.

### **Research Question 3**

*What strategies can be deployed in response to the negative consequences marketers face from using behavioural targeting in online marketing campaigns?*

It has been said that in order for marketers to succeed in their use of behaviourally targeted advertising that their efforts must be perceived as being free of deception, transparent and offer a degree of control of the surrendering and use of data by the user (Nill & Aalberts, 2014). Varying the degree of personalisation in the advertising campaign has been advised by White et al (2008). van Doorn & Hoekstra, (2013). It was also put forward that the responsible, accurate and efficient management of user data can be beneficial to advertisers in coping with any possible negative consequences to the practice of behavioural targeting (Nill & Aalberts, 2014; Trusov et al, 2016). Smit et al. (2014), posit that understanding how a user will react to being behaviourally targeted in terms of whether they will cope by approach or cope by avoidance, can guide a marketer to being able to navigate how they must respond to a user in the event of negative consequences.

As per the research and findings above, Research Question 3 aims to find out what strategies, marketers have deployed when encountering negative consequences due to the practice of behavioural targeting and how successful these are in their effort to cope with negative consequences.

### **Research Question 4**

*How do digital marketing executives go about uncovering the extent of the negative consequences they encounter when using behavioural targeting in online marketing campaigns?*

Smit et al (2014) put forward that in order for marketers to gain greater understanding of the effects of behavioural targeting a better understanding of users is required. It has also been put forward that marketers should derive from the actions taken by users online, what their interests and behaviour patterns demonstrate about them through the correct management and assessment of data (Trusov et al, 2016). Real Time Bidding is cited with being able to account for return on investment more swiftly and accurately and can therefore be considered

to provide greater measurability over online advertising placements (Trusov et al, 2016; Thomas, 2017).

Following from the above, Research Question 4 aims to gain greater insight into what efforts marketers are making to better understand the effects of their online targeted marketing campaigns and what technologies can be employed to aid this process.

### **Research Question 5**

*What strategies can be deployed to pre-empt the negative consequences marketers face from using behavioural targeting in online marketing campaigns?*

Boerman et al, (2017). Schumann et al, (2014) put forward reciprocity as a strategy that could be implemented by free web services in order to convince users to give up their data more readily. Alnahdi et al (2014). It was also put forward that in the process of data collection advertisers could benefit from being overt in their efforts rather than covert (Aguirre et al, 2015). Automation of processes through technologies such as Real Time Bidding were offered as it makes informed assessment of advertising placements through instant analysis of data (Wedel & Kannan, 2016; Trusov et al, 2016). Chen et al. (2018), posit that Real Time bidding is the future of behaviourally targeted online advertising owing to its ability to offer greater return on investment.

As per the above, Research Question 5 aims to understand what marketers have learned in their efforts to behaviourally target users and how these learnings can be implemented in order to negate the possibility of negative consequences.

## **4 CHAPTER 4: RESEARCH METHODOLOGY AND DESIGN**

### **4.1 Choice of Methodology**

#### **4.1.1 Philosophy**

The research philosophy that was employed aligned with interpretivism. Interpretivism relates to understanding aspects of society in its natural environment (Saunders & Lewis, 2012). The process entailed posing open-ended questions to which the participants being interviewed were able to answer subjectively based on their experiences and personal biases. Interpretivism relates to understanding aspects of society in their natural environment engaging with the 'social actors' in the environment (Saunders & Lewis, 2012). Sefotho. (2015), cited that, interpretivism is undertaken to seek out new interpretations from multiple realities, through embracing multiple worldviews from different researchers at different times and contexts (Sefotho, 2015).

It is said that in terms of business and management research an interpretivist perspective is very appropriate and offered particular relevance in a field such as marketing (Saunders & Lewis, 2012). The environment in which the study took place was found within various industries with the "actors" all fulfilling a similar function in these industries. By questioning how they define themselves in these roles and how they define the other players the study aimed to understand what is perceived as appropriate. Nicholls postulates that interpretivist studies which favour individualistic interpretations can benefit qualitative research as they allow for multiple realities formed from different perspectives (Nicholls, 2018).

#### **4.1.2 Approach**

An inductive research approach was employed in this study. Inductive reasoning which is described as theory testing suitably aligned with the requirements of the study which was not theory building but rather theory testing (Bhattacharjee, 2012). Inductive reasoning seeks to give deeper understanding of existing theoretical perspectives (Saunders et al, 2016), and for the purposes of a qualitative study allowed for an explorative, bottom up approach so that theory could be built from empirical data (Myers, 2013). It has been cited that some editors of academic journals have shown support for inductive research as it identifies new areas where not much is known, is a great source for building new theory and that it can open doors to new insights whilst also highlighting phenomena that bear significant practical implications (Woo, O'Boyle & Spector , 2017).

Inductive research is said to be bottom-up, data driven and exploratory in its approach, and it allows for the generalisation of findings further to the observations that are noted. Inductive exploratory research seeks out patterns in data and attempts to generalise the relationships among the variables detected (Woo et al, 2017). The inductive reasoning began with an observation and from this specific observation sought to identify patterns, this led to the formulation of speculative theory and propositions, which were then investigated. Inductive reasoning is said to seek out the meaning that humans attach to occurrences. Inductive research also offers greater flexibility and changes could be made to the approach, during the course of the study (Saunders & Lewis, 2012). It is also said to allow for the development and refinement of hypothesis during the data analysis process (Lynch, 2014). Exploratory research is said to lead to more well-articulated research questions and more substantial research hypothesis, whilst also being credited with being able to unearth unexpected phenomena. Exploratory studies are also said to be essential in the scientific process through establishing validity of scientific conclusions and also contributes to the credibility of organisational research by way of its inductive nature and through its discovery and learning through the data that is gathered (Jebb, Parrigon & Woo, 2017).

#### **4.1.3 Methodological Choices**

Only a qualitative study was employed in the research, making this a mono method study. It was the intention of this study to understand participants subjective opinions of the subject matter. Qualitative research made sense of the participants responses as they took place in the environment of their own industries. The data was analysed inductively after being collected from the participants in their natural setting. This resulted in a final report that gave voice to the participants through the context gained by the researcher (Creswell, Hanson, Plano & Morales, 2007). Nicholls states that qualitative research can offer value in the way individuals collectively understand their reality, as well as when there is a need to question the systems and structures that offer context to existence (Nicholls, 2018).

Using a natural setting the study allowed the participants to respond in the environment in which they encountered the problem being researched. Under the conditions of this study the researcher was able to gather data, observe behaviour and interview the participants. The study aimed to understand how the participants give meaning to the research problem and will allow for emergent design to take place as changes or shifts take place. The qualitative nature of the study also allowed a theoretical lens to be applied to the research problem and gave a holistic account and complex view with multiple perspectives of the research problem (Creswell et al, 2007). O'Brien, Harris, Thomas, Beckman, Reed and Cook. (2014), stated that qualitative research can add to extant literature through offering descriptions, interpretations

and through generation of theories on social and individual interactions and experiences within an organic setting.

#### **4.1.4 Purpose of Research Design**

Exploratory research allowed the researcher to pursue a study in which there was not too much familiarity. It also lent itself to understanding new cases of which little is known. Findings of an exploratory study might be of only of a tentative nature and further studies might be required in the future. This form of research lent itself to literature review and to semi-structured interviewing as well. Additionally, it was well suited to qualitative research (Saunders & Lewis, 2012). Woo et al cited that, exploratory data analysis is a rigorous methodological method within organisational sciences and makes use of various statistical and graphical techniques (Woo et al, 2017)

Exploratory research also could be used when the purpose of the research is to understand the significance of a certain phenomenon, issue or behaviour. It also offered value in creating ideas upfront about a phenomenon and could gather data on the possibility of there being a greater need to study the phenomenon further. Whilst exploratory research may not accurately and definitively scope out the issue around the research problem it could be a necessary precursor to further research be conducted (Bhattacharjee, 2012).

The most common methods for conducting exploratory studies are academic literature searches which began online through journal databases, interviewing experts on the subject matter of the research problem to gain qualitative feedback and answers which led to more wide-spread interviews being conducted. The process of exploratory research offers flexibility as the research can begin broadly and throughout the process funnelled down to become more focused (Saunders & Lewis, 2012). Western culture has resulted in the act of documentation being commonplace. Qualitative research relies heavily on the use of documentation to find out who we are and what we do as a people, through consultation of any form of text that conveys meaning (Nicholls, 2018). For the purposes of this study a literature review was conducted to gather and document existing data on the research problem, following the literature review, semi-structured interviews were conducted with those that were qualified by way of screening questions to fit the profile of individuals that could contribute data to the research problem. The data gathered from the interview process was then be triangulated with the data gathered from the literature review and the findings were documented.



#### **4.1.5 Strategy**

The study commenced with extensive literature review of what has already been researched and reported about the subject matter and the research problem. Following the gathering of the secondary data that was available semi-structured in-depth interviews were conducted. Interviews are said to be purposeful conversations between 2 or more people. Interviewing offered a face to face personalised opportunity for the researcher to gather information. Due to this the interviewer was able to note observations to the participants behaviour and make note of this. The interviewing also allowed for information to be gathered in the most natural setting for the participants (Bhattacharjee, 2012).

Semi-structured interviews offered value in circumstances where the feedback the respondents will provided was unknown or undetermined, when the questions posed were of a complicated nature and when there might have been a requirement to vary the sequence of the questions or the questions themselves needed to be changed depending on who was being interviewed at the time (Saunders & Lewis, 2012). It has also been put forward that interviews allow for interpretivist studies to benefit from the lived experience of the respondents that were interviewed (Nicholls, 2019).

Prior to the actual interviews, efforts were made to gather information about the participant as well as the businesses they work at, at the time of being interviewed. Through this process it was determined if the respondents met the criteria required to be a participant in the study. Following this an interview was scheduled, providing the line of questioning that the interviewer would be posing to the participant. The participant was able to enjoy the benefit of being interviewed at their convenience and comfort in their own setting. Prior to the interview taking place they were provided with a consent form indicating their willingness and ability to participate (Saunders & Lewis, 2012).

### **4.2 Research Design**

#### **4.2.1 Population**

The complete set of group members that made up the population of this study included digital marketing executives working on online advertising campaigns for a period of 5 years or more from various industries who were located, in the greater Johannesburg area. Further qualifying criteria were that the executives must have had experience designing, implementing or measuring marketing campaigns that have made use of behavioural targeting. The population of the study included candidates that have occupied the role of Digital Marketing Strategist however, Marketing Managers, Planners, Account Directors and Marketing Consultants that

have experience working on campaigns that have made use of behavioural targeting were also considered.

#### **4.2.2 Unit of Analysis**

Unit of analysis signified the target of the investigation which could be a person, group of people or even an organization (Bhattacharjee, 2012). In the case of this research study individuals were the most appropriate representative of the unit of analysis. For the purposes of this study practitioners working on online advertising campaigns for a period of 5 years or more from various industries who are located in the greater Johannesburg area with experience in designing, implementing or measuring marketing campaigns that have made use of behavioural targeting.

#### **4.2.3 Sampling Method and Size**

Non-probability purposive sampling was used to choose the participants that were interviewed. Purposive sampling is a type of non-probability sampling that relies on the judgement of the researcher to choose the participants. It is commonly employed to conduct exploratory research through semi-structured interviews (Saunders & Lewis, 2012). Nicholls cited that purposive sampling is the most commonly used means for identifying and securing participants for a study (Nicholls, 2018).

Qualitative research studies sought to include participants that were able to offer meaningful insights and contributions to the study, therefore individuals that were willing and able to speak freely and openly about the topic were selected. This type of research approach required a sample that could furnish the study with good insights about their experience on the subject matter so that deep, meaningful insights could be extracted. Sampling in qualitative research therefore relied on exploring diversity and variation (Nicholls, 2018).

To ensure the participants fitted the description of a digital marketing executive with knowledge of value they were asked the following screening questions to test their suitability:

- a. Have you worked on online advertising campaigns for a period of 5 years or more?
- b. Are you located in the greater Johannesburg area?
- c. Do you have experience designing, implementing or measuring marketing campaigns that have made use of behavioural targeting?

Between 8 and 12 participants were selected for the study. Coding of the data gathered from interviewing these participants was done until saturation of the data collected was reached and no new data or codes could be found during the analysis process.

#### **4.2.4 Data Gathering Tool**

Semi-structured interviews allowed for the facilitation of a discussion in which the interviewer was unsure about the responses that the participants would provide, which contained complicated questions and allowed for flexibility of the order in which the questions could be asked (Saunders & Lewis, 2012). Nicholls states, that semi-structured interviews are widely used in qualitative studies and entail the use of broad, pre-defined questions and themes. The interviewer in using a semi-structured interview approach was allowed, to deviate from the pre-planned questions when required (Nicholls, 2018). Upon qualifying that the respondents met and satisfied the criteria for participating in the study arrangements were made to meet and conduct the interviews. The interview schedule served to provide, an introduction to the topic that was to be discussed and, also ascertained that the participants had understanding of the topic and questions being asked. Carefully chosen, open-ended questions that were congruent to the research questions were asked.

Semi-structured questions in the interview schedule did seek to ascertain the extent that behavioural targeting is used in the participants marketing campaigns, as well as what negative results of these behaviourally targeted campaigns elicited from the users and how the participants go about understanding and coping with these negative reactions from users. Interview questions were developed using the research questions in order to ensure that consistency was achieved in aligning the research objectives with the constructs found during the literature review. During the interviews a discussion took place to frame the purpose of the research followed by questions from the interview schedule which last approximately between 30 to 60 minutes. All audio recordings and notes taken during these interviews were retained by the researcher and the university for a period of 10 years.

#### **4.2.5 Data Analysis**

Qualitative studies are either text or non-text based. Primarily text-based data was used and with the permission of the participant voice recordings were taken which have been transcribed, word processed and turned into text data. All transcripts and notes were uploaded onto the Atlas.ti 8 qualitative data analysis program (Saunders & Lewis, 2012). Themes were identified in this process by seeking out those words that were repeated across the interviews. The data has been represented in a data matrix to demonstrate separate variables and separate participants (Saunders & Lewis, 2012).

Nicholls stated that some basic principles of data analysis include creating text from raw data which could be gathered as written notes or audio or video recording. This data was read or

listened to in order to begin what at that stage was still naïve coding of themes as per the researcher's interpretation. Pre-existing theory was cross referenced at that time to give greater understanding to the research on her or his findings, which is a concept known as theoretical sensitivity. Further data was then analysed and coded and the researcher then began to develop into explanatory frameworks as the data merged with other data. The researcher remained open to early negative findings throughout this process as it allowed for naïve findings to be further developed and refined into more meaningful theories (Nicholls, 2018). Woo et al cited that, in analysing the data an open attitude should be maintained in order to reap the benefits of stumbling upon intriguing and surprising patterns within the data. They further suggest though that as a best practice thorough investigation which includes a variety of techniques such as descriptive, graphical and inferential should be employed in order to find patterns in the data which were not always linear in nature (Woo et al, 2017).

### **4.3 Trustworthiness and Rigour**

Trustworthiness of the data collection process has been key to quality of data gathered, whilst being mindful of reliability, bias, sensitivity and validity (Nicholls, 2018). To ensure this the interviewer was tasked to declare any response biases of the participants accordingly (Saunders & Lewis, 2012). The interviewer was also mindful of tonal variations and non-verbal behaviour of participants as they respond to the interview questions (Saunders & Lewis, 2012).

A further consideration towards ensuring trustworthiness of the data collection process entailed appropriate dress code for the interviews to create a positive impression of the interviewer by the participant which can impact on the reliability of the data (Saunders & Lewis, 2012). Likewise, the choice of venue for the interviews was an important factor in contributing to reliability and interviews were conducted in private to ensure confidentiality and to limit bias (Saunders & Lewis, 2012). Following the interviews data was transcribed accurately in a systematic approach the results of which were triangulated with the literature review.

Saunders and Lewis described validity as the extent to which the data collection method accurately measured what it was intended to measure, and that the findings were actually about what they report to be about (Saunders & Lewis, 2012). In ensuring external validity of the sample digital marketing executives from various industries were selected (Kaski, Niemi & Pullins, 2018). Best attempts were made to provide the participants with ample time for the interviews to be conducted and equip them with a fair understanding of the line of questioning they were tasked with answering (Saunders & Lewis, 2012).

Nicholls documented that rigour in qualitative research relies on factors such as researcher responsiveness, that proper verification strategies have been used, that methodological coherence has been achieved, that sampling has sufficiently satisfied all aspects of the phenomena, that concurrent text generation and analysis has taken place, that there was theoretical understanding of the data, that best efforts to maintain credibility were made, that transferability of theories was possible, that the research was dependable and consistent, that results can be confirmed and that there was authenticity of the participants true biases (Nicholls, 2018).

#### **4.4 Limitations**

Semi-structured interviews have the potential to result in interviewer, as well as interviewee bias. The skill level of the researcher conducting the interviews could have possibly tainted the data gathered in the interview process (Saunders & Lewis, 2012). Interviewees could also have deviated from the pre-determined course the interview questions were attempting to take (Nicholls, 2018). Semi-structured interviews were also faced with issues such as 'preferred social response' and 'the unique characteristics of the participant' influencing the data (Van Teijlingen, 2014). Explorative studies do not come to conclusions of any definitive finality (Saunders & Lewis, 2012) and the findings could only prove to be worthy if they lead to further possible studies.

Sefotho cited, that interpretivism has been criticised for its failing to acknowledge the role that institutional structures play especially with regards to divisions of interest and relations to power (Sefotho, 2015). With regards to inductive research it was cited that too much of it can lead to sanitised findings that are over reliant on disconnected facts (Woo et al, 2017).

Whilst the participants knew that behavioural targeting could elicit negative responses from the user, phenomena such as reactance may be unknown to them even though they have been studied in the past. These studies however have been limited and the participants involved may not have seen data on it, nor considered it in their day to day implementation of behavioural targeting. This could lead to skewed perceptions on behalf of the participants.

## **5 CHAPTER 5: RESULTS**

### **5.1 Introduction**

This chapter presents the results of 8 semi-structured interviews conducted in line with the research questions outlined in Chapter 3 of this research paper. The interviews were conducted with digital marketing executives who could provide qualitative feedback on the negative consequences of using behavioural targeting in online personalised advertising. Through these interviews, themes emerged from quantitative analysis that provide structure to the purpose of the research, which is to understand what the potential negative consequences are and how practitioners go about understanding and coping with them.

The following sections of this chapter provide an overview of the participants that were interviewed. Thereafter a presentation of the results of the qualitative research is provided in line with the research questions from Chapter 3.

### **5.2 Description of Study Participants**

A total of 8 interviews were conducted, made up of executives who work as digital marketing executives either directly for a company brand or from a media agency that represents various company brands in the digital media space. The 8 interviews are represented in the results that follow. The sampling method employed to choose the participants was purposive sampling. The participants were chosen to be able to provide a varied, heterogenous array of experiences gathered from working with behaviourally targeted online campaigns. All participants were actively involved in the implementation of behaviourally targeted campaigns at the time of being interviewed, and also had previous experience and learnings to offer to the research, thereby ensuring their contributions provided valid information to the study. The participants as well as the businesses they represent remain anonymous and as such the participants are only referred to numerically in the results section.

All participants were based in the greater Johannesburg area and all interviews were conducted at their place of business. Prior to each interview the participants were sent a written document outlining the purpose of the research as well as an overview of the research questions that would be discussed. The following table provides the participant identifiers, as well as the role they fulfil and the type of industry the business they work for falls within.

**Table 1: Description of Study Participants**

Identifier	Current Role	Type of Business	Years of Experience
Participant 1	Digital Brand Manager	Banking	> 12 years
Participant 2	Head of Digital and Content	Media Agency	> 8 years
Participant 3	Digital Marketing Campaigns Manager	Insurance	> 8 years
Participant 4	Digital Marketing Consultant	Video Streaming Services	> 9 years
Participant 5	Digital Media Strategist	Digital Marketing Design	> 14 years
Participant 6	Head of Digital	Media Agency	> 6 years
Participant 7	Digital Strategist	Media Agency	> 5 years
Participant 8	Head of Digital	Media Agency	> 8 years

### 5.3 Results for Research Question 1

Research Question 1: *To what extent is behavioural targeting used in online marketing strategies?*

Research question 1 was posed to the participants in order to understand the extent that behavioural targeting methods are employed in the pursuit of online marketing strategy, as well as what makes it a viable strategy. Further to this research question 1, aimed to understand the motives for choosing to use behavioural targeting. The following table illustrates the themes and corresponding codes that emerged as a result of the qualitative analysis process.

**Table 2: Themes and Codes Research Question 1**

Themes	Codes
<b>RQ1: T1 - Extent of Use</b>	EU: Geotargeting
	EU: Lack of Use of Behavioural Targeting
	EU: Retargeting
	EU: Used Extensively
	EU: Used to Convert Behaviour
<b>RQ1: T2 - Data Management</b>	DM: Data Collection
	DM: Utilizing Data
<b>RQ1: T3 – Reasons for Extent of Use</b>	REU: Accuracy of Behavioural Targeting
	REU: Avoids Over-reliance on Demographic Data
	REU: Budget Efficiency and Reduced Wastage
	REU: Creates Target Segments
	REU: Creates User Engagement
	REU: Cross Selling
	REU: Improved User Experience
REU: Influences Customer Acquisition and Conversion	

	REU: Leads to Greater Influence
	REU: Leads to Greater Relevance
	REU: Nature of Online
	REU: Positive vs Negative Impact
	REU: Qualifies User
	REU: Speedily Acquire Users
	REU: Targeting Based on User Behaviour
	REU: Understanding Consumer Behaviour

The themes that emerged with regards to the extent of use of behavioural targeting in online advertising strategy, pertain to its widespread influence on the online marketing landscape, made possible by the access to data that digital marketers are able to leverage and the many advantages that this offers marketers. Further to the capabilities that data management provides to marketers to promote the extent of use of the practice, participants accounted for many of the advantages that can be gained from using behavioural targeting in online marketing campaigns as reasons for the extent of its use.

In support of the above statement sections 5.3.1 to 5.3.3 follow below.

### **5.3.1 The Extent of Use Behavioural Targeting in Online Marketing Strategy**

Of the eight participants represented in the results section, all participants attested to the use of behavioural targeting in online marketing strategy. Six out of the eight participants asserted that it is used extensively in online marketing strategy. Participant 8 stated, “I don't think there are many campaigns out there that cannot use behavioural targeting. So, I think it's, it's, if you flip it another way to what extent don't people use behavioural targeting because it's very few”. Participant 2 had a similar response with further substantiation, that it offers a level of closeness to the target market “it's used in, I would say, most of most digital campaigns as a kind of a more granular level of targeting”. Participant 5 put forward that the extent of use is a necessity for online marketers to be able to compete by stating, “behavioural aspects that people don't see an industry today, especially in the digital industry, it's very cutthroat. So, whoever's going to win it's going to use behavioural techniques to win”.

Two participants offered context as to the type of online campaigns that receive extensive usage of behavioural targeting. Participant 2 stated, “it is used quite a lot in brand campaigns and product campaigns”, whilst Participant 5 asserted that, “purchases that are luxurious, rather than necessary, they target the behavioural aspects quite a bit. People are social creatures by nature. So, you know, behavioural targeting around the social sense it's quite strong”.



Two other participants spoke to the capability of behavioural targeting when used to track users behaviour down to the location of the user at a given time. Participant 3 expressed that the extent of use is high if location of the user is a desirable qualifying factor for the purpose of the campaign putting forward, “especially when it comes down to specific price related offers that are valid for certain areas only”. Participant 6 supported the notion that behavioural targeting gains extensive use when location is a desirable factor stating, “actually using location as a behavioural signal as well. So whether that be that you are a regular gym goer, or maybe you regularly visit to this coffee shop, for instance, or that you are in a particular store a number of times during the week, and it can start inferring whether you’re at home or at work”.

Three participants were of the opinion that behavioural targeting gains extensive use owing to its ability as a technique to recognise that a user has shown through prior behaviour that they could be receptive to seeing advertisements of a similar nature through being retargeted. Participant 1 explained, “they've come to the website, they've shown an interest in a specific product, we've been able to back up that user into a specific audience, and we [are] be able to remarket that audience”. Participant 6 felt that retargeting as a behavioural targeting strategy gains wide usage because it can more actively seek out users that have previously engaged stating, “if I retarget you, but based on behaviour that I know, you come to our website, I'm now retargeting, but I'm following you more than that, then I'm actually trying to find you”. Participant 4 further supported the extensive usage of retargeting as a behavioural targeting strategy by stating, “Once you click on an advert, once you've engaged, once you've gone to our app, we've got you, cause now I'm going to send you organic messages, targeted at you because I know you've engaged with what we've spoken [about] before”.

In spite of the wide spread confirmation from the participants that behavioural targeting receives extensive usage as a strategy in online marketing, two participants also had the opposite point of view when it came to the use of behavioural targeting in their own online marketing efforts. Participant 1 stated, I don't think we use it as extensively as other brands. Participant 5 also had this point of view but further supported this by explaining that it is down to local market attributes stating, “in South Africa, these, these things are not well understood. So, people are sceptical in an industry, sceptical to put certain things in there because they just don't want to be the guys that are the first, they don't want to be the guinea pig, they want to be fast followers”.

### 5.3.2 Data Management Driving the Use of Behavioural Targeting

The previous section provided an account of the extent of use of behavioural targeting in online marketing strategies. This section will provide results of what enables marketing practitioners to be able to make such extensive use of the practice of online behavioural targeting. Data management emerges as the driving force behind the widespread implementation of behavioural targeting as an online marketing strategy.

The practice of behavioural targeting in online marketing has been bolstered by the act of gathering data from various online touchpoints. Five participants in total made reference to the practice of data collection. Participant 6 stated, “we use the data that we have available to us from a from an ecosystem. So, Facebook, you have data, Google have data, the various different publishers and media owners that we use, they sit on data as well.” Participant 4 supported the previous statement by stating, “So, if you go, if you use Twitter, for instance, for customer engagement, if you read after several sort of engagements, you don't need to identify yourself, they know who you are.” Further explanation about the sources of data collection were explained by Participant 7 who put forward that, “third party campaign [data], obviously anyone who's engaged with a campaign that and then we obviously collect our first party data, like anyone who's converted anyone.” The type of data collected by marketers was accounted for by Participant 3 in stating, “we are able to capture who they are, what's their aspirations, what's the size of the household, and where they reside.” The reliance on behavioural targeting in online marketing, as well as its usage of technology was accounted for by Participant 1 through stating that, “it does rely heavily on data as well as collecting that data with the right technology.” Participant 1 also reinforced that businesses have access to data whether it is used or not for behaviourally targeting users online by stating, “we collect the data anyway”.

The manner in which data is utilization contributes to using behavioural targeting in online marketing strategy was put forward by 5 participants. Participant 3 stated, “having better insight and ability to read data to know what we should be doing going forward, “In my opinion data lies with a brand.” Participant 6 put forward that even if data is limited, the data that is available can be greatly beneficial, stating, “I don't sit on that extent of data, but I can still personalise that messaging as best as what I possibly can, you know, so I know that you frequent review sites on automotive.” Participant 6 also expressed that utilising the data requires examination of the data in order to craft the correct advertising messaging stating, “It depends how you use the sort of data that you have available to you and the type of messaging that you that you're able to sort of push back to the consumer.”

### 5.3.3 Reasons behind the Extent of Use of Online Behavioural Targeting

Having accounted for the results of the extensive use of behavioural targeting in online marketing and how it is enabled by effective data management. This section will now account for why digital marketers choose to make use of the practice.

Three participants spoke to the accuracy of the practice contributing to why behavioural targeting is favoured when planning online marketing strategy. Participant 1 stated, “behavioural targeting ensures that we as a brand are delivering products, services, solutions, whatever's needed to the right person, at the right time, in the right frame of mind and within the correct channel.” This feedback is supported by Participant 7 who put forward, “it's more addressable than traditional marketing, and that's simply because I'm able to address if a specific behaviour that is not working for my, for my campaign, that is in real time”. Participant 2 also shared this opinion through simply stating, “It's a lot more effective”.

Four participants pointed to the ability of online behavioural targeting to make efficient usage of advertising budgets as a contributing factor to its preference as an online marketing strategy. Participant 1 made reference to this in 3 separate statements, “the beauty of behavioural targeting, the advertiser's budget is used more efficiently with a profitable outcome”, “I have very much found that there is less wastage” and “in terms of budget efficiency, and cost effectiveness, and it really is imperative, and it definitely has shown us what we can do with quite a limited budget”. Participant 4 supported the point that behavioural targeting allows a marketer to make efficient use of a budget by stating, “it depends if you're working, where you're accountable for your budget the behavioural part comes in quite close”. Participant 7 was also inline with these responses and further substantiated how behavioural targeting can make use of limited budgets stating, “we have, doesn't have, big spend in sort of the marketing sense. So, we not trying to waste that money trying to find that audience we need we need to be exact in what is we [are] after”.

The ability of targeting to create segments was noted by 4 participants. Participant 3 spoke about using the profile that is built for a targeted online consumer to build a segment or bucket, stating, “There afterwards we use Kavindra's, traits, personality, buying power, to create lookalike audiences, similar audiences”. Participant 4 supported this feedback by stating, “from there you can create an audience essentially, for instance, I click on field hockey, field hockey, cricket, football, a little bit of rugby, but I spend the most time on football, so I will fall into a little bucket called football audience”.

Five participants pointed to behavioural targeting being based on a consumers online activity and behaviour as a reason for its widespread usage. Participant 1 stated, “but it's more on what the user has done online and what the behaviour has been, and then what their search has been, and what their website visits have been based on that day to be able to back it into audience, their audiences that are relevant to our product or service”. Participant 3 supported this statement adding that it is of great importance to base behavioural targeting on user online activity, putting forward, “it is a crucial factor ensuring that we are able to determine through activity both online and on our own websites”. Participant 6 also supported this stating, “we use the signals, that users are doing online to furnish them with the correct type of message or advertising, you know, whether they've engaged with the brand previously, or something that looks similar to that brand”.

Further to basing the decision to use a behavioural targeting on user activity four participants also expressed the benefit of the practice being closely related to consumer behaviour. Participant 2 stated, “I think it comes back down to this age, age old kind of concept of marketing, which is, which is more to do with behavioural sciences and understanding the consumer behaviour”. Participant 5 contributed to this by asserting, “that's where the behavioural aspects come in, you know, tools, like optimal level of dissonance, you know, how do we get self-interest, compliance, laddering, social proofing, all of those behavioural aspects make customers want to do stuff [engage]”. Participant 6 added to this introducing consumer physical behaviour stating, “we've kind of gone into this, behavioural location, type of I call it behaviour, because where you go is your behaviour”.

The ability of behavioural targeting in online marketing to acquire and convert users into customers was put forward by three participants. Participant 1 stated, “definitely been quite a remarkable improvement in lead generation [and] business growth, because of behavioural targeting”. Participant 4 shared this sentiment adding that it is also based on how quickly it can convert a user into a customer, stating, “I suppose in a way, as digital marketing, we try to move choice, on the matter. We know, if you look at even down to when you click an advert from advert to conversion, we try to minimize the number of clicks”. Participant 8 confirmed that the ability to convert users to customers is measurable as well, stating, “I have noticed in just the spike of just the conversion, when we've used a set of data for a specific campaign”.

Further to behavioural targeting's ability to convert users to consumers, at a more base level it is simply able to influence online behaviour. Participant 2, describes the intent of the marketer in this regard stating, “I don't want to use the word manipulate, I want to say able to, to nudge them into into doing something or purchasing something or clicking somewhere, it's a lot more effective if you use behavioural targeting.” Participant 4 shared similar feedback,

adding that further probing of the user data could prove beneficial stating, “drill a little deeper so you have these, and this is where it comes into into is how do we sort of get the behaviour that we want, by targeting people”. Participant 5 introduced indecision within the user, as a factor that behavioural targeting can have influence over, putting forward, “we have to put those support mechanisms, we see it as a support mechanism, because in the human sciences, when you're making a decision, you're going to go through sort of a pattern of doubt, and then it starts building up trust, when trust, is at the highest level that's where decisions get made”.

Hand in hand with the improved ability to influence behaviour, intent and acquisition three participants pointed to the benefit of being able, to identify and qualify if a user actually has interest or intent to purchase. Participant 3 put forward, “whether users have any, whether they have a high level of intent of purchasing taking our product, or are they maybe just researching, or viewing the brand as an aspirational brand”. Further to this Participant 7 added that through greater understanding of available data upfront, marketers are able to single out the interested users prior to executing a campaign, “I'm able to enrich my data upfront, only talking to people with a specific personal income, able to actually say ok cool, I'm scaling my audience down, not because I have this because I actually have actual data informing me that these are the people who can afford my car [product example], therefore, they're more likely to be interested.”

With regards to how behavioural targeting is able to firstly to influence behaviour as well as to influence purchase intent and customer acquisition four participants pointed to the ability of the practice to offer greater relevance to the user in targeted messages that are communicated to them. Participant 2 offered, “it's effective, you're able to craft the messages that are relevant to their behaviours, which, which speaks more to them”. In support of this Participant 3 added that it provides a level of customization that can communicate on a one to one basis with the user, “enables us to create customized messaging, knowing that individual, hypothetically speaking, had X amount of people in, within his family and the size of his family, whether he is a family provider, whether he is single individual or even a student's itself [himself], customizing the messaging in according to who they really are and what their occupation is”. Participant 6 pointed to increased levels of personalisation which allows marketers to be more relevant in their communication with users, “So, if I can tailor make my messaging to make it more relevant for you, Surely, you're going to engage with me. So, rather than that sort of spray and pray type of approach, let's, let's personalise as much as what we possibly can”.

When considering whether to use behavioural targeting in online marketing strategy or not three participants put forward that the positives should be measured against the negatives in

order to guide the decision making. Participant 1 stated, “think about [it] very strategically, in terms of weighing up the negative impact versus the positive impact”. Participant 2 was of the opinion that in fact if marketers were to consider the positive versus the negative impacts that it would prove that there are more positive impacts to be enjoyed than negative ones, “I am wearing my marketer’s hat that says this is, we as marketers gain more of a positive outcome out of this than negative outcomes”.

With regards to providing an overall better user experience 2 participants claimed that behavioural targeting is able to achieve this due to improved accuracy and relevance. Participant 1 offered an example of improved user experience as, “I’m looking to travel to Mauritius for a holiday. And it has to be a child friendly and close to the beach and all inclusive, for example, I actively search their Google, this means that I’m looking for and I’m interested in this hasn’t, it hasn’t happened to me, it’s something that I’ve put off into Google, I received the answers of Google, by organic, or paid for search, browse through these answers and acquire information to decision making a day later, I scroll through Facebook and see an advert for a specific hotel in Mauritius, which ticks all the boxes”. This was supported by Participant 5 who also pointed to how the experience is improved through validating the users psyche, “traditional marketers started looking at where’s the gap, and then the gap came from, let’s call it customer experience, but how do you create a good customer base? It’s through engaging the emotive sense.”

#### **5.3.4 Summary of Findings for Research Question 1**

Based on the results of Research Question 1, it emerged that online behavioural targeting as a strategy is widely used. Participants accounted for its extent of use in practices such as retargeting and geotargeting. Further to this, its extent of use can be attributed to the need for marketers to convert users into buyers and behavioural targeting is said to be appropriate in this regard. Participants mostly attested to its widespread usage in the realm of online marketing however, a small number of participants did admit to not using it as extensively as other business do. Reasons put forward for instances in which the practice is not used were both business specific in terms of possibly not having technology or skills available to do so, as well as market related factors such as local market readiness, that inhibit brands from taking this approach.

As a practice rooted in the use of data to ensure its success, online behavioural targeting is used extensively because of its ability to turn data on users into targetable campaigns, that influence the user’s choice. Access to data through both, first and third party, data collection methods from a multitude of data touchpoints emerged as a key contributor to the practice’s

extent of use. Technology that allows data collection and the ability to draw insights from the data as well as skills that have been developed contribute to the extent of use.

Further to the access to data and its implementation into the behavioural targeting strategy participants put forward a range of reasons that influence marketers to make use of the practice. It is known to be accurate and efficient which results in reduced wastage, as such it is able to make better use of marketing budgets. The practice is also able to identify users according to the behaviours online and create segments made up of users exhibiting similar behaviours, making them targetable as a 'bucket' of users that have intent to purchase. Overall the user experience was put forward as being superior and this contributes to its ability to convert users.

#### **5.4 Results for Research Question 2**

*Research Question 2: What are the negative consequences encountered by marketers making use of behavioural targeting in online marketing campaigns?*

Research question 2 aimed to uncover what negative consequences digital marketing professionals have encountered in implementing the practice of behavioural targeting. Further to this the question was posed to participants to establish what factors contribute to driving the negative consequences that marketers experience in the practice of online behavioural targeting. The heterogeneity of the participants experience, with the practice of online behavioural targeting allowed for rich responses to be provided from the various processes involved in the practice such as planning, implementing, managing and measuring. The following table illustrates the themes and corresponding codes that emerged as a result of the qualitative analysis process.

**Table 3: Themes and Codes Research Question 2**

<b>Themes</b>	<b>Codes</b>
<b>RQ2: T1 - Types of Negative Consequences</b>	TNC: Irritation for User
	TNC: Privacy Concerns
	TNC: Wastage for Marketer
<b>RQ2: T2 - Effects of Negative Consequences</b>	ENC: Damage to Brand
	ENC: Diminished Reach
	ENC: Increased Cost of Narrow Targeting
	ENC: Negative Societal Impact
	ENC: Negative User Sentiment
<b>RQ2: T3 - Drivers of Negative Consequences</b>	DNC: Advertising Fraud
	DNC: Campaign Goal Dependent
	DNC: Experimentation with New Techniques
	DNC: Implementation Expertise Gap
	DNC: Inability to Create Demand
	DNC: Intrusiveness by Marketer
	DNC: Lack of Understanding
	DNC: Misalignment between Online and Actual Environments
	DNC: Misunderstanding of Past, Current and Future Behaviour
	DNC: Narrow Targeting
	DNC: Over Cautiousness
	DNC: Targeting Errors
DNC: User Awareness of Behavioural Targeting	

The themes that emerged from participants with regards to negative consequences that marketers can encounter from using behavioural targeting in online marketing pertain to the types of negative consequences which marketers have encountered from making use of the practice. Further to this, themes accounted for how these negative consequences can cause harm to a marketer’s efforts and what factors are responsible for causing these negative effects to occur.

In support of the above statement sections 5.4.1 to 5.4.3 follow below.

#### **5.4.1 Different Types of Negative Consequences**

Wastage emerged as a negative consequence to marketers and this was expressed by five of the participants. Wastage to the marketer was accounted for in various different ways. Participant 1 alluded to the same user being served an advert multiple times, “the risk is that the same people are seeing a different ad, which is not necessarily beneficial”. Wastage to Participant 2 was explained as targeted advertising that targets the wrong users which has



negative impact, “recognizing that, that is that what percentage of spend went to incorrect audiences away to irrelevant audiences, that influences everything from your engagement rates, to your click-through rate, your conversion rates, all of those things”. Participant 3 also spoke about wastage pointing to the incorrect assessment by a marketer of a user as having intent to purchase, “People engage with the paid media, with us investing money to remarket them across many online channels itself, to try and pull them back into the buying funnel, only to realize after a while the user had no intent altogether”. Wastage to Participant 7 meant that they did not achieve their pre-determined performance criteria through using targeting, “it has happened to us in the past where we've spent a significant money, we had a specific KPI [key performance indicator], but then we didn't reach it at all”.

The practice of behavioural targeting in online marketing strategy could be perceived by some users as an unwelcome irritation factor, as stated by five of the participants in the sample. Providing a response in the affirmative to this regard Participant 1 expanded further on an example given on user experience to point out, “irritation on my side, because I don't want to see any more adverts for Mauritius, for example.” Participant 3 expanded on the irritation of the user as being brought on by adverts served after conversion to customer has already taken place outside of the online ecosystem, “there's a lot of people who complained about that saying, why I've already bought this product, am I getting served this creative right? And it's it's not, and, and it's also because we haven't as a as a marketers and salespeople, been able to, to integrate our marketing and our sales data.” Participants 4 and 8 shared the sentiment that behavioural targeting in online marketing could lead to irritation in the user stating respectively, “you know, there is still obviously the irritation value comes into [it], sometimes” and “it can be a bit irritable for some”.

Two participants shared concerns about the ability of online behavioural targeting to cause an invasion of a user's privacy. Participant 4 asserted, “your privacy, is being eroded and it's not just about messing with your patterns of behaviour, because all of these things are drilling down right into you”. This view was supported by Participant 6 stated, “it can be, come across as being like a bit of invasion of privacy, I would imagine, and I'm talking in a sort of general sort of online sense”.

#### **5.4.2 The Effects of Negative Consequences**

In terms of how the negative consequences manifest themselves in response to a behaviourally targeted online campaign, five participants spoke about the act of users complaining about a poor experience either online or outside of the online ecosystem, which they described as negative user sentiment. Participant 1 stated, “I think they[re] are always

they[re] have been, negative comments made”. Participant 2 supported this notion and added that the complaint could be the result of being incorrectly targeted, “occasionally, you'll get those comments going, this isn't relevant to me, I'm not a Mother, I don't have a baby”. Participant 3 spoke about users venting their frustration both online and outside of the online ecosystem, “go on social media and have a rant to go and speak to their neighbour and have a rant to see the family and have a rant about it”. User 4 also spoke about the act of complaining about negative user sentiment occurring before a targeted campaign takes place, which can hurt the chances of using a targeted approach, “Pre a campaign people will be going, network's shit please improve it, that's negative sentiment”.

The negative consequences of a behaviourally targeted campaign can ultimately reflect on the brand causing damage to it. This was expressed by 5 different participants from the sample. Participant 1 explained by way of an example that targeting users with messaging that alerts them to things such as price increases could backfire and lead to brand damage, “So, they, they they've been advertising that R26,99 to a specific set, the next week, the price increases to R28,99, but then you start at the beginning of that bucket again. So at, the same people are seeing the price increase, which obviously can affect the brand quite negatively”. Negative user sentiment was related to again, as having bearing on a brand by Participant 3, who stated, “It's a bad brand experience across the board. Word of mouth counts a whole lot more than a brand actually paying for marketing to tell you how, what you should feel about them”. Participant 6 spoke about a targeted advertising communication being aligned with anything that can bring the brand into disrepute stating, “as brands that want to stay away from things that can harm their sort of view of the consumer of the brand. So, we try and remove ourselves upfront, obviously, it is difficult”.

Three of the participants raised concerns that online behavioural targeting can lead to a negative societal impact. The ability of well targeted advertising communications to promote over consumption was expressed by Participant 2, “there are negative outcomes of how you're driving, like unnecessary amounts of consumption, with consumers, but being able to, to target them very specifically in their needs. Which I don't know could have a greater negative effect on, on society”. The view that users could be convinced to spend even if they are not in a position to do so was spoken about by Participant 4, “The danger comes in placing a person under a sort of duress financial duress, where, we might identify if this person qualifies for something. But we haven't identified if this person can afford something”. Participant 5 felt that if communications for certain industries are targeted at susceptible audiences it could lead to societal harm, “from a negative perspective, you could use it to get people to do things that

get them into trouble, especially the youth, youth are very vulnerable, when it comes to these things, they they lack experience in the university of life”.

### **5.4.3 Causes of Negative Consequences**

The practice of online behavioural targeting is not exempt from experiencing setbacks due to errors that occur. four participants gave feedback in this regard. These can be related to implementation errors as acknowledged by Participant 2, “They are sometimes which is implemented wrong. So they[re] have been cases, we've got it completely wrong, where we, for example, have advertised baby products to someone who doesn't have a baby”. Errors can also be experienced due to incorrect segmentation efforts as explained by Participant 4, “I don't drink at all, but I will continue to receive [brewing company] adverts or [beer brand] adverts on Twitter especially because essentially someone's got, male, active on Twitter, talks about sports”. Participant 6 pointed out that errors can occur due to the tactic of matching advertising content to keywords in editorial pieces online, “what if you're on a particular website, and what's in the keywords of the article you're reading, I'm serving you an advert related to that. It could blow up in your [the marketer's] face, because it doesn't take context of the keyword”. Targeting practices whilst data based can still form assumptions about the user as stated by Participant 7, “just because we reading the same types of articles doesn't mean we automatically have to be in the bucket in the same audience”.

The timeline in which the behavioural targeting takes place for the user is also an area in which errors can occur. Five participants expressed that there can be a misunderstanding between past, present and future behaviour of a user. Participant 1 provided an example as to how this can happen as a user changes their preferences over time, “there is a risk that while last week, for example, for a holiday in Mauritius this week, I could have decided rather to go to Australia, but because because of behavioural targeting, my search behaviour is is still showing results for Mauritius”. As time progresses, the user may have also progressed along the purchase funnel and have already made a purchase, but their online browsing history could point to their interest in making a purchase, as explained by Participant 2, “what happens is because Google or Facebook, right for example, know know that you have been searching for a car, and but they don't know that you bought a car, eventually, they still classify you as being in market for a car because in the last month you've spent a specific amount of time searching for a car and in their minds, the the average time spent in the purchase journey researching a car is the specific amount of time so that's the benchmark they work on”. Participant 4 pointed out that a users current financial situation could be misguided with their previous online behaviour and consumer activity, “That might be my current spend, but I might be skirting by

the skin of my teeth, because two years ago, and I forgot this contract I was doing okay, I'm just trying to wait to get to the end of it".

The practice of online behavioural targeting can also steer marketers towards becoming intrusive as it relates to user experience. Four participants raised this point with Participant 1 acknowledging that the onus is on the marketer to ensure they don't follow this path through poor methods such as not being cognisant of the amount of exposure to a communication that a user receives, "as marketers, I do feel we have a responsibility to not be intrusive or obstructive, in our client's user behaviour. So, for example, the frequency of the ad needs to be correct". Personalisation that goes too far can also be considered to be intrusive behaviour by the marketer. Participant 6 stated, "let's personalise as much as what we possibly can, but not get too creepy. So that it's starts to sort of get like that then it becomes, how the hell did you know that type of thing? you know". Intrusiveness can also be related to the methods that marketers collect data on users, as Participant 4 explained, "So who's responding to these things, you know, these little quizzes, this stuff that starts giving you a profile, and gives you more data, which people don't realize it's invasive, you know, and it's literally so that people can sell more you more adverts".

Four participants made specific reference to errors that occur due to the misalignment between the users online activity and their actions outside of the online ecosystem. Participant 2 pointed out, "if, if it's not an online purchase, then we're not able to know if this person ended up purchasing this thing or not". Further to this the problem can manifest itself when combining geotargeting tactics as explained by Participant 3, "So, we're assuming that we're targeting, in the, high end, affluent areas, but in theory I'm just merely an employee who's visiting during the course of the day, and I go back to my go back to my home". Participant 7 further supports the misalignment errors that occur because online activity does not reflect a users intent to purchase, "to the 25 [year old] [it] could literally be someone sent me a link. 'Hey dude did you see this new car', I'm just interested from a sort of passive awareness, I can't afford the car".

Some additional factors that drive negative consequences that were raised but not widely so by participants were advertising fraud, which was mentioned by two participants. Participant 7 explained, "because your ads are not seen by a person, there's a lot of things about bots and thats because of how it works with third party data is that simply, a bot would scour multiple sites to increase, increase, increase engagement on that site". A lack of experience by those tasked with practising online behavioural targeting was expressed by three participants, with participant 1 admitting, "I think we, we as an organization, that's what we're working towards, but it's not at the point that I would say we have completely hit the nail on the head" and Participant 5 stating, "it needs a lot of expertise and people are short [of] practice". Lastly, as

the practice has begun to receive widespread implementation the users being targeted are also becoming aware of how it relates to them. Two participants raised this concern with Participant 5 stating, “the converse to it, is people are getting smart, to behavioural targeting and they [are] going there is such a thing as behavioural targeting” and Participant 8 supporting this by explaining how they understand what user behaviour is indicating to them as marketers, “If I use this service for free, then I'll be served the ad, but if I buy premium, then I don't want any ads”.

#### **5.4.4 Summary of Findings for Research Question 2**

A theme that emerged from Research Question 2 was that negative consequences can occur in different forms in response to a behaviourally targeted online campaign. Participants identified wastage as one of the negative consequences that can befall a behaviourally targeted online campaign. Wastage can manifest itself in various ways, such as the targeting of the wrong user, targeting the same user with the same communication repeatedly or targeting a user who has no intent to purchase. Further to wastage, irritation of the user came through as a negative consequence that can befall a targeted campaign. Irritation was said to occur due to reasons such as a user being retargeted based on online behaviour when they have moved their interests to other products or services. A perceived breach of the users privacy can also be considered a negative consequence of online behavioural targeting.

Another emergent theme was the effect that negative consequences can have on factors such as user experience. If a campaign is affected by irritation for example the user may feel that their user experience has been diminished due to this. This can lead to negative user sentiment and further harm to the campaign. Negative sentiment and other effects of negative consequences can ultimately lead to brand damage in the long term. Whilst not immediately identifiable some participants also pointed to the negative effects the practice can have on society in terms of promoting over consumerism and promoting industries that are harmful to society.

Lastly, the factors that contribute to negative consequences emerged as a theme. Participants pointed to implementation errors as one of the causes as are mistakes made in understanding where the user is in their customer journey. Other factors that contribute to negative consequences include intrusive practices by marketers and misaligning behaviour online with behaviour demonstrated outside the online ecosystem. Whilst some factors that were noted included advertising fraud, lack of experience by marketers and users becoming more aware of the practice of online behavioural targeting.

## 5.5 Results for Research Question 3

Research Question 3: *What strategies can be deployed in response to the negative consequences marketers face from using behavioural targeting in online marketing campaigns?*

This question was asked in order to gain insight into how digital marketers deal with negative consequences that arise due to the use of online behavioural targeting. The methods they employ, the technologies utilised, and the success therein are discussed in the following section. The following table illustrates the themes and corresponding codes that emerged as a result of the qualitative analysis process.

**Table 4: Themes and Codes Research Question 3**

Themes	Codes
<b>RQ3: T1 - Making Adjustments</b>	MA: Agility and Flexibility
	MA: Campaign Optimisation
	MA: Continuous Learning
<b>RQ3: T2 - Coping Enablers</b>	CE: Contingency Planning
	CE: Consultation
	CE: Human Intervention
	CE: Technology Enablers for Marketers

The themes that emerged with regards to responding to negative consequences relate to the ongoing learning and effort that is required to be able to recalibrate elements of a targeted campaign to more accurately serve the user's needs. Further to this, themes spoke to the factors required for marketers to be able to make the necessary changes in order to cope with negative consequences.

In support of the above statement sections 5.5.1 to 5.5.2 follow below.

### 5.5.1 Coping through Continuous Adjustment

Three concepts which are closely related to each other were raised by various participants. These are continuous learning and campaign optimisation along with speed of response by the marketer. Six participants advocated that the process of continuous learning plays a significant role in coping with negative consequences. Participant 5 stated, "it's called continuous improvement. Where we understand what's working, what's not working, and then make strategic or tactical changes to what is it, what is being deployed". Participant 2 pointed to the nascent nature of online behavioural targeting as requiring continuous learning through implementing and failing, "we like to promise that, we can't, we're very much still in a in a like

trial and error phase, like digital still to this day is very much trial and error, error". Participant 8 expressed that this is why he feels the practice requires a marketer to be continuously learning, "you're forever learning and that's, and that's why my feeling of behavioural targeting is its much bigger than just blasting and just pay it it's you learning another idea of it is the fact that you need to learn. So, you can get as close as possible.". Participant 2 acknowledged that speedy response with regards to optimisation has been implemented by their business, "what we've done is we've implemented more rapid and dynamic optimisation frameworks. So more often looking at the campaign, and, and, and moving spend or increasing or decreasing or changing according to kind of the the responses we get." Participant 6 supported the notion of continuous learning and campaign optimization along with speed of response stating, "it's an ongoing thing, it isn't like you can say, this is what we will do every time and it's going to work, it's like, we need to be flexible enough to go in and make changes as quick as possible".

The practice of behavioural targeting does not take place up to the point of implementation with no further effort required by the marketer thereafter. In order to run successful targeted campaigns digital marketers, monitor and adjust in order to overcome any negative consequences that arise along the way. This continuous campaign optimisation was raised by five participants within the sample, with Participant 2 explaining the practice in terms of adjusting the content that is being served, "it's different from campaign to campaign it's different based on how a consumer reacts to the creative, right? If a consumer, if the consumer isn't reacting to my creative after, for example, showing it to them three times, I should stop, if a consumer has clicked on it, and they may be has has not been able to convert maybe the opportunity to show them creative more or message more, but the same message, maybe a different message. Participant 5 acknowledged that the continuous tending to a campaign is necessary in order to achieve the goals of the campaign, "it's also a form of value realization, or benefits realization that you have to do as an exercise to say, we are now you know, we promised to increase traffic by X amount, we've reached it or we are under the target. Now we have to make changes to get to the target. The actions taken by the marketer in response to negative consequences could vary according to the requirement of the optimisation, as expressed by Participant 7, "the option can be to say, either we spend less time or take away spend for look for a, possibly another audience that and when we have done it in real time, where we say, okay, cool, I went for my entertainment audience, my conversion rates only say naught point naught 1%, I thought is going to be 10%. But the option could be I could go to the brand to say the campaign is not working, we have to relook the whole positioning of the campaign, or I can look at another audience that could possibly deliver those expected results".

Three participants raised the speed of response with which the marketer addresses negative consequences. Participant 1 stated, “we’re very quick to, to address those” and “you need to quickly adapt and quickly address those concerns”. Participant 2 supported this by stating, “what we’ve done is we’ve implemented more rapid and dynamic optimisation frameworks”. Participant 6 also shared this view, “it’s an ongoing thing, it isn’t like you can say, this is what we will do every time and it’s going to work, it’s like, we need to be flexible enough to go in and make changes as quick as possible”. Another factor supported by 3 participants, closely related to speed of response, is the point that marketers practicing online behavioural targeting should be prepared to be flexible and agile in responding to negative consequences. Participant 1 stated, “as long as you’re open to learning from your mistakes, as long as you [are] willing to quickly change things and be agile, and you know, have the flexibility to change whatever is needed, then I think it’s, you know, you kind of halfway there” and “don’t hit your head against a brick wall and do the same thing over and over again. If it’s not working, and, you know, just be just be open to to learning and changing your way as well”. Participant 7 added that remaining open to the possibility that the audience is elsewhere requires flexibility, “you can go after multiple audiences, and then see where the expected results is. If you, if you see something from a random outlier audience, you can still divert all my spend to that audience”.

### **5.5.2 Coping Enablers for Continuous Adjustments**

Six participants raised the point that the online behavioural targeting effort do not happen in isolation. As such they advise that in order to handle concerns, issues and negative consequences digital marketers must work in conjunction with other teams both marketing and non-marketing related. Participant 1 asserted that, “you need to make sure that your due diligence processes are followed, that it’s been processed with your marketing community, it’s been processed with the business, it’s been processed with legal and compliance and all the necessary areas, all that has to be ticked. Absolutely. And even just processing within a community of marketers, you can see things from a different perspective. And I think that is vital. You know, don’t do things in isolation ever. Working in partnership with the business is very important, because the business area will see things slightly differently. You know, they’re interacting with actual clients all the time. And it’s very important to get that feedback”. Participant 3 supported this view and added that activities run outside of the online targeting function would add value in this regard, “I think we need to be cognisant of the fact is not purely a single channel role. It’s a dual channel role. So, in the sense, even incorporating the likes of activations getting a better understanding of who the user is, before we, before we start pushing remarketing and messaging to them itself, its incorporating many channels to



have a much more, better insight about a user before campaign starts. Having messaging from the likes of an activation to sponsorships to eventing enable us to capture more information about who the user is, before we start creating messaging targeting them across online channels. Participant 6 explained that the consultation with others can happen even if the marketer responsible for the campaign does not seek it out, “Or someone who I know at another agency, you send me a mail with a picture of an article and a screenshot of the ad next to an article, we don't want to be next to”.

Technology is available for marketer to use and as such three participants raised this with regards to how online behavioural targeting is implemented, monitored and optimised. Participant 1 stated, “we are getting to the point where we have the marketing technology and the ability to do so” and “I think the technology exists, so that it can become more fluid and flexible”. Participants 2 and 7 both raised the usage of advertising serving tools as a way to ensure that campaigns do not suffer from advertising fraud stating respectively, “A lot of our clients obviously get ad served, which means we're able to make sure we deliverable, deliver viewable impressions, a lot of clients still don't see the importance of ad serving” and “there are tools in place to measure ad fraud and viewability you know ad verification”.

### **5.5.3 Summary of Findings for Research Question 3**

Themes that emerged from Research Question 4 were related to the continuous efforts required by marketers to ensure that negative consequences that do affect a targeted campaign are identified and corrected. The practice of making the adjustments is known as campaign optimisation and it is said to be part of a process of continual learning and improvement. Further to this emerged the theme of how marketers should go about achieving continuous improvement. Participants put forward that teamwork and consultation aids a marketer faced with responding to negative consequences. The use of technology to achieve campaign optimisation was also posited by participants.

## **5.6 Results for Research Question 4**

*Research Question 4: How do digital marketing executives go about uncovering the extent of the negative consequences they encounter when using behavioural targeting in online marketing campaigns?*

Research question 4 was posed to participants in order to understand how they go about monitoring and measuring the effects that negative consequences can have on an online behaviourally targeted marketing campaign. The procedures, techniques and tools employed

are discussed in the following section. The following table illustrates the themes and corresponding codes that emerged as a result of the qualitative analysis process.

**Table 5: Themes and Codes Research Question 4**

<b>Themes</b>	<b>Codes</b>
<b>RQ4: T1 - Measuring and Monitoring</b>	MM: Measuring Response to Creative
	MM: Monitoring Tools and Practices
	MM: Social Media Monitoring
<b>RQ4: T2 - Contextualizing Negative Consequences</b>	CNC: Greater Understanding of Users
	CNC: Unavoidable Problems
	CNC: Understanding Differing Market Trends

The themes that emerged with regards to uncovering the extent of negative consequences pertain to the processes and tools required for a marketer to ascertain what negative consequences are affecting their targeted campaigns. Further to this, themes demonstrate that marketers need to have a well informed and realistic outlook on what these negative consequences mean in the greater context of the market and the user.

In support of the above statement sections 5.6.1 to 5.6.2 follow below.

### **5.6.1 How Digital Marketers Measure and Monitor Negative Consequences**

With regards to being able to monitor and assess the occurrences and extent of negative consequences in online targeted marketing, all eight respondents asserted that they make use of monitoring tools and techniques. Five participants made specific reference to paying special attention to social media management with Participant 6 stating, “I suppose with social media, these days, they’ll let you know about it” and “They do play a big role, because they, they’re at sort of the sort of coalface if you want to call it that, because that’s where most of the anything negative would come on in social media first, I would imagine”. Participant 4 mentioned, “will troll all the digital talking points for, you know, like, people are commenting on forums, websites I know, particularly for and also just to keep you were complaining on this date there was something wrong”. Participant 2 admitted that they have only recently been pursuing this type of strategy, “we’ve only recently started, started to implement a more rapid social listening strategy”.

Participant 1 spoke to the practice of using tools to scan the social media environment for negative sentiment, “we have brand listening tools, that kind of survey the social media, landscape, and news, whatever it is, in order to uncover any negatives, that are being, you know, maybe in the ether.” Participants 2 and 3 put forward that social media platforms and search engines have their own monitoring tools that are used by marketers stating, “Facebook,

on community management, you can very quickly start to see who reacts and what their comments are. And then also working with our team to implement social listening, to help identify when we are experiencing behavioural backlash, and then try and just respond to that as quickly as possible” and “we make use of the likes of Google AdWords, Facebook, business manager, determining who is the audience where they coming from, what traits are we seeing that does not meet the intended user that we are actually wanting to reach” respectively. Participant 4 spoke about the use of tools that monitor user activity with regards to tracking engagement and the profiles of users, “Crimson Hexagon, that tool, which is an amazing tool from a digital marketing perspective, gives you a profile of the person that will be talking about stuff related to your brand, because it trolls, everything” and “Omniture tagging, which is from Adobe. Fantastic, right. So, Omniture tagging, works great in measuring people coming into your Web. How long, where they will travel to, what they will see what what engages on the time is spent with that material”.

### **5.6.2 How Marketers Contextualize Negative Consequences**

In understanding the occurrences of negative consequences of online behavioural targeting, five participants made reference to gaining a better understanding of the user. Participant 1 explained that placing oneself in the position of the user could help to achieve this, “I think, do your research and, and whatever is irritating for you, or negative for you, is probably a good indicator of how the market will feel about it. So, I think just you do your research and, and play around play around with how could it impact users.”. Participant 3 shared that without in depth understanding of the user too many assumptions are being made, “in my opinion is, across the board is having a better understanding of who the user is not only from a, an audience perspective, where greater levels of research is required I have a strong, I strongly believe in the fact that we work on assumptions as to who's who, when it comes down to specific product, and not knowing the actual consumers pain points” and “I think comes down to having much greater insights as to who the audience is are. At the same time, as well, just knowing what their pain points are getting the messaging completely aligned with what we actually promising users”. Participant 7 pointed out that marketers need to understand what data is saying about the user, “just trying to understand more what your audiences are about, as opposed to trying to really rely on just saying, okay, okay, this entertainment audience is someone that has gone to watch a movie, it's not simply that just understanding what makes up those data points”.

Two participants pointed to the content or creative of the advertising communication in gaining insight into what could possibly be causing a negative consequence. Participant 2 stated, “Content scan, for example, as is something that is really valuable to us. That really helps in

not necessarily changing the way we target but changing the types of creatives we use alongside the target". Two participants spoke about having better understanding of market sensitivity and how this can lead to negative consequences with Participant 2 stating, "brands globally, for example, do that. So, so global brands who sit in the UK, we sit in America will get run out of there with their kind of teams on the ground here go while we need to implement the same level of benchmarks that we have in the UK and the US for South Africa".

Whilst all participants gave accounts to being able to monitor, understand and deal with negative consequences, four participants pointed out that sometimes it is not possible to know the negative consequence is going to occur or has occurred and the damage it can inflict on a campaign. Participant 1 stated that some problems will not be detectable and some problems will be unprecedented, "I don't think we can ever avoid all absolutely negative situations" and "Black Swan events that we actually did [not], even consider". Whilst Participant 5 felt that if marketers spend too much time worrying about the negative consequences they would not be able to make progress in the campaign goals and requirements, "it's impossible to cover all of the probabilities that exist today because you'd never move forward as a business". Participant 8 concurred with this point of view by simply stating, "the negative consequences will always still come up".

### **5.6.3 Summary of Findings for Research Question 4**

Themes that emerged from Research Question 4 related to the monitoring and measuring of campaigns as well as social media platforms to uncover the extent of negative consequences that can occur. Participants put forward that various tools and techniques are available to marketers to be able to monitor campaigns and social media. These tools are available to marketers through various service providers but also from the platforms that are used such as Google and Facebook.

A second theme that emerged was being able to give context to the negative consequences so as to be able to understand their extent. Doing research to gain greater insights on users was put forward by participants as key to being able to gain the context required to understand the extent of negative consequences, as was gaining insight into what the effects of different creative choices can mean to the extent of negative consequences. It was also put forward that even with the best efforts of marketers to monitor, measure and contextualise negative effects sometimes the problem is unavoidable and other times they can be unprecedented.

## 5.7 Results for Research Question 5

Research Question 5: *What strategies can be deployed to pre-empt the negative consequences marketers face from using behavioural targeting in online marketing campaigns?*

Preceding sections provided results about the extent of usage, possible negative consequences and how to identify and cope with the possible negative consequences of using behavioural targeting in online marketing strategy. Question 5 aimed to understand if digital marketing practitioners are able to implement the practice without incurring negative consequences. The following table illustrates the themes and corresponding codes that emerged as a result of the qualitative analysis process.

**Table 6: Themes and Codes Research Question 5**

Themes	Codes
<b>RQ5: T1 - Good Governance</b>	GG: Adherence to Regulation
	GG: Data Security and Responsibility
	GG: Ensuring Data Accuracy
	GG: Practice Responsible Marketing
<b>RQ5: T2 - Campaign Decisions</b>	CD: Choice of Platform
	CD: Creative Tactics
	CD: Frequency Capping
	CD: Move Towards Automation
	CD: No One Size Fits All Solution
<b>RQ5: T3 - User Decisions</b>	UD: Customer Journey
	UD: Opt-In Opt-Out
	UD: Reciprocity
	UD: Targeting Receptive Users
<b>RQ5: T4 - Doing the Homework</b>	DH: Pre-Campaign Research and Planning
	DH: Learning from Past Efforts

The themes that emerged with regards to employing strategy to pre-empt negative consequences that can affect an online behaviourally targeted campaign pertain to the practice of good governance, decisions that must be made about the campaign and decisions that must be made in targeting the user. It also emerged that adequate research ahead of a campaign is a practice that marketers should employ.

In support of the above statement sections 5.7.1 to 5.7.4 follow below.

### 5.7.1 Good Governance to Pre-empt Negative Consequences

Paying strict adherence to the rules emerged as a means to avoiding negative consequences in a targeted online campaign as per two of the participants. Participant 4 put forward that he has worked at a business that succeeded at this by operating under good governance practices, “so long before POPI got implemented? I can tell you this, [network provider name] had POPI as a practice I mean, we keep cranking out POPI is coming. That, I was there for five years, and POPI came towards my first year. That I was there. Okay, and essentially a company with good policy in terms of how we target our customers. What are we okay, with put onto what we aren't ok with. That's one of the measures you can implement. Further to this three participants pointed to their policy of making responsible marketing decisions that has helped them avoid negative consequences. Participant 1 stated, " it is very much the responsibility of a marketer any marketer, whether it's brand or digital, whatever the case may be, we have a responsibility to, to deliver relevant information to our clients and not push information to them. We need to pre-empt as much as possible any negative impact a specific campaign could have”. Participant 5 supported this adding that being mindful of one's ethics and being conservative have held their campaigns in good stead stating, “there's a there's a ethics part to it, which, you know, some clients ask for stuff that we not that we find it hard as a business” and “we try and do is not be too provocative in terms of that. So I think that we were taking conservative approach”.

Data management once again emerged in the context of offering marketers a way forward for behaviourally targeted campaigns to avoid negative consequences. Four participants put forward that ensuring that data is kept securely and used responsibly by those that have access to it, can aid in running a successful campaign. Participant 4 spoke about maintaining business and brand integrity through these means stating, “If I said things and my company, my brand was put, my platform has been involved in dissemination of information that influences people's behaviour now the you know, chickens have come home to roost”. Participant 1 attested that in their business they ensure not to abuse data, “remember that, I mean, obviously, none of data is used, any personal identifiable data is ever used.” Further to this the accuracy of how data is used to target users was also offered by three participants. Participant 3 stated “Data accuracy just allows [us] to be a whole lot more [able] to resonate with the user. Because of this, did we using messaging in the sense of travel to Dubai and travel to Cambodia, while in most situations, users are battling to put food in the place, I'm sorry, to put food on the table”. Participant 7 supported the view that data should be accurate for success adding that the source of the data should be given due consideration, “a lot of the behavioural targeting is not on our own personal data, it relies on third party source data, like

Google like and that and that, so I think we, with, with that behaviour, we actually don't understand what data is behind those targeting. So, for example, if I'm doing like a display ad on Google, that says I can target everyone in entertainment, interested in entertainment, I'm not exactly sure what makes up the actual data signals or points.

### **5.7.2 Campaign Decisions to Pre-Empt Negative Consequences**

All 8 participants were in agreement that in order to get the task of online behavioural targeting right, marketers must pay close attention to planning and activity decisions about the creative or content of the advertising communication. Participant 3 spoke to the importance of this stating, "it's having the right messaging and how [marketers] listen to a user be able to fulfill the needs that they require" and "we try and build creative that matches that very closely". Decisions around matching the type of creative to the platform were put forward by Participant 7, "there are metrics in which we measure on creative performance in which we can inform to say I mean, we've literally applied here to say, people on Facebook, people are only watching three seconds of the ad, don't give me a 20 second ad, give me a three second ad". Participant 8 introduced the strategy of creative rotation to ensure targeting and communication work together, "So now what we try to do is trying to match the targeting with the communication, instead of feeding that audience pool one set, the audience who once said, You almost feed them, one or two or three sets of same products, but different communication styles".

A move towards technological solutions in order to automate the process of online targeted advertising was put forward by 3 participants. Automation such as programmatic Advertising or Real Time Bidding emerged as a way to ensure negative consequences become less likely to affect a campaign. Participant 2 stated, "We are [have] moved there is, there is the development is development of automation technology, which helps to make this a lot more effective and a lot less trial and error and multiple success". Programmatic advertising was directly referred to by Participant 6 who felt the practice of behavioural targeting in online advertising has already moved towards automation as it offers ease of use, "specifically in our sort of like programmatic media, which is programmatic display, even in search, search advertising, as well as across programmatic. Which is obviously just an easier way to buy display media, and social as well". Participant 8 supported this view adding that search engines and agencies are relying on automation "Google thrives on this, programmatic makes the rise of programmatic bases themselves on this. And that's, and that's why we've seen a lot of programmatic houses booming, because of this".

### **5.7.3 Decisions on User Targeting to Pre-empt Negative Consequences**

In deciding to implement an online targeted marketing campaign five participants put forward that understanding where the customer is in their journey can guide a marketer towards avoiding negative consequences. Participant 2 asserted that the narrowness of the focus of the targeting is dependent on the stage the user is when targeted, “In the consumer journey at a later stage, you would definitely want to have a broader campaign, a more emotional message when you get more into an active or a kind of consideration phase. That's where you want to start personally, hyper targeting.” Participant 7 added that users can take different paths when navigating a consumer journey, “my journey to purchase can, could be a different to your journey to purchase”. In order to avoid wastage a marketer should make efforts to know if a user has already converted to purchase, Participant 8 stated, “I mean, there's no point of me receiving the communication when I've already done the conversion. And I think that's the wastage”.

### **5.7.4 Doing the Homework to Avoid Negative Consequences**

In attempting to implement campaigns that do not result in negative consequences digital marketing managers are said to benefit from thorough research and preplanning. Six participants acknowledged this approach, with Participant 1 stating, “do research find out, maybe, you know, that [there] could be information out there of the of kind of things that have worked and haven't worked, and also play around, you know, I do a lot of Google stuff that is completely irrelevant to me, to see what sort of ads come up where they come up what they do, and how often they come up.” Participant 5 posited that having conversations on a one on one basis prior to campaign launch in order to gain deep insight into what will work, “we employ a one on one strategy. So, like an interview like this, we're not swayed, you're not, you're not guided, or you're not forced into a certain belief system, you you're giving honest feedback. But the way you set up the guide is to be very, not leading, you don't lead them into. Because you want to prove your stuff works. Participant 6 also spoke about efforts made prior to implementation with regards to having greater understanding between marketer and platform utilised to receive correct placement of targeted advertising, “you have to do your homework, and you have to deal with the publishers directly. So, I don't want to be next to anything that comes out of Donald Trump's mouth, because, it's not brand desirable for me”. With regards to quality of the users targeted Participant 7 asserted that this can be ensured pre campaign, “even before you start the campaign, before you auction on an audience, you're able to have those variables in place, the audience has to be viewable, should be human, the personal income should be this amount”.



For a marketer to succeed in implementing an online behaviourally targeted campaign that can avoid negative consequences, five participants posited that looking to historic evidence of past campaigns can offer valuable guidance. Participant 2 stated, “using reporting, you are able to kind of build kind of insightful recommendations, and use that to build a framework of how you implement campaigns going into the future”. Participant 3 supported this adding that past campaigns are a source of user targeting data for future campaigns, “knowing from previous campaigns, we capture insights, what people [are] looking at, what's the personality traits? Where are they from? as well as? What is it the interest?”. Participant 8 further supported this point of view stating, “as we can get, as soon as we can get information about what makes that audience pool tick. It's so much better, because that informs how we better target next time, better use our communication”.

### **5.7.5 Summary of Findings for Research Question 5**

Four themes emerged in response to Research Question 4 including the practice of good governance, making campaign specific decisions, making user specific decisions and doing the homework prior to making the decision to launch a campaign. Participants put forward that being mindful of regulations and ensuring a high level of data security could benefit a marketer in trying to avoid negative consequences. Participants also posited that the choice of platform, creative and implementing campaigns through the use of automation technology also can contribute to running a campaign that avoids negative consequences. With regards to the user, participants put forward that mindfulness of where the customer is in the journey to purchase is a good strategy to avoid negative consequences as is, identifying users that have purchase intent. Doing the homework prior to campaign launch came through from the participants as a best practice. The process of doing research and pre-planning is said to aid a marketer in being able to choose platforms and make creative decisions. Participants put forward that learning from past campaigns is key to being able to implement an online behavioural campaign.

## **6 CHAPTER 6: DISCUSSION OF RESULTS**

### **6.1 Introduction**

This chapter will discuss the results that were uncovered from the data analysis presented in Chapter 5 of the report. These results will be juxtaposed against the extant literature that was presented in Chapter 2 of the report and will provide observations and insights on negative consequences of behavioural targeting in online personalised advertising. It is the aim of the research findings in this chapter to contribute to the current body of knowledge on the subject matter, through analysing the practice of behaviourally targeted online marketing campaigns and how negative consequences can influence them.

### **6.2 Discussion of Research Question 1**

*To what extent is behavioural targeting used in online marketing strategies?*

The current body of knowledge on the topic suggests that online marketing practitioners have become heavily reliant on behavioural targeting strategies as they offer the marketer the improved ability to reach the right audience, with the right message at the right time (Aguirre et al, 2015). This is made possible through data gathered from search, browsing and purchase history as well as location and interests of the user allowing for improved ability to personalise online advertising communications (Li & Huang, 2016). Advancement in technology has also aided in the increased usage of these techniques (Tucker, 2014).

#### **6.2.1 The Extent of Use of Behavioural Targeting in Online Marketing Strategy**

Extent of usage of behavioural targeting in online advertising has been explained in extant literature as owing to its ability to target users that are interested in buying the product or service being advertised, through an improved ability to match interests more closely (Tucker, 2014). In support of the above the findings presented in Chapter 5 ,participants offered that behavioural targeting is used extensively in online marketing strategy, further to this it was also put forward that a reason for this is, its effectiveness in being able to target users more accurately. Sahni et al. (2018), posit that its wide scale acceptance can be attributed to its ability to serve advertising to users to remind them that they have engaged with this product or service online previously. The findings support this assertion as participants did confirm that they felt behavioural targeting in online marketing gains acceptance as a practice due to its ability to retarget users once they have demonstrated through their online activity an interest in the product or service that is being served as targeted advertising.

## **6.2.2 Data Management Driving the Use of Behavioural Targeting**

Data collection online takes place through various touch points including search history, web log ins, wish lists created by users as well as shopping carts. This data is used by marketers to understand what products or services the user has engaged with. It also serves to inform the marketer as to the user's demographic information and interests (Malthouse and Li, 2017). Participants in the study confirmed that data collection is made possible through user's online activity, when they engage with products and services online. This data collection guides the marketer towards understanding what products and services the user has interest in and also provides valuable information as to the background of the user. Trusov et al. (2016), put forward that data can be sourced either on a first party basis as well as a third-party basis depending on the depth of information required. Participants did raise the issue that data is usually sourced from third parties but that they can also draw from past campaigns to source first party data.

## **6.2.3 Reasons behind the Extent of Use of Online Behavioural Targeting**

### Accuracy of Behavioural Targeting

Behavioural targeting techniques have proven to be successful in achieving greater levels of personalisation in advertising communications (Fulgoni, 2018). Participants agreed that the usage of behavioural targeting in online marketing leads to greater accuracy and efficiency, owing to its ability to speak to the needs of users more accurately and efficiently. Strycharz et al. (2019) spoke to the efficiency of behavioural targeting, as being able to deliver campaigns that experience less wastage. Participants were supportive of this notion pointing to its ability to deliver campaigns accurately and efficiently making the most of an allocated budget. With regards to using data collected to create targetable segments Wedel and Kannan. (2016), put forward that behavioural targeting succeeds in this regard through tracking click-through user behaviour over browsing sessions. Participants in the study agreed with the ability of behavioural targeting to create what some referred to as 'buckets of users.' These buckets are made up of users whose data indicates they are of similar background, have similar interests or have been behaving in a similar manner online.

### Targeting Based on User Behaviour

Behavioural targeting is said to work because it is based on the behaviour of the user and not only on the demographic profile of the user. Ozcelik and Varnali. (2018), put forward that behavioural targeting is successful because it uses behaviour of the user above all other data, whilst van Doorn and Hoekstra. (2013), also point to its success due to its use of transactional

data. Participants were in agreement that behavioural targeting succeeds due to its reliance on user activity and the signals that these activities provide to marketers.

#### Influences Customer Acquisition and Conversion

Marketers hoping to succeed in the practice of behavioural targeting should seek to design advertising that communicates messaging based on previous online behaviour of the user subtly and ethically, more future research on how to achieve this is required. The ability of behavioural targeting to identify users that have a higher intent to purchase is another reason for its usage in online advertising (Goldfarb & Tucker 2011; van Doorn & Hoekstra, 2013). Participants supported the idea that behavioural targeting identify purchase intent in a user. Further to this Strycharz et al. (2019), put forward that improved personalisation provided by behavioural targeting places brands at the forefront of the consumers decision making process. This was the view of the participants in the study as well who spoke to the ability of behavioural targeting to influence purchase intent.

#### **6.2.4 Relevance of Findings for Research Question 1**

Research question 1 sought to establish how extensive the use of behavioural targeting has become in online marketing. Further to this it also aimed to establish why the practice has gained such wide scale acceptance. The results point to the accuracy and effectiveness of the practice as being superior to other methods when it comes to identifying and communicating to users. Its implementation being based on the collection of data generated by user's online activity and how this more closely matches user's interests came through as a strong qualifying factor for marketers to choose to use the practice. Further to this using data gathered from multiple users, marketers are able to manufacture targetable segments that might not have been identifiable without the use of data gathered from online activity. Finally, behavioural targeting is thought to more accurately identify users that have a propensity to purchase a product or service and through more relevant communication has a greater success rate in moving the consumer along to the purchase stage. As per the assertions of Moore et al. (2015) the practice takes place in real time, makes use of information gathered in real time and strives to engage with users by tailoring content in the advertising to satisfy the user's needs. It is therefore inferred that the practice is succeeding at being accurate and effective, owing to its grounding in matching user interests through data gathering and usage.

#### **6.3 Discussion of Research Question 2**

*What are the negative consequences encountered by marketers making use of behavioural targeting in online marketing campaigns?*

Research question 2 aimed to establish if marketers making use of behavioural targeting in online marketing strategy encountered any negative consequences from the practice, what these negative consequences could be and what factors contribute to these negative consequences taking place.

### **6.3.1 Different Types of Negative Consequences**

#### Wastage for Marketer

In the previous section, reduced wastage was put forward as a contributing factor to the widespread usage of behavioural targeting, extant literature also suggests that it can, if not implemented correctly lead to wastage of its own. Spaeth and Sylvester. (2019), put forward that this can be brought on by such factors as inaccurate data and incorrect assignment of data by marketers. Participants did point to wastage as a concern when using behavioural targeting in online marketing. Wastage in their responses was highlighted in the form of continuously serving advertising to a targeted user once the user has already seen the advertising communication and also due to targeting the wrong user or targeting a user that has no intent to purchase.

#### Irritation for User

Many researchers have pointed to irritation as being a negative consequence of behavioural targeting in online marketing. van Doorn and Hoekstra. (2013), raised the issue that a low fit to a targeted user by a piece of advertising communication can lead to irritation, whilst irritation because of perceived security risks was posited by Ozcelik and Varnali. (2018). Irritation was a factor raised by participants in their responses, however they pointed serving targeted advertising repeatedly to the same user and marketers not being cognizant of the user's stage of the customer journey when purchase has already occurred, as reasons that irritation occurs.

#### Privacy Concerns

Some researchers have posited that behavioural targeting in online marketing is an invasion of privacy, due to its intrusive nature (Gironda & Korgaonkar, 2018). According to Tucker. (2014), this can result in users not wanting to surrender their data to marketers, especially when considering more sensitive information relating to industries such as health care and finance. Other researchers have accounted that the practice can be considered off putting by some users, rendering it ineffective when targeting (Anand and Shachar 2009; Lambrecht and Tucker 2013; White et al, 2007). Some participants did support the view that behaviourally targeted online marketing can be perceived as intrusive and as such an invasion of privacy.

### **6.3.2 The Effects of Negative Consequences**

#### Negative User Sentiment

Participants pointed to negative user sentiment resulting from negative consequences that occur in the use of online behavioural targeting. Some participants supported this by raising the tendency of users to spread negative sentiment by word of mouth or on social media platforms about their online targeting experiences and concerns. Literature uncovered for this research study did not turn up information about negative user segment and word of mouth. Closely related to negative sentiment was the negative impact that could happen to brands experiencing forms of negative consequences in the online targeted campaigns. Fulgoni. (2018) posited that experiencing negative consequences during an online behaviourally targeted campaign can result in long term damage to the brand. Participants did support this, raising concerns about bad brand experiences, driving user behaviour that can hurt brands and affecting the general perception of brands.

#### Negative Societal Impact

Some participants introduced societal impact as a more far reaching negative consequence of behaviourally targeted online campaigns. The use of the practice in industries that could benefit from the negative impact they already have on society such as, gambling and alcohol was put forward as was the effects the practice can have on impressionable youths. Further to this it was also put forward that the success of behaviourally targeted campaigns can lead to consumers spending beyond their means. No literature was found relating to these negative consequences.

### **6.3.3 Causes of Negative Consequences**

#### Targeting Errors

Extant literature points to using incorrect data to targeted online audiences as a contributing factor to the practice. Sylvester and Spaeth. (2019), put forward that these errors can occur due to assigning incorrect demographic information such as gender to a targeted user. Further to this, errors can occur when behavioural information is incorrect such as indicators of intent to purchase. These result in incorrect target segments being created. It is also possible for targeting to become too personal. When this happens, the targeted advertising is considered to be 'creepy'. Moore et al. (2015) describe creepiness as an error on the part of the marketer. Participants responses in this regard did support that errors can occur due to data

inaccuracies, implementation errors, assumptions about data and incorrect alignment of advertising with online content.

### Intrusiveness by Marketer

Intrusive behaviour by the marketer has also been cited in extant literature as being a contributor to negative consequences in the use of online behavioural targeting (Brinson et al, 2018). Tucker. (2014), purported that intrusiveness was a result of users perceiving that marketers have targeted them too closely. Intrusiveness can also be perceived by users due to annoyance if they feel that the targeted advertising communication is trying to induce engagement. Baek and Morimoto. (2012), likened targeted advertising online that makes the user feel they are being observed too closely as having the same effect as 'pop-up' advertising online. van Doorn and Hoekstra. (2013), put forward that the use of names and past transactional data can contribute to the intrusiveness of marketers online behavioural targeting, whilst also acknowledging that this differs in its effect from industry to industry. The intrusive effects of online behaviourally targeted marketing were also said to diminish user experience (Gironda & Korgaonkar, 2018). Participants supported the effect intrusiveness has as a driver of negative consequences as it has been known to decrease trust between the user and the marketer. It was also felt by participants that targeting as closely as possible, can become creepy. It was also mentioned that data collection methods that appear harmless but effectively are misrepresenting themselves are in fact 'creepy' and therefore intrusive.

### Misalignment of Online and Actual Environments

Misalignment by marketers of a user's online activity versus how they behave outside the online environment was a point made some participants, as being able to lead to negative consequences. Misalignments of this nature can take the form of serving targeted advertising online to a user who has already made a purchase outside of the online environment. Using geotargeting practices on a user without understanding their location at the time of targeting may not be related to purchase intent and individuals sharing information in promotional efforts outside of the online environment without having any interest in the targeted advertising upon being served. This type of driver of negative consequences was not encountered in the extant literature.

### Misunderstanding of Past, Present and Future Behaviour

Misunderstanding the past behaviour of a user, as being an indication of the present or future intent to purchase was put forward by the participants. Participants were of the opinion that this happens because a user's preference changes over time, search engines such as Google

tracking all behaviour even that which does not indicate purchase intent and not understanding that the ability to make past purchases is no indication of the ability to make current and future purchases.

### Advertising Fraud

Basing behavioural targeting decisions on data collected online opens a marketer up to acts of fraud. Malthouse and Li. (2017), put forward that in many instances marketers think they have reached the intended target, when in fact they have become subject to an act of fraud as non-human 'bots' have actually clicked through on the advertisement. This was supported by a few participants in the research study, who spoke to increased engagement being the result of computers intercepting their targeted advertising communications.

#### **6.3.4 Relevance of Findings for Question 2**

In answering research question 2 it was established that in spite of all the success marketers enjoy from using behavioural targeting in online marketing strategy, negative consequences can and do occur. Issues of wastage, irritation and invasion of privacy do in fact manifest themselves in the implementation of the practice. Negative consequences occur due to various factors ranging from errors that are caused due to poor data collection, interpretation or implementation. Intrusive behaviour by marketers also emerged as a driver of negative consequences as it is seen to be unwelcome targeting by users. Various misalignments and misunderstandings committed by marketers also were seen to be contributors to negative consequences that befall online behavioural targeting. Further to this the effects of negative consequences are immediate and far reaching. Negative sentiment can cause harm to a campaign and even on a brand level as well on a long-term basis. To a lesser extent it was also determined, through accounts given by the participants, that negative impact can occur on a societal level as well if used to target those users that are more susceptible to the practice such as youths, but also if used for industries which have been known to already have negative societal impact such as the gambling industry.

Not all factors that emerged from the participants was recognized by the extant literature and likewise not all the extant literature proved to be problematic to the participants that were interviewed. The different forms of negative consequences brought up by participants was however strongly supported by extant literature, such as wastage (Sylvester & Spaeth, 2019), irritation (van Doorn & Hoekstra, 2013) and privacy concerns (Gironda & Korgaonkar, 2018). With regards to the drivers of negative consequences extant literature and participants were more aligned. Targeting errors was acknowledged by the research of Moore et al. (2015),



whilst intrusiveness has been strongly supported in extant literature through research conducted by Tucker. (2014), Baek and Morimota. (2012), van Doorn and Hoekstra. (2013), Brinson et al. (2018) and Gironde & Korgaonkar. (2018). Advertising fraud emerged as a driver of negative consequences that can befall a targeted campaign from both participants as well as extant literature conducted by Malthouse and Li. (2017).

#### **6.4 Discussion of Research Question 3**

*What strategies can be deployed in response to the negative consequences marketers face from using behavioural targeting in online marketing campaigns?*

In asking Research Question 3, the aim was to understand if marketers are able to remedy the causes or effects of negative consequences that occur in the usage of online behavioural targeting. The tools and techniques that they employ were explored and the results that these tools and techniques are able to achieve were discussed.

##### **6.4.1 Coping through Continuous Adjustment**

###### Continuous Learning

In coping with negative consequences participants put forward that a process of continuous learning was necessary in order to be able to sufficiently optimise campaigns, to achieve greater effectiveness and reduce negative consequences. It is also required that these efforts are done speedily in order to quell any negative reactions before they can do harm to the campaign and ultimately the brand. The process of optimisation was said to take place either in the form of changing advertising creative, frequency of advertising being served, choice of platform and also choice of content on a platform in which the advertising is served. These measures were advised to be taken as soon as possible by a marketer in order to avoid any further negative consequences. Continuous learning and campaign optimisation were not directly referred to in the literature as means for coping with negative consequences, however some researchers alluded to a process of ongoing learning as a means to improve their online targeting efforts. Trusov et al. (2016), spoke to, not being able to utilise data in the best possible way, and that the process of understanding patterns of online behaviour by marketers is still largely unexplored. It is also likely that due to the nature of previous studies being largely survey based (Tucker, 2014), the type of responses received from those survey based studies, could not provide background on the actions that marketers have to take in order to cope with negative consequences.

## 6.4.2 Coping Mechanisms for Continuous Adjustments

### Consultation

Participants were mostly in agreement that consultation is a key strategy, in order to cope with any negative consequences that occur in the process of implementing an online behaviourally targeted marketing campaign. Reasons for this that were put forward ranged from gaining insights from the marketing team at large, especially those that might be customer facing, as they can provide insight from the source of the negative responses. It was pointed out that the overall marketing effort is dual channel and insights that can be gained from efforts made by marketing teams working on, on the ground activations can provide greater insight into what prompted the user's reaction. It was also mentioned that teams outside of marketing should be consulted and that adherence to due diligence could provide a marketer with the support needed to cope. It was put forward by one participant that there could be legal and compliance issues at play if negative consequences have occurred. Consultation with the teams responsible for managing these issues would be a key step in dealing with the issue. One participant also pointed out that consultation can take place with peers who are not involved with the campaign in question, possibly even from rival firms. Extant literature did not support the notion that consultation in the face of negative consequences is a valid coping mechanism. Reasons for this could be that the studies that were done previously have relied too heavily on survey data and as such have not provided the industry with the type of feedback it requires to gain greater understanding (Tucker, 2014). Further to this it is also possible that research conducted on behavioural targeting in the past has not focused on the possible negative consequences and findings have strongly supported and advocated the use of online behavioural targeting. Sahni et al. (2018) as a case in point put forward that the practice is widely accepted because it serves to remind and signals quality and thus aids the marketer in securing the attention of the user.

### Technology Enablers for Marketers

Some participants acknowledged the use of technology for tracking the occurrences of negative consequences. Technology was said to offer marketers a way to monitor and respond to these negative consequences whilst also being able to tell if advertising has actually been placed correctly as per the instructions of the marketer. The type of technology that is able to achieve this was referred to by some participants as 'ad serving' technology and it was said to be able to also identify if advertising had encountered fraudulent clicks by 'bots' instead of being received by the intended target. Literature on the use of technology in the process of monitoring campaigns for negative consequences weakly supported these

assertions by participants. Trusov et al. (2016) put forward that technology does allow for tracking greater understanding of user behaviour although it is still up to the marketer to draw conclusions from what is observed through tracking, to be able to effectively use the findings. Participants were also in agreement that responding to negative user sentiment on social media platforms as quickly and efficiently as possible is key to being able to cope with the negative consequences that can arise.

### **6.4.3 Relevance of Findings for Research Question 3**

The actions that marketers are required to take appear to be subjective and reliant on the resources that are available to them. Research on the strategies, actions or steps marketers can take to cope with negative consequences was found to be sparse. A possible reason for this could be that the practice has been widely accepted as being able to target the needs of marketers to reach users, with the right message, at the right time and research uncovered focused heavily on this. Negative consequences that are encountered by marketers then, must be dealt with at the discretion of the marketer using means they have at their disposal such as the advice of co-workers and other industry peers. That the participants acknowledged a process of continuous learning, points to online behavioural targeting being a fluid practice that does not adhere to the same set of rules in every instance and marketers must therefore remain open to new challenges and find new solutions when they arise. The use of technology can and does aid them in this regard and literature does somewhat support this, as put forward by research conducted by Trusov et al. (2016).

### **6.5 Discussion of Research Question 4**

*How do digital marketing executives go about uncovering the extent of the negative consequences they encounter when using behavioural targeting in online marketing campaigns?*

Negative consequences in behaviourally targeted online marketing campaigns can have different effects on the campaign itself as well as the brand that is making use of the practice. Research question 4 aims to understand how marketers come to terms with these negative consequences and what they mean to their campaigns and brands.

#### **6.5.1 How Digital Marketers Measure and Monitor Negative Consequences**

##### Social Media Monitoring

Monitoring social media platforms for negative user sentiment was put forward by participants in the study as a significant source of uncovering negative consequences that can result from

the use of online behavioural targeting. Participants agreed that social media platforms need to be watched closely, as it is where users will go to should they be unhappy about an experience they have had with a piece of targeted advertising communication. Some participants referred to monitoring tools that are implemented by marketers in order to quickly and accurately scan social media platforms to gain this insight. Two tools that were mentioned by participants were BrandsEye and Crimson Hexagon which participants felt were the most beneficial services to use when trying to establish what is being said about their efforts on social media platforms. Some participants also pointed to social media platforms such as Facebook having their own monitoring tools that are available to marketers to track user sentiment. It was also pointed out that search engines such as Google have similar services. Extant literature, on the effects of social media user commentary, on behaviourally targeted advertising did not directly support the claims made by the participants, however it was determined in the literature that social media platforms such as Facebook and Twitter, can cause a significant impact in brand building and that social media interaction between a brand and the consumer can influence the economic outcome of the brand (Moro, Rita & Vala, 2016). Given that participants were concerned that negative sentiment on social media platforms can have long term negative effects on a brand it could greatly benefit marketers to ensure they monitor these platforms closely for negative sentiment in order to stay ahead of the long term negative consequences it can result in.

#### Monitoring Tools and Practices

Further to the monitoring of social media platforms one participant made mention of tools that measure campaign engagement, as a good way of understanding if negative consequences have occurred. Tools such as Adobe Analytics are able to tell marketers, who has engaged with their targeted advertising and how long they have engaged for, leaving the marketer with valuable information that can inform them if their efforts are causing reactions that need attention or not. One participant claimed that content scanning in order to be able to understand how users are reacting to content in order to change if necessary, as a means to tracking any potential negative consequences.

### **6.5.2 How Marketers Contextualize Negative Consequences**

#### Greater Understanding of Users

Gaining a greater understanding of the user emerged from extant literature as a key to being able to cope with negative consequences successfully by identifying the signals and actions of a user in response to a behaviourally targeted campaign. It was put forward, that

practitioners making use of the practice need to furnish themselves with a greater understanding of how users perceive their tactics, in order to allay any fears, they may have about privacy protection (Gironde & Korgaonkar, 2018). Smit et al. (2014) posited that marketers need to understand what their users understand about the practice of online behavioural targeting. They further asserted that this will enable marketers to understand what makes a user behave evasively to targeted advertising and that even cultural factors and beliefs can be contributing factors to avoidance behaviour by a user. The act of achieving greater user understanding was purported to be a trust building exercise that could determine if a campaign succeeds or not. Users should also perceive that the targeting they are encountering is justifiable if the targeting is to be effective. Marketers should gain insight into whether or not the addition of privacy controls would allow users to perceive this (Aguirre et al, 2015). Participants supported the literature on gaining greater user understanding, pointing to its ability to decrease possible irritation in the user. It was put forward that having this heightened understanding would ensure that marketers rely less on making assumptions and that they will be much clearer on what pains the user. It was also mentioned that this can be achieved through more rigorous data interrogation, to know what the data on the user is really saying.

#### Understanding Differing Market Trends

It was put forward by one participant that they work for a global brand and receive instructions on what acceptable targeting entails, what is an acceptable level of engagement and what metrics to follow from an overseas head office. In this scenario, success or failure and indeed what could be considered a negative consequence, could be vastly different from market to market. This is somewhat supported by literature as studies have been conducted in different markets and compared to each other, as was done by Alnahdi et al. (2014). In their study on European and Asian users, their research reported that concerns amongst users is largely the same with regards to a factor such as privacy, but it was still put forward that marketers should remain cognizant of culture and beliefs in order to stay on the right side of negative consequences.

#### **6.5.2 Relevance of Findings for Research Question 4**

Strong focus on monitoring campaigns as well as social media platforms was put forward by participants. Tools available that do so effectively, were found to be widely used in the scanning of behaviourally targeted campaigns and the social media platforms that users frequent to share negative sentiment about a campaign and the brands those campaigns represent. Extant literature on social media monitoring did not support the link between it and

behaviourally targeted advertising. This could be because the practice of monitoring social media platforms by marketers has been more readily identified, as a means to measure brand sentiment rather than media campaign sentiment. Participants however did, point to negative sentiment towards a targeted campaign as being a contributor to long term negative brand sentiment. Marketers need to gain greater understanding of users and their behaviour if they are to take meaningful insights away from the negative consequences, they encounter in response to behaviourally targeted campaigns. Understanding why a user has reacted the way they have is key to being able to understand what the reaction is about. Close monitoring of the user's online activity both with regards to campaigns as well as their social media activity was advised by participants. This pertains to the findings about differing market trends as well, due to different markets catering to different users and how the user's cultural background and beliefs can make their reaction to behavioural targeting different from market to market (Alnahdi et al, 2014).

## **6.6 Discussion of Research Question 5**

*What strategies can be deployed to pre-empt the negative consequences marketers face from using behavioural targeting in online marketing campaigns?*

The aim of Research Question 5 is to understand if marketers have developed skills, knowledge, techniques and foresight in order to be able to implement online behavioural targeting that is able to negate the possibility of negative consequences.

### **6.6.1 Good Governance to Pre-empt Negative Consequences**

#### Adherence to regulation

Some participants pointed to adherence to regulatory practices as a means to avoiding negative consequences that could occur. Other participants spoke about the responsibility that marketers have to ensuring they deliver relevant campaigns to targeted users and how being mindful of this will guide a marketer to implementing a campaign that can target a user without incurring negative consequences related to running campaigns, that do not consider the relevance to the user. One participant pointed to the ethical responsibility marketers have to choose to run campaigns that do not push the boundaries of what is considered to be provocative towards the user. Extant literature does support the assertions of the participants with regards to the practice of behavioural targeting raising the concern of regulatory bodies, academic researchers and social commentators (Martin and Murphy, 2017). For marketers aiming to avoid negative consequences from the practice, it would behove them, then to err on the side of caution with regards to governance of their targeting efforts.

## Ensuring Data Accuracy, Security and Responsibility

Extant literature on data management in online behavioural targeting posits that vast amounts of data are available through search engines and advertising networks, however marketers must be cognizant of the fact that these data sets are not free of biases, such as search engines only being able to offer data originating from the search engine itself and as such a trustworthy picture of the users online behaviours may not be provided to marketers. It was also stated that with data sets being so large marketers should use technological support to scale down the data to usable pieces of information, whilst also being weary to interpret the data accurately before implementing it into a targeted campaign (Trusov et al, 2016). Nill and Aalberts. (2014) point to users being able to clear their browsing history to avoid their data being collected as another form of data bias, which marketers must take into consideration when planning their campaigns. They put forward that marketers can employ technology that can track software code of local shared objects, which will allow the marketer to collect data even when users delete their browsing history. Managing data so that it does not cause users to distrust marketers was another facet of data management put forward in extant literature. Ensuring that users understand how data is gathered and used could aid a marketer in allaying fears users might have (Alnahdi et al, 2014). Participants supported the need for data to be collected accurately, pointing to the fact that they are not always able to collect the data themselves and have to rely on third parties to provide it, meaning the quality cannot always be trusted, a move to collecting first party data themselves was suggested to be able to circumvent this problem. Participants also supported the need to guard data and ensure users were aware of the practices of data collection and how it is used.

### **6.6.2 Campaign Decisions to Pre-Empt Negative Consequences**

#### Creative Tactics

The decisions made around the creative or content of online targeted advertising are of great importance in trying to implement a campaign that runs as smoothly as possible. The use of advertising that is novel, interesting and engages the user into interaction is said to be what marketers should be striving for if they are to succeed going forward. The use of multimedia communications was put forward by Alnahdi et al, (2014), as a means to achieving this. They further postulated that content and credibility could have a positive effect on inducing click-through. The tactic of employing multimedia elements such as video or audio was supported by the research of Tucker and Goldfarb. (2011). Further to this they added that the placement of advertising content should be done strategically so that the advertising content is a good fit, to the platform that it is planned to be served on. Participants supported the notion that creative

and its placement was a key determinant in running a successful campaign that could avoid negative consequences. They put forward that the creative should match the user's needs closely, that the choice of platform is key and that understanding what content or creative works best on specific platforms can all contribute to a successful campaign that is free of negative consequences.

### Move Towards Automation

The practice of behavioural targeting has been posited to go hand in hand with automation technology known as Real Time Bidding or programmatic advertising. Automation has been said to make use of data accurately, to predict the performance of a targeted campaign and earn marketers improved return on investment (Trusov et al, 2016). Extant literature further postulates that the future of the practice of targeted advertising will be dependent on automation to provide accurate placement of advertising (Chen et al, 2017), which is made possible by high level analysis of historical user data, that is able to supply advertising in response to demand for it in a highly visible and measurable manner (Thomas, 2017). Participants supported the use of automation as a means to ensure success and avoid negative consequences whilst also putting it forward as the future for the practice of behavioural targeting.

### **6.6.3 Decisions on User Targeting to Pre-empt Negative Consequences**

#### Customer Journey

Li and Huang. (2016), put forward that the behaviour and preferences of a user can be understood based on where the user is in their customer journey. Participants supported this asserting that the narrowness of the targeting can be guided by the stage of the customer journey the user currently occupies, that the targeting can be planned with knowledge that different users take different paths in a customer journey and can prevent wastage if a marketer can determine upfront that a user has already progressed to the purchase stage of the journey.

### **6.6.4 Doing the Homework to Avoid Negative Consequences**

#### Pre-Campaign Research and Planning

Participants put forward that in order to implement a behaviourally targeted online campaign marketers should spend time and put in the effort to do as much pre-planning as possible. Gaining greater insight into the user was raised again as was, ensuring the veracity of data collection and being cognizant of how that data is put to use. One participant advised playing



the role of the consumer and conducting desktop research to see how targeted advertising behaves online and what are reactions that could result in from a user's perspective. Pre-planning was also related to learning prior to a campaign what the pros and cons of using certain platforms could be and ensuring that advertising content gets matched correctly to the content on a platform that gets chosen.

Extant literature did not refer directly to pre-planning as a strategy for success in avoiding potential negative consequences. Research conducted by Smit et al. (2014), does however refer to understanding what user's concerns are about privacy, and what issues were driving the privacy concerns in users. Further to that, they pointed to understanding what type of reaction to privacy concerns a user was likely to demonstrate, namely how targeted users seek to cope through approach or avoidance. They also put forward that the background of a user could be a driver of how they would demonstrate the privacy concerns. Alnahdi et al. (2014), add that cultural differences in users can be a determining factor in whether or not they choose to ignore a piece of targeted communication. Any marketer looking to determine any of the background information on a user as per the literature would need to do a significant amount of pre-planning and research to be able to implement a campaign that takes it all into consideration.

#### Learning from Past Efforts

Basing the decisions made on using behavioural targeting on historic evidence supplied by users was also put forward by participants. Reporting and information gathered from past campaigns was said to be a good source of this historic data which can be used to inform marketers, what users have responded to positively in the past as well as, what they responded to negatively in the past. Extant literature widely supports the findings that the practice of behavioural targeting is based on historic data. Ozcelik and Varnali. (2018) put forward that through the use of cookies placed on a user's server, historic data collected is used to create targeted campaigns that have a higher chance of success in the future.

#### **6.6.5 Relevance of Findings for Research Question 5**

Extant literature on planning a successful behaviourally targeted online campaign that is able to avoid negative consequences that can occur, covers topics on planning the type and placement of creative to be served (Alnahdi, 2014; Goldfarb & Tucker, 2011). Further to this literature points to ensuring data accuracy and security so that marketers are not led astray by inaccurate data (Trusov et al, 2016) or that they create a sense of privacy concern in users on data collection and usage (Alnahdi et al, 2014). Participants supported these assertions

pointing to the fact that data sources cannot always be trusted and a move towards collecting first party data could aid in this regard. Additionally, participants commented on the need for data to be secured by those collecting and using it, so that users do not react negatively to behavioural targeting because privacy concerns. Participants asserted that a need for proper pre-planning efforts that considered past campaigns, evaluating platforms and making sense of user data was critical in implementing a campaign that could avoid negative consequences. Literature on this was scarce however, this could be because much of the literature already assumes that the guidelines to implementing a smooth campaign should be followed before a campaign commences not after negative consequences have already occurred. Both the participants as well as the extant literature supported taking cognizance of the customer journey in order to avoid negative consequences. Extant literature on automation strongly support it as a means to avoid negative consequences and implement a successful campaign. The literature also supported the view that automation techniques such as Real Time Bidding would emerge as a best practice for behaviourally targeted online campaigns in the future. Participants supported the views cited in extant literature on the use of automation as the way forward, as it offers greater accuracy and ease of use whilst also promoting greater return on investment.

## **6.7 Conclusion**

Interview questions derived from research questions in Chapter 3 led to the findings in this chapter. Research Question 1 sought to establish the extent of use of the practice of behavioural targeting in online marketing. The questions that followed turned to the possible negative consequences that can occur through the usage of online behavioural targeting. Question 2 aimed to understand what these negative consequences are, how they affect a behaviourally targeted campaign and what causes them. Research Question 3 was posed to gain insight into how marketers are able to deal with these negative consequences. Research Question 4 focused on how marketers are able to identify that negative consequences have occurred and what is the extent of the harm it can cause. Finally, Research Question 5 was put forward to find out if marketers have learnt how to plan behaviourally targeted campaigns, that when implemented do not fall prey to negative consequences and suffer from the effects they can have.

Accounts given by participants point to behavioural targeting as being a practice that requires trial and error to be tolerated by marketers who are still trying to establish what best practices are. The practice has emerged as one that does not have a strict set of rules that can ensure its success or that it can apply to avoid any possible negative consequences. Described as having fluid nature it also emerged that key determinants of success are not applicable across

any and all targeted campaigns and that the practice continues to evolve. The following chapter proceeds to build on this in order to present the findings and recommendations for marketers as well as recommendations for areas of future research.

## **7 CHAPTER 7: CONCLUSION AND RECOMMENDATIONS**

### **7.1 Introduction**

The purpose of this study was to explore the negative consequences of behavioural targeting in online advertising, in order to gain insight and understanding into how marketers making use of this strategy can identify, cope and avoid possible negative consequences. The study was premised on apparent gaps that exist in the extant literature on behavioural targeting practices (Boerman et al, 2017), and that whilst the practice continues to find support from marketer's negative consequences do occur in online behavioural targeting (Varnali, 2019). Much is already known about the success of online behavioural targeting and why it continues to gain favour as a strategy for marketers. Aguirre et al. (2015), accounted for its ability to target accurately, Li and Huang. (2016), posited that it is grounded in data analytics and Moore et al. (2015), put forward that it can be implemented according to the narrowness of targeting required whilst acting in real time, in response to data collected in real time. Some users do consider the practice to be intrusive though (Brinson et al, 2018) and research in extant literature points to a gap in understanding, why marketing practitioners justify the use of the practice, how they gauge its effectiveness and what they perceive to be negative consequences associated with the practice (Strycharz et al, 2019). As marketers continue to back the use of behavioural targeting, having greater insight into what can impede its progress and what can be done to remove or circumvent negative consequences could prove beneficial to marketers seeking to make use of the strategy.

The remainder of this chapter brings to a close the research on 'negative consequences of using behavioural targeting in online personalised advertising,' by means of a presentation of the research findings and how this impacts business and literature on the topic. Further to this the chapter outlines the research limitations and offers suggestions for areas of future research.

### **7.2 Principle Findings**

Exploratory research conducted found that marketing practitioners have a deep understanding of the practice of behavioural targeting. Participants in the study acknowledged the propensity for the practice to encounter negative consequences and were aware of factors that can contribute to it. Further to this, participants in the study demonstrated insight into the extent of negative consequences that can result from using the practice and have learned how to manage the process through planning, implementing, monitoring and correcting the strategy using the resources they have at their disposal. Extant literature was well supported by some

of the findings in the study and were found in some instances to only be weakly supported or not supported at all by the findings.

### **7.2.1 Extent of Usage of Online Behavioural Targeting**

Principle findings of the research relate to behavioural targeting gaining favour as a strategy for marketers owing to its ability to accurately target the right user, with the right message at the right time (Strycharz et al, 2019). Participants in the study pointed to accuracy resulting in efficiencies that benefit marketers in terms of how they go about making best use of their marketing budget. Further to this, findings showed that the practice allows marketers to create target segments from individual user's online behaviour, which was supported by literature that posited its use in this regard by combining click-throughs collected from multiple users (Wedel & Kannan 2016). Participants alluded to the ability of behavioural targeting to both identify purchase intent and influence it. Extant literature strongly supported this, citing high user fit, to user preference as a reason for these abilities (Goldfarb & Tucker, 2011; van Doorne and Hoekstra, 2013). The practice was found to be positively received by marketing practitioners who trust it owing to its basis in data collection and analysis. Data management in extant literature is said to allow marketers to make buying decisions for targeted advertising placements, bring down the cost of placing targeted advertising and guide marketers in being able to deliver the right communication (Malthouse & Li, 2017).

### **7.2.2 Extent of Negative Consequences of Behavioural Targeting**

Among the concerns related to negative consequences, findings point to online behavioural targeting encountering its own forms of wastage and as also being susceptible to perceived irritation by users. Participants accounted for wastage and as being brought on through inaccurate use of data, as well as through targeting errors such as reaching the same user with the same advertising communication multiple times and reaching users who have progressed passed purchase stage in the journey or users that have no purchase intent at all. Extant literature supported the assertions of participants in this regard with research put forward by Sylvester and Spaeth. (2019), accounting for wastage due to data inaccuracies that lead to targeting errors. van Doorne and Hoekstra. (2013), accounted for irritation in extant literature as being due to a low fit to user preference. The practice can also experience negative consequences that are related to perceived breaches by marketers in the privacy of targeted users. Research on privacy concerns is well represented in extant literature which states that the practice can be 'off putting' which leads to a perceived violation of a user's privacy (Anand and Shachar 2009; Lambrecht and Tucker 2013; White et al, 2007). Privacy concerns can lead a user to perceive that they are being manipulated to like a brand, when

advertising practices become too obtrusive (Gironda & Korgaonkar, 2018). The effects of these negative consequences lead to problems such as negative user sentiment, which if not addressed by marketers can result in damage to the brand. Fulgoni. (2018) supported the notion, that damage to the brand due to, negative sentiment to an online targeted campaign experience, is possible. The negative consequences that occur can result from a myriad of factors among which are targeting errors, misalignments of data gathered on users online as well as outside the online environment and misunderstanding of data gathered and what the data points to. Misalignments emerged from participants as taking place due to marketers not taking into consideration that online activity of a user does not indicate what their activities outside of the online environment will be, which means that engagement with targeted online communications does not necessarily translate into purchase intent outside the online environment. Misunderstandings were put down to marketers using previous online behaviour as an indication that the user still has interest in the product or service being advertised or will be in the future.

### **7.2.3 Coping with Negative Consequences of Behavioural Targeting**

Research findings point to ongoing management of campaigns through a process of rapid, continuous learning and subsequent optimisation as a means to coping with negative consequences that do befall an online targeted campaign. Campaign optimisation pertains to the creative choices, choice of platform and targeting choices that a marketer must make and effect to an ongoing campaign. Participants further acknowledged that, ongoing campaign management is made possible by marketers gaining feedback from colleagues, teams and the market around them. It is also dependent on such factors as having plans in place for different scenarios and can be aided by using technology that is available to marketers.

Use of technology as a method of coping with negative consequences was supported in the literature. Trusov et al. (2016), stated that tracking technology is used in the process of monitoring for negative consequences that need to be optimised. The onus however lies with the marketer to identify the corrective action that must be taken. Marketers should then have the skills necessary to understand what levers to pull in response to negative consequences. Reliance on teamwork could prove beneficial to marketers who are faced with negative consequences that an online behaviourally targeted campaign encounter.

### **7.2.4 Measuring and Monitoring Negative Consequences**

Marketing practitioners making use of the practice of online behavioural targeting use various monitoring methods and tools to stay abreast of negative consequences that occur. Monitoring

methods and tools scan for negative consequences from data gathered on a targeted campaign and also scour social media platforms for signs of negative user sentiment. Findings pointed to social media platforms as the main source of uncovering negative user sentiment prompting marketers, looking to gain insight into user negative reactions, to have resources dedicated to the task of monitoring these platforms. Social media platforms themselves provide built in tools for marketers to use to monitor the activity that is related to their campaigns and brands. Further to monitoring of social media platforms marketers scan their own advertising campaigns using tools from service providers of their choosing to measure the user activity allowing marketers to uncover negative consequences to their targeting.

The feedback that is gathered needs to be contextualized through a deep understanding of the user and the market. Findings indicated that marketers need to gain greater insight into users so that they understand how their targeting efforts are perceived with regards to issues such as privacy concerns. Further to this a heightened understanding of users will allow marketers to understand what causes them to be evasive to their efforts. Marketers who can attain deeper insight into users can benefit by knowing what makes users feel that a piece of targeted advertising that has been communicated to them is justified in its efforts. Findings also pointed to greater knowledge of market related factors as a requirement for marketers trying to understand what their efforts in monitoring are feeding back to them. Having market sensitivity to cultural differences and other factors can aid a marketer to contextualise the negative consequences they uncover.

### **7.2.5 Planning to Avoid Negative Consequences**

In planning for a targeted campaign, that can be said to avoid negative consequences findings point to good governance practices with regards to following regulations, safe keeping of data and practicing responsible marketing as a means to achieving this. Further to that marketers must consider the factors related to campaign implementation such as platforms, creative and use of automation as well as factors related to users such as, stage in customer journey the user is in and the level of autonomy they should be allowed in a targeted campaign. The success of a targeted campaign in being able to avoid negative consequences is made possible through extensive research and pre-planning. Findings point to marketers choosing to make use of the practice, needing to do ample homework prior to campaign launch using data gathered from previous campaigns as well as through interrogation of platforms, creative choices and data collected from the target users. Automation technology emerged as a key to avoiding negative consequences online behavioural targeting faces. Real Time Bidding was posited both in extant literature and through participant responses as a tool that can make use of data more accurately and manage campaigns through data analysis in real time. Real Time

Bidding was put forward as being able to predict with greater accuracy what the performance of a campaign will be, which is said to result in greater return on investment made by marketers.

### **7.3 Recommendations for Marketers**

The practice of online behavioural targeting is not exempt from experiencing negative consequences in its application. The research conducted in this study frames the practice as a key to successful online marketing strategy that marketers are relying on with greater regularity and will continue to do so more going into the future. Marketing practitioners looking to implement the strategy however should not do so blindly, as it does create some negative consequences that can derail their efforts. In deciding to use the practice marketers should adhere to responsible marketing practices, develop means to analysing data, be open to continuous learning and practice ongoing optimisation. Even with all these efforts in place marketers should also be open to accepting that negative consequences can and will occur. Having contingency plans in place for these negative consequences and engaging with peers and the market in acts of consultation, can offer a marketer the tools required to cope with and even negate negative consequences. Marketers need to ensure they have developed the knowledge set and skills required to make use of the resources available to them in the course of running a targeted online campaign. Those that remain vigilant to potential of negative consequences and have the skills to recognise, contextualise and remedy them can stay ahead of any long-term damage that their campaigns can inflict on their brands. Finally, being so heavily reliant on vast sums of data to work efficiently, marketers should demonstrate an unwavering willingness to employ the use of technology in the planning, implementing, monitoring and optimising of targeted campaigns.

### **7.4 Recommendations for Future Research**

Based on the insights from this research study, the following suggestions are made for future research.

- Negative consequences, that can result from online behavioural campaigns can be studied quantitatively, to demonstrate regularity of occurrences, impact on return on investment and effectiveness of coping methods.
- Fulgoni. (2018) posited that negative consequences experienced in the course of running a behaviourally targeted campaign can result in long term brand damage. It is recommended that the effects negative consequences, due to online behavioural targeting, can have on a brand in the long term are studied.



- Findings on how marketers respond to negative consequences indicated that continuous learning and campaign optimisation are widely used. An exploration of what allows for continuous learning, in the practice of behavioural targeting, to take place is recommended.
- Trusov et al. (2016), cited a gap in the ability of marketers to utilise data correctly, to uncover online behaviour of targeted users. Future research into the skills development of marketing practitioner's data analysis capabilities is recommended.
- Social media platforms play a significant role in uncovering negative user sentiment directed at online behaviourally targeted campaigns. A study in the effects of negative sentiment on social media and how marketers can use this to improve their behaviourally targeted online campaigns is recommended.

## **7.5 Limitations of Research**

The limitations of the qualitative study that was conducted were as follows,

- The interviewer could have introduced bias into the study because of tonality that conveyed personal beliefs and opinions.
- Due to the small sample size, generalizability of results has been limited.
- Participants were only selected from the greater Johannesburg area, which could introduce geographical bias.
- The skill of the researcher could have affected the results as no formal training in interviewing was obtained.
- The participants chosen, rely heavily on the practice of online behavioural targeting, to perform their daily tasks, which could have introduced a bias in favour of the practice into the study.

## **7.6 Conclusion**

The study was comprised of 8, in-depth interviews with experts from the digital marketing industry, that make use of online behavioural targeting. Data analysis of the themes from the qualitative interviews offered insights into the practice of online behavioural targeting and the negative consequences that can befall these types of campaigns. Through this process greater understanding, of the strategies and methods of practice that marketers have developed, to both utilise the practice and cope with the possible negative consequences was attained.

Extant literature indicated that the practice is widely used due to its grounding in data collection and analysis. The practice also has gained favour due to the various benefits it offers

marketers such as reduced wastage. Studies to date have relied mostly on survey data to understand the practice and the body of knowledge that has been accumulated is not clearly defined. For all the benefits that online behavioural targeting offers marketers, negative consequences can and do occur. In the field, marketers are required to deal with consequences as they arise and sometimes, they cannot plan for the occurrence because of the unpredictability and sometimes because the problem that arises is unprecedented.

In forming strategies to cope with or avoid negative consequences extant literature offers tactics such as using reciprocity to gain acceptance, offering user control and autonomy, implementing the use of Real Time Bidding, varying the degree of personalisation, strict control of data management, seeking greater understanding of users, implementing retargeting practices and practicing overtness over covertness in data collection. Given that the practice of behavioural targeting in online marketing strategy has been found to offer more positive outcomes than negative consequences marketers will continue to make use of it. Emphasis must be placed on their ability to cope with these negative consequences, continuously learning from these occurrences and planning campaigns for the future that can avoid these negative consequences while remaining open to new negative consequences and the challenges they bring.

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## **Appendix A: Invitation to Participate in Study**

Dear Sir/Madam

I am currently working towards completing my Masters of Business Administration (MBA) degree at the Gordon Institute of Business Science (GIBS). As part of the components of this course I am required to complete an Integrated Business Research Project.

Modern marketing practitioners have become reliant on using the behavioural targeting in their online advertising campaigns. Whilst, the practice has gained wide acceptance owing to the many benefits it offers marketers, little is known about the negative consequences that can occur due to the practice. The title of this study is Negative Consequences of

The study intends to explore the negative consequences marketers experience when using behavioural targeting in their online marketing campaigns. In doing so the study aims to gain greater understanding into negative consequences that can occur, what efforts marketers must make to understand what leads to these negative consequences and what strategies can be implemented by marketers in order to cope with or avoid negative consequences.

The data required to complete the Integrated Business Research Report will be collected through a one on one semi-structured interviews with experienced marketing practitioners such as yourself. It is not the intention of the interview to gather company specific information and as such names of participants and organisations will be omitted from the study.

Should you be willing to participate kindly confirm your availability to do so and advise on your availability between the 10<sup>th</sup> of September 2019 and the 31<sup>st</sup> of October 2019. Should you not be able to make yourself available during these dates, I will gladly schedule a time that suits you more conveniently.

I look forward to meeting with you and gaining valuable insights from your experience with the subject matter.

Thank you,

Kavindra Juggath

0761520532

15391214@mygibs.co.za

## Appendix B: Interview Consent Form

**Topic:** Negative Consequences of Using Behavioural Targeting in Online Advertising

**Researcher:** Kavindra Juggath, MBA Student, Gordon Institute of Business Science, University of Pretoria, 2019

I am conducting research on “Negative Consequences of Using Behavioural Targeting in Online Personalised Advertising,” and I am trying to find out more about the negative consequence’s marketers encounter when using behavioural targeting in their online marketing campaigns.

Our interview is expected to be an hour in duration. In order to ensure data accuracy and to facilitate data analysis, I would appreciate your consent to record the interview. The recording is for my research purposes only and will be handled with the strictest confidentiality.

Your participation is voluntary, and you can withdraw at any time without penalty. All data will be treated with the greatest confidentiality ensuring anonymity to both you and your organisation. All data will be reported without identifiers. If you have any concerns, please feel free to contact my supervisor or myself. Our contact details are provided below.

Thank you,

Kavindra Juggath  
MBA Student  
Email: [15391214@mygibs.co.za](mailto:15391214@mygibs.co.za)  
Tel: 076 152 0532

Danie Petzer  
Professor | Director of Research  
The University of Pretoria’s Gordon Institute  
of Business Science  
Email: [petzerd@gibs.co.za](mailto:petzerd@gibs.co.za)  
Direct Tel: +27 11 771 4242

Participants Details

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Researchers Details

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



## Appendix C: Interview Guide

Role in organization:	
Date:	
Time:	

I would like to thank you for agreeing to be a participant in my research. You may have some insight into my research topic and the research objectives, however, should you require I am happy to take you through it.

Prior to commencing with the interview, may you please sign the consent form and please confirm that you are comfortable if I record our discussion with an audio recording device? The recording is for the purposes of my research and shall be handled with the strictest confidentiality.

<b>RQ1: To what extent is behavioural targeting used in online marketing strategies?</b>	
<b>Sub-Question No.</b>	<b>Sub-Question</b>
1.1.	To what extent do you use behavioural targeting in your online marketing strategies?
1.2.	Why do you consider the use of behavioural targeting necessary in your online marketing campaigns?
<b>RQ2: What are the negative consequences encountered by marketers making use of behavioural targeting in online marketing campaigns?</b>	
2.1.	What negative consequences have you encountered in your online marketing campaigns that have made use of behavioural targeting?
2.2.	How harmful have these negative consequences been to your online marketing campaigns?
<b>RQ3: What strategies can be deployed in response to the negative consequences marketers face from using behavioural targeting in online marketing campaigns?</b>	
3.1.	What strategies have you deployed in response to the negative consequences to your online marketing campaigns that have made use of behavioural targeting?

3.2.	Describe the success these strategies have had in coping with the negative consequences encountered by your campaigns that have made use of behavioural targeting?
<b>RQ4: How do digital marketing executives go about uncovering the extent of the negative consequences they encounter when using behavioural targeting in online marketing campaigns?</b>	
4.1.	What methods have you used in uncovering the extent of the negative consequences encountered by your online marketing campaigns that have made use of behavioural targeting?
4.2.	How successful have these methods been in uncovering the extent of the negative consequences encountered by your online marketing campaigns that have made use of behavioural targeting?
<b>RQ5: What strategies can be deployed to pre-empt the negative consequences marketers face from using behavioural targeting in online marketing campaigns?</b>	
5.1.	What strategies have you deployed to pre-empt negative consequences to your online marketing campaigns that have made use of behavioural targeting?
5.2.	How successful have these strategies been in pre-empting negative consequences to your online marketing campaigns that have made use of behavioural targeting?

## Appendix D: Ethical Clearance Letter

**Gordon  
Institute  
of Business  
Science**  
University  
of Pretoria

05 September 2019

Juggath Kavindra

Dear Kavindra

*Please be advised that your application for Ethical Clearance has been approved.*

*You are therefore allowed to continue collecting your data.*

*Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained*

*We wish you everything of the best for the rest of the project.*

*Kind Regards*

GIBS MBA Research Ethical Clearance Committee

## Appendix E: Atlas.ti Code Book

### Codes

EU: Geotargeting  
EU: Lack of Use of Behavioural Targeting  
EU: Retargeting  
EU: Used Extensively  
EU: Used to Convert Behaviour  
DM: Data Collection  
DM: Utilizing Data  
RUBT: Accuracy of Behavioural Targeting  
RUBT: Avoids Over-reliance on Demographic Data  
RUBT: Budget Efficiency and Reduced Wastage  
RUBT: Creates Target Segments  
RUBT: Creates User Engagement  
RUBT: Cross Selling  
RUBT: Improved User Experience  
RUBT: Influences Customer Acquisition and Conversion  
RUBT: Leads to Greater Influence  
RUBT: Leads to Greater Relevance  
RUBT: Nature of Online  
RUBT: Positive vs Negative Impact  
RUBT: Qualifies User  
RUBT: Speedily Acquire Users  
RUBT: Targeting Based on User Behaviour  
RUBT: Understanding Consumer Behaviour  
FNC: Irritation for User  
FNC: Privacy Concerns  
FNC: Wastage for Marketer  
ENC: Damage to Brand  
ENC: Diminished Reach  
ENC: Increased Cost of Narrow Targeting  
ENC: Negative Societal Impact  
ENC: Negative User Sentiment  
DNC: Advertising Fraud  
DNC: Campaign Goal Dependent  
DNC: Experimentation with New Techniques  
DNC: Implementation Expertise Gap  
DNC: Inability to Create Demand  
DNC: Intrusiveness by Marketer  
DNC: Lack of Understanding  
DNC: Misalignment between Online and Actual Environments  
DNC: Misunderstanding of Past, Current and Future Behaviour  
DNC: Narrow Targeting  
DNC: Over Cautiousness  
DNC: Targeting Errors  
DNC: User Awareness of Behavioural Targeting  
MA: Agility and Flexibility  
MA: Campaign Optimization  
MA: Continuous Learning  
CE: Contingency Planning  
CE: Consultation  
CE: Human Intervention  
CE: Technology Enablers for Marketers

MM: Measuring Response to Creative  
MM: Monitoring Tools and Practices  
MM: Social Media Monitoring  
CNC: Greater Understanding of Users  
CNC: Unavoidable Problems  
CNC: Understanding Differing Market Trends  
GG: Adherence to Regulation  
GG: Data Security and Responsibility  
GG: Ensuring Data Accuracy  
GG: Practice Responsible Marketing  
CD: Choice of Platform  
CD: Creative Tactics  
CD: Frequency Capping  
CD: Move Towards Automation  
CD: No One Size Fits All Solution  
UD: Customer Journey  
UD: Opt-In Opt-Out  
UD: Reciprocity  
UD: Targeting Receptive Users  
DH: Pre-Campaign Research and Planning  
DH: Learning from Past Efforts