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1 Introduction

The purpose of this chapter is to provide the reader with the appropriate background information relating to Online Behavioural Advertising, beginning with a description of the digital marketing environment inside the frame of science and the business sector. Further, the problem statement, purpose, and research questions, together with a final section dealing with important delimitations of this study are presented.

1.2 Background

For companies operating in the online retail sector, understanding consumer behaviour is vital. The techniques for acquiring the necessary consumer information have become increasingly analytical. By investing large resources in these techniques, companies can determine and define their position in the market and gain competitive advantage (Johansson *et al.*, 2016).

The digitalisation of the human society is a driving force of innovation and development towards greater profitability for organisations and the amount of data in our world has been growing exponentially in an explosive rate (Manyika *et al.,* 2011). The human society is experiencing a digital revolution (Boyd, & Crawford, 2012) and we stand on the threshold of rapid technological advancements. Technological software and hardware, responsible for creating and interpreting information to be used by consumers and companies alike, are embedded into the infrastructures of our world, connecting devices, sensors, networks, log files, social media, and machines to the Internet (Manyika *et al.,* 2011; Thompson, Li, & Bolen, n.d; Li *et al.,* 2015). This contributes to generating vast amounts of data, which have been made possible to ingest and analyse by the development of improved data storage and computer processing (Manyika *et al.*; Thompson *et al.*; Li, *et al.*).

Together with the digital revolution, the term *big data* is one of the many new terms to be popularised. Big data is used to describe a phenomenon that now plays an indispensable role in the human society (Li *et al.,* 2015). Big data can be seen as both a technological and a marketing term, referring to the organisational large assets of data set information

generated by embedded sensors or digital sources such as the Internet, social media, technological machines, and mobile applications (Vael, 2013; Big Data, 2016, PNC Financial Services Group, 2015). Technological advancements, such as Artificial Intelligence (AI), help organisations to utilise this asset by providing approaches for organisations to understand their operational environment and make informed business decisions (Vael). The development of AI has created opportunities in revealing patterns, associations, or trends related to consumer behaviour, allowing big data to be used for understanding consumers' behaviour and tailoring marketing strategies accordingly (PNC).

There is no doubt that digitalisation has caused, and will continue to cause, profound changes that impact industries across the physical and online business world. These changes are further accentuated by the prognosis that online retail will be responsible for every third Swedish krona by 2025 (DIBS Payment Services, 2017). In 2017, the turnover for goods bought online by Swedish consumers increased by 16 percent, in monetary terms the increase is 9.1 billion SEK. Swedish consumers shopped goods and services online for a little more than 67 billion SEK during 2017 (PostNord, 2018). This development points to the fact that online retailing makes up a significant piece of the Swedish consumption. The main part of this online spend is made up of clothes, shoes, accessories, and electronics as approximately 52 percent of the Swedish population use the Internet to shop for goods belonging to any of these categories (DIBS Payment Services, 2017). The fashion industry alone exhibited the second largest online turnover cross-industry in Sweden at a total sum of 10.3 billion SEK in 2017 (PostNord, 2018). At 37 percent (PostNord, 2018), clothes are the most commonly product category shopped online in Sweden (Internetstiftelsen i Sverige [IIS], 2017a), significantly more so than the second most frequently good shopped online. As seen by the 16 percent growth of the Swedish online retail sector during 2016 (PostNord, 2017), the digitalisation of the retail sector is continuously gaining momentum and growing with undiminished force.

Apart from being a major cause for the booming industrial development, digitalisation present fashion retailers with new challenges to which they are finding new ways of dealing with. One of the challenges that these companies face by the structural change in the retail environment is the arrival of foreign and international companies to the market, with whom they have to compete with. Also, large actors are favoured by this change

since they more often have better prerequisites to be able to carry investments needed in the new digital and technological, environment. In 2017, 13 retail companies were responsible for a whole of 50 percent of total sales in the retail industry, in Sweden (DIBS Payment Services, 2017). This means that companies need to invest their resources where they are best put to use. In marketing terms, online fashion retailers have to define their most important target groups, identify the individual consumers belonging to these, and be able to reach and influence these individuals in a valuable and meaningful way.

According to data presented by Internetstiftelsen i Sverige[1] (IIS), 100 percent of the Swedish population in the ages of 12 to 45 use the Internet at least once a day. The users who are most active online belong to the age groups 16-25 and 26-35 that we will refer to as Group A and Group B, respectively, moving forward in this study. When it comes to how important these consumers view the Internet being in their private life, 65 percent of Group A and 58 percent of Group B respectively feel that it is *very important*, giving it the highest possible score on a 5-point Likert-scale. From this, it is clear that consumers belonging to the younger generations, Group A and Group B, use the Internet more often and deem it as being more important in their private life than consumers belonging to older generations. Additionally, IIS' research show that younger generations shop more frequently, and spend more money online; 48 percent of respondents in Group B say that they shop for goods online at least once a month (Internetstiftelsen i Sverige [IIS], 2017b). All of the information above points to the fact that young adults in the ages of 16-35 are important for retail companies to develop marketing and advertising strategies to reach.

When shopping online for products or services, 93 percent of consumers say that they do not carefully read the terms and conditions regarding data sharing, a fifth of these 93 percent claim that they have suffered from it (Smithers, 2011). This is one of the causes that resulted in an increase of the use of protective software (Spiekermann, & Korunovska, 2017) and data management tools to determine conditions of use based on policies (Nguyen *et al.*, 2013).

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[1] Translates into: "the Swedish Internet Foundation"

Consumers are exposed to constant noise in the digital world, meaning that they are constantly being cluttered with promotional messages, which is making it difficult for advertisers to capture and keep consumers' attention (Jankowski, 2016; SEOSEON, n.d). There is what one could call an informational overload for consumers, and instead of having to deal with evaluating every promotional offer, consumers try to shut these messages out and stop advertisements from interrupting their online experience. This is achieved by installing ad-blockers, a software used by 57 percent and 38 percent of individuals belonging to Group A and Group B, respectively (IIS, 2017b). Thus, there seems to be a need for a better solution in terms of online advertising so that consumers feel as if they also benefit from being exposed to advertising.

Companies use digital tracking methods to gather online behavioural data about individual consumers (Ham, 2017) as to predict individual consumers' interests and preferences and target consumers with advertisements purposely tailored to match their online behaviour (Shelton, 2012). The process of advertisers using consumers' online behavioural data in order to create and direct individually targeted ads to each individual consumer, is called Online Behavioural Advertising (OBA) (Boerman, Kruikemeier, & Zuiderveen Borgesius, 2017). One dilemma that advertisers have to deal with while using OBA is that a factor critical to determining the advantages or disadvantages of using OBA lies beyond their control: the consumers' reaction (Sipior, Ward, & Mendoza, 2011). The consumer reaction is based on the consumer experience of an OBA ad which in turn influence the outcome and effects that the ad.

The systematic collection and analysis of personal data by organisations has, from time to time, been criticised. As the issue of data privacy arise, the European Union replaces from May 25th 2018, the Data Protection Directive 95/46/EC with the new EU General Data Protection Regulation (GDPR). The new legislation is designed to harmonize the data privacy laws across Europe, as well as protect and empower citizens of the union's data privacy. GDPR will also restructure how organizations across the European Union approach data privacy and personal data (European Union General Data Protection Regulation [EU GDPR] Portal, n.d.). As Sweden is a part of the European Union since 1995 (European Union, n.d.), companies operating in the Swedish market need to follow these EU legislations.

Even though there are concerns regarding the use of personal data in marketing efforts, benefits for the consumer have been identified as well. The collection of consumers' personal data by companies make it possible for consumers to receive personalised, and therefore more useful, promotional messages (Johansson *et al.,* 2016). That is, the consumer is not bothered with irrelevant advertisements but with ads that bring value by decreasing the cost of their time.

1.3 Problem Statement

As discussed in previous sections of this introductory chapter, it is clear that Online Behavioural Advertising (OBA) may give rise to consumer concerns, but it is not clearly understood why and how. These concerns should not be ignored by companies adopting OBA as part of their marketing strategy when striving for success. Although academic and scientific studies carried out in the field of OBA, which will be presented in Chapter 2, have identified factors influencing how consumers react to OBA, none investigates the combined effect of these key factors. A need to study this in detail has been recognized, and this gap is therefore the foundation upon which this study's purpose and research questions are built.

1.4 Research Questions

The research questions provided below are used in order to fulfil the purpose of this study. The research questions are:

RQ1   How do each of the *advertiser-controlled factors* and *consumer-controlled factors* relate to the establishment of the consumer experience of Online Behavioural Advertising?

RQ2   How do the various *advertiser-controlled factors* and *consumer-controlled factors* relate to each other?

1.5 Purpose

As the problems related to Online Behavioural Advertising (OBA) are not yet fully defined in existing literature, the purpose of this study is to explore the influence of *advertiser-controlled factors* and *consumer-controlled factors* critical to consumers' experience of OBA ads of online fashion retailers in Sweden. This is achieved by creating a conceptual framework, founded upon theory drawn from previous studies that identify, explain, and integrate these factors. The aim is to provide insights for greater understanding of the problems related to OBA as well as the underlying causes of consumer experience within the field of OBA for the Swedish online fashion retail industry. The authors of this study do not intend to offer final or conclusive verdicts, but rather aim to outline the nature and the scope of the problems related to OBA in order to provide a basis for better understanding and form a substructure for more conclusive research.

1.6 Delimitations

Several important delimitations are detailed below, which should be taken into consideration when interpreting the result, as well as when reading the analysis, conclusion, and discussion of this study.

Firstly, the study is strictly limited to how consumers relate to OBA, and does not discuss in detail how companies relate to the subject matter. However, the findings of this study are expected to be of use for advertisers in understanding consumer behaviour and how to counteract or prevent negative consumer experiences by adjusting *advertiser-controlled factors*.

Secondly, the study is limited to investigating consumers' experience of OBA as it relates to Swedish online fashion retails. The choice to focus on this specific industry segment, particularly in Sweden, was made to adjust the scope of the research to fit the limited time frame. Because of the trend towards shopping online, and as the online fashion retail industry show great promise of important growth, there is great interest to gain in-depth information of how the topic of this study relates to this industry specifically. By this delimitation any wrongful generalisations, which would be applied to the fashion industry at large, are avoided.

Finite resources contribute to this study's limitation to exclusively focus on the sample population of Swedish women in the ages 20 to 35. This study is limited to individuals speaking Swedish as their native language as it is deemed to eliminate possible errors caused by language barriers and increase willingness and motivation to participate. Methodological choices influenced the limitations of the chosen sample population to the geographical area of southern Sweden.

Further explanations to the choice of limitations are given consecutively in the following chapters of this study, mainly in section 4.1.

2 Literature Review

With the problem statement, purpose, and the research questions as a starting point, previous scientific and academic studies on Online Behavioural Advertising (OBA) have been systematically reviewed. The relevant findings of these reviews are compiled and presented accordingly in this chapter for the sake of the reader's understanding. Further, concepts that are central to understanding consumer behaviour in relation to OBA are described.

2.1 Characteristics of Online Behavioural Advertising

The central essence of Online Behavioural Advertising (OBA) is that of a *recommender system*. Recommender systems are software tools and techniques (Ricci, Rokach, & Shapira, 2015) that provide a particular user with items such as content or solutions most relevant to that user (Jeckmans *et al.,* 2013). Recommender systems, such as OBA, are interdisciplinary, thus used and studied by professionals from various backgrounds, including marketing and consumer behaviour (Ricci *et al.*) Recommender systems forecast relevance scores for the items that the user not yet has seen by reflecting on the characteristics of the user and the item. To explore the diversity of information used in recommender systems Jeckmans *et al.* provide a simple categorization of the different types of information classically used. The most commonly used type of information in OBA is *behavioural information*; the embedded information accumulated when Internet users interact with the broader system. However, behavioural information is not the only kind of information collected in OBA. Depending on the intended impact and design of OBA companies can choose to include alternative kinds of information such as: contextual and social information, domain knowledge, item metadata, purchase or consumption history, recommendation outputs, and user attributes or preferences (Jeckmans *et al.*).

Advertisers view OBA as one of the most important new ways of reaching their target audience (Boerman *et al.*, 2017). In the field of marketing, Boerman *et al.* state that OBA is a term used to describe the occurrences where advertisers create individually targeted

advertisements for consumers based on any type of information, aforementioned, showing the consumer's preferences and interests.

Despite the interest in OBA, no general definition has received enough impact to be accepted by all stakeholders, which can be partly attributed to the fact that it is an interdisciplinary subject. Adding to this sometimes confusing matter, is the fact that there are numerous terms used to describe the phenomenon and these are sometimes used interchangeably: online profiling, personalisation, and behavioural targeting being part of them (Boerman *et al.,* 2017). As described by Boerman *et al.,* the various definitions of OBA have two qualities in common: *"(1) the monitoring or tracking of consumers' online behaviour and (2) utilization of the collected data to target consumers with individually tailored advertisements".* However, it is important to note that the definition of OBA differs from other types of online personalised advertisements, in that it uses personal behavioural information to tailor advertisements to seem highly relevant to the consumer (Boerman *et al.*).

Personal data collected for the sake of OBA usually contain information about which websites the consumer has visited, for how long they stayed on various web pages, what activity they engaged in whilst being there (Ham, 2017), as well as other types of browsing data, search history, online purchases, and click-through rates for previous ads (Boerman *et al.,* 2017). Companies can use cookies, flash cookies, or device fingerprints in order to track this sort of information about consumers and build a behavioural profile (Altaweel, Good, & Hoofnagle, 2015). Simply put, cookies are small files of information stored on an Internet users' computer when visiting a website. Cookies are saved on consumers' devices through the website they are visiting, not only by the website owner, but also by third-party actors such as websites of companies not even visited by the consumer (Miyazaki, 2008). Cookies can be programmed to stay on the consumer's device for their current browsing session, over several years, or basically indeterminately.

Luna-Nevarez and Torres (2015) found that consumers are often goal oriented when going online. When doing so, consumers show an inclination toward avoiding any stimuli that will disrupt their activity. Of particular interest is their finding that a negative relationship exists between how intrusive a consumer perceives an ad to be and the attitude the consumer forms towards the ad. Luna-Nevarez and Torres, do not provide

any explanation as to how attitudes are formed and whether or not this attitude is simply directed towards the ad or extends to include the brand or company soliciting the advertisement. Li, Edwards, and Lee (2002) reported that advertisements placed online are perceived as more intrusive than when placed in any of the traditional media; that advertisements are deemed intrusive when they disturb consumers' current cognitive processes and cause a psychosomatic response. When an advertisement has been perceived as intrusive, the consumer may be inclined towards avoiding future advertisements. In line with the findings of Li *et al.* regarding intrusive advertisements, OBA can be assumed to be perceived as being intrusive by its very nature, since it will, generally, distract consumers from their on-going psychosomatic processes by caching attention in being highly personalised.

2.1.1 Privacy concerns

"*I share data every time I leave the house, whether I want to or not. The data isn't really the problem. It's who gets to see and use that data that creates problems. It's too late to put that genie back in the bottle*" (Rainie, & Duggan 2016, p. 9)

Privacy concerns regarding personal data can be defined as a consumer's ability *"to control the terms under which their personal information is acquired and used"* (Culnan, 2000, p. 20), both private and public data are included in the term personal information. Understanding how consumers' privacy concerns influence the outcome of Online Behavioural Advertising (OBA) is of importance since it may cause concerns related to consumers' privacy; this is a reason why OBA attracted a lot of attention from various stakeholders such as advertisers, consumers, policymakers, and scholars (Boermann *et al.,* 2017).

Inman and Nikolova (2017) presents an example that retailers using technologies that invade consumers' privacy, with no specific benefits for the consumer, could lead to privacy concerns and backlash behaviour from the consumer. If the consumer is gaining meaningful benefits from these technologies such as personalised and just-in-time promotions, consumers' privacy concerns could potentially decrease. Further, the level of privacy concerns felt by a consumer might also be influenced by how they value their personal data. Schudy and Utikal (2017) argue that people value various kinds of personal data differently. The benefits versus the costs for consumers sharing personal data are

hard for companies to balance in order to generate benefits for the advertiser and for the specific consumer (Inman, & Nikolova, 2017).

In conclusion, the authors of this study propose that in situations where consumers feel concern for misuse of their personal data, the element of trust will gain importance.

2.1.2 Consumer knowledge

Claims made by companies with regard to privacy concerns related to OBA include that the tracking process does not collect information that can be used to reveal individual Internet users' identity, such as name or social security numbers (Van Doorn, & Hoekstra, 2013). However, Van Doorn and Hoekstra further argue that critics of OBA claim that companies could identify individuals if they wanted to, that companies do not actively inform about the process of tracking and compiling personal data, and that companies do not ask for consumers' permission to do so. Adding to this issue, a relatively small number of consumers have knowledge about how OBA works and what kind of personal data that is being collected and used in the process.

The extent of personal data collection practices may come unnoticed to the consumers, as many Internet-uses do not read companies statements regarding data collection practices (Beales, & Muris, 2008). The sheer number of companies tracking a consumers' online behaviour is also a thing that often is unknown to many consumers, which, according to Schudy and Utikal (2017), relates to consumers' willingness to share personal data decreasing as the number of companies accessing it increases.

From these findings, the authors of this study propose that when consumers lack knowledge, and therefore understanding of OBA and data collection practices, as well as how to protect their personal data, they will feel vulnerable. This vulnerability will increase the importance of trust. However, if a consumer is oblivious to the very existence of online behavioural tracking, as well as the connected personal, social, and ethical concerns, the proposition given above is not applicable.

2.1.3 Trust

According to Phelan, Lampe, and Resnick, (2016), trust is one of the most important factors that influence and contribute to the concerns that consumers have in relation to OBA. The traditional concept of trust is a phenomenon with multiple interpretations (Mayer, Davis, & Shoorman, 1995; Möllering, 2008; Pettit, 1995), all of which focused on the following specific elements that have to be present for trust to occur (Cook *et al.,* 2010; Dietz, 2012; Grabner- Kräuter, & Kaluscha, 2008; Rousseau *et al.,* 1998):

- o In order to develop trust, two actors must exist in form of a trustor and a trustee
- o Trust only exists in an uncertain or risky situation that means that vulnerability must be present.
- o Trust is dependent on the context of the situation. The concept of trust is context-sensitive, meaning that it is affected by several environmental circumstances and subjective, individual interpretations.

In short, given these elements of trust, it can be said that trust exists "*where one party has confidence in an exchange partner's reliability and integrity*" (Morgan, & Hunt, 1994, p. 23).

2.1.3.1 Online Trust

The Internet has developed and become a central technological tool for businesses across the globe. The physical borders between buyers, sellers, and countries are not recognized. One main issue relating to this is trust, which online retailer to trust or not to trust in the never ending digital world (Bauman, & Bachmann, 2017).

Online trust can be defined by as "*an attitude of confident expectation in an online situation of risk that one's vulnerabilities will not be exploited*" (Beldad, de Jong, & Steehouder, 2010, p. 860). As online shopping occurs in a nonphysical marketplace, online trust differs from traditional trust, but can be connected to the elements of traditional trust. The trustor, i.e. the consumer, is exposed to an uncertain and risky situation where he or she uses the Internet to fulfil his or her needs with the help of an online retailer, i.e. the trustee (Bauman, & Bachmann, 2017).

3 Theoretical Framework

In order to investigate the effect of the most important identified factors connected to consumer behaviour in relation to Online Behavioural Advertising (OBA) a conceptual framework, built on pre-existing theories, has been developed. The conceptual framework is based on combining the theoretical findings of Boerman et al. (2017) and the service experience framework of Sandström et al. (2008). The original frameworks have been merged and extended in order to fit the needs of the intended research. Below, a step-by-step description and explanation of the elements included in the proposed conceptual framework are given.

Within research concerning Online Behavioural Advertising (OBA), Boerman *et al.,* (2017) identified three major research areas that explain consumer response to OBA: (1) *advertiser-controlled factors*, (2) *consumer-controlled factors*, and (3) *outcomes*. These three research areas have been used in creating the conceptual framework presented below, used to interpret the results of the empirical study. Advertiser-controlled factors relate to the advertisement's inherent components: *ad characteristics,* and the forms of *transparency* communicated by the advertisement. Consumer-controlled factors include *individual filters* and *situational filters*. Outcomes include research areas that focus on the *effects* of OBA.

It is important to disaggregate the consumer experience of OBA since it is the result of a complex interactional-process between advertiser-controlled factors and consumer-controlled factors. Both of these categories of factors can be further divided in order to improve understanding of their connection to each other, as well as the value they bring to creating a consumer experience of OBA that results in positive or negative effects of the advertising effort.

3.1 Physical and technical enablers

The conceptual framework is built on the assumption that in order for an online advertisement to exist and a consumer to be able to be exposed to, and perceive that advertisement, it must first satisfy criteria of physicality and technology on which it is formed and perceived.

OBA ads are based on personal data from consumers and the advertisement is designed using symbols and signs trying to communicate value, based on that personal and behavioural data. The authors of this study suggest that these physical and technical criteria, or enablers, include: signs, symbols, and the IT infrastructure that is needed to create the factors that have an impact on consumer behaviour in relation to OBA. These enablers are often related to the creation of an individual experience based on technical elements such as visual impressions and sounds. Hence, the authors of this study argue that the advertiser-controlled factors *ad characteristics* and *transparency* are facilitated by technical and physical enablers.

3.2 Advertiser-controlled Factors
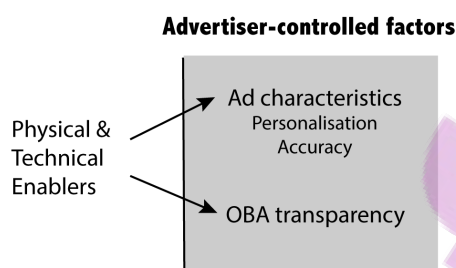
Figure 1 Step 1: The physical & technical enablers and advertiser controlled factors.

In the conceptual framework, advertiser-controlled factors include of two main factors: (1) *ad characteristics* and (2) *OBA transparency*. These factors represent elements controlled by the advertiser, and are built on the technical and physical enablers. Together, these two initial steps in the framework represent the signals that are allowed to be perceived by the consumer.

3.2.1 Ad characteristics

In accordance with the findings of Boerman *et al.* (2017) ad characteristics are identified as the *level of personalisation* that the ad exhibit toward a consumer, as well as the *level of accuracy* by which the ad meets the individual consumer's interests. These characteristics of an ad is shown to play an important role in the attitude that consumers form toward OBA ads as well as the following response, or outcome, as shown by several studies presented below.

The level of personalisation of an OBA ad can, and will, vary. Nevertheless, the level of personalisation communicated by physical and technical enablers of an advertisement is theorized to have an important influence on the consumer experience, outcome and effects of an OBA ad. As presented by Boerman *et al.* (2017) the findings of several studies propose that the level of personalisation of an advertisement influences perception of intrusiveness, vulnerability and usefulness of the ad. Additionally, the level of personalisation may give rise to privacy concerns and influence the consumers' experience of and consequential effect of the advertisement. Highly personalised advertisements can cause resistance from the consumer if they feel an inability to protect themselves from the data collection process (Bleier, & Eisenbeiss, 2015). If a consumer perceives feelings of intrusiveness from OBA ads, whatever the reason for it may be, it may cause negative cues, thus affecting purchase intentions (Van Doorn, & Hoekstra, 2013). Further, Van Doorn and Hoekstra propose that the benefit for consumers, of being presented with an offer in the form of a highly personalised ad, will only partly make up for these negative cues.

The level of accuracy is also found, by Boerman *et al.* (2017), to be one of the key characteristics of OBA ads. When the advertisement is highly accurate in predicting the consumers' needs and wants, especially in those cases where the consumer has a narrow frame preference, it is more likely to be received positively than a standardized advertisement would be.

Van Doorn and Hoekstra (2013) argue that the advantage the consumers may gain by accurate, personalised advertising, is that if it inhibits relevance and fit such as offering the right product at the right moment it relieves the consumer from the needs to search further for a product they actually feel a need to purchase. On the contrary, Van Doorn, & Hoekstra also argue that if an advertisement provides a low level of accuracy it is more likely to promote irritation towards the advertisement.

Previous research has shown that the ad characteristics level of personalisation, along with the potential benefits of accuracy, of an OBA ad are important in shaping the consumers' reaction. Therefore, it is clear that this is an interesting and potentially important factor influencing consumers' experiences of OBA.

3.2.2 Online Behavioural Advertising Transparency

As an advertiser-controlled factor, OBA transparency refers to the methods, signs, and symbols that are communicated by the advertisement for the purpose of providing information regarding the practices of online behavioural tracking.

As aforementioned, OBA has been a cause of privacy concerns amongst consumers. Advertisers have proposed the use of OBA disclosures in the forms of: icons, accompanying taglines, landing pages (Leon *et al.,* 2012), and options to decline participation as an attempt to lessen the privacy concerns related to OBA. As found by Leon *et al.*, disclosures about OBA often fail to clearly inform consumers. The majority of participants in their study mistakenly thought that ads would pop up if they clicked on disclosures. A higher percentage of the participants believed that by clicking on the disclosures they would be offered to purchase advertisements than the percentage that properly assumed that it would allow them to decline participation. Most participants believed that by declining the reception of tailored ads, they would also stop all online tracking.

Multiple studies have shown the importance of transparency in advertisements that are based on online behavioural data (Boerman *et al.,* 2017). It is said to be important since the level of transparency can affect the effectiveness of the OBA ad. Research conducted by Aguirre *et al.* (2015) on the so-called *personalisation paradox* show that online behavioural advertisements are not always more effective than standardized advertisements. Further, Aguirre *et al.* found that as long as companies were overt about their information collection practices, OBA led to higher click-through rates. However, when companies kept the information of their data collection practices covert, the click through intentions did not rise above the levels of standardized advertisements. Aguirre *et al.* explain this by stating that consumers feel vulnerable to exploitation in the light of personalisation.

Informed and meaningful consent may provide increased value for the advertiser as Marreiros *et al.* (2015) found that many participants do mind how information about online tracking is provided to them. Further, consumers also care about the choices and options given to them simply by being informed as well as direct alternatives to decline
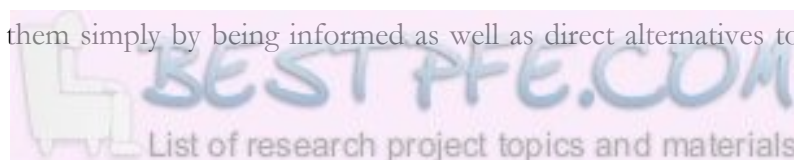
the use of cookies. Friedman, Howe, and Felten (2002) present six elements that build informed consent:

- o Disclosure

    Refers to the advertiser providing the consumer with correct and relevant information about the benefits and risks that should be reasonably expected, and considered, from the agreement in question.

- o Comprehension

    Refers to the individual consumer's correct perception of what is being disclosed.

- o Competence

    Refers to the consumer's mental, emotional and physical capabilities with regard to being able to give informed consent.

- o Voluntariness

    Refers to the consumer being able to resist consent and thereby participation. In other words, there must not be any other party controlling or coercing the consent or participation in any way, shape or form.

- o Agreement

    Refers to a rationally distinct chance to accept or decline participation.

- o Minimal Distraction

    Refers to meeting the dimensions above, without unjustifiably distracting the consumer from their on-going psychosomatic or physical activities.

Meeting all of these criteria is a challenging task at hand for advertisers. Especially since the first three criteria are subjective to each individual consumer and the last component is subjective depending on the context in which the consent is given. Achieving minimal distraction is a challenge as the very nature of informing consumers' about OBA practices and cookies automatically will need the attention of the consumer, thereby distracting them from their primary task (Friedman *et al.,* 2002).

Another factor included in the conceptual framework of this study, which will be further detailed later, is trust. Stanaland, Lwin, and Miyazaki (2011) explain that trust can be enhanced by the use of disclosure, particularly in the form of a privacy trustmark. This kind of disclosure may cause a consumer to perceive the advertiser as trustworthy, and lower the privacy concerns felt by that consumer in relation to the advertiser.

As previously discussed, companies practicing OBA have been criticized of being able to collect more information than stated by them, which relates to the advertiser-controller factor transparency. Consumers link the information of which they are provided, with a diverse range of *consumer-controlled factors*, in this study entitled *individual filters* and *situational filters* (Marreiros *et al.*, 2015). These filter will be detailed in the following sections of this chapter.

3.3 Consumer-controlled Factors
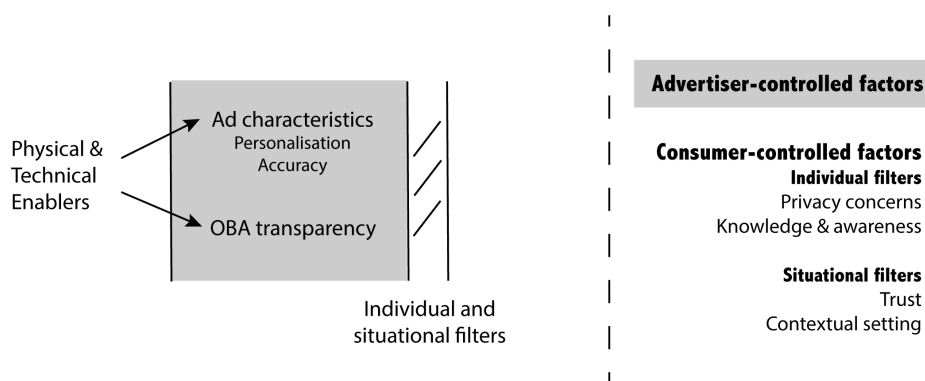
Figure 2 Step 2: Individual and situational filters added to step 1 (Figure 1).

The second step of the proposed conceptual framework adds *individual-* and *situational-filters* to the physical and technical enablers and advertiser-controlled factors. These filters are made up of every dimension connected to either the individual consumer or the situation that the individual consumer is in when being exposed to the advertisement. These filters influence how the consumer perceive and interpret the signals given by the technical and physical enablers and advertiser-controlled factors. For the purpose of this study, the individual and situational filters integrated in the framework are based on the *consumer-controlled factors* identified by Boerman *et al.* (2017).

Marreiros *et al.* (2015) report that pre-existing beliefs about the meaning of statements, perceptions of those statements' legitimacy, along with individual sensitivity to privacy concerns are the main causes of heterogeneity between consumers in regard to their idea about what is positive, negative, or neutral. Consumers link the information that they are provided with to a diverse range of values and their own situation.

3.3.1 Individual Filters

The individual filters integrated into this framework are: (1) the individual consumer's level of privacy concerns, (2) the individual consumer's knowledge and awareness. These two factors are heterogeneous across consumers and shape how the advertiser-controlled factors are perceived and interpreted. The individual filters are shaped by digital literacy, socio-economic, cultural, geographic, and demographic characteristics (Reiter et al., 2014).

3.3.1.1 Level of Privacy Concerns

Level of privacy concerns is an individual filter in the framework created for the purpose of this study. Boerman *et al.* (2017) present previous studies related to consumer characteristics, which show that the consumers' individual level of privacy concerns will affect their attitude and response toward OBA ads.

If consumers have concerns for their privacy, it is more likely for them to want to be able to protect their personal data in some way (Smit, Van Noort, & Voorveld, 2014). However, results of how consumers react to OBA may vary given their individual level of privacy concerns and willingness to share information. Consumers with low concerns for privacy, substantial experience from online shopping, and who are willing to share personal information are, according to Lee *et al.* (2015) those most profitable for companies implementing OBA.

The level of privacy concern is not fixed, but can be altered through adjusting the advertiser-controlled factors. As mentioned in Chapter 2, consumers may experience a decrease in privacy concerns if they feel as they are gaining meaningful benefits from OBA ads. Hence, there exist a possibility for companies to affect and accomplish a positive change in the consumer-controlled factors.

According to several researchers, negative perceptions related to privacy concerns could be explained by different social theories (Boerman *et al.*, 2017), such as the Social Presence theory (Phelan *et al.*, 2016) and the Social Exchange theory (Schumann, von Wangenheim, & Groene, 2014). Phelan *et al.* found that when a consumer perceive feelings of social presence in an online environment it is said to have the same negative effects and feelings as when someone is actually looking over their shoulder when browsing the Internet. The Social Exchange theory emerges from psychology, and is described as the evaluation of social exchanges in terms of benefits and costs for the consumer and is only expected to engage when the benefits outweighs the costs (Schumann *et al.*).

3.3.1.2 Consumer Knowledge and Awareness

Consumers often have insufficient knowledge about OBA. More specifically, they often have trouble understanding the intricate details of the technology behind OBA. Lack of knowledge as such is shown in the worry about companies misusing their personal data and violating privacy (Smit, Van Noort, & Voorveld, 2014).

In relation to awareness, consumers view OBA as a personal issue and concern rather than a social one. This may serve as an explanation as to why consumers cope with OBA through blocking ads or trying to protect their personal data (Ham, & Nelson, 2016). According to Ham (2017), several studies have investigated the lack of consumer perception and knowledge about OBA, but few examined how consumers with uncertain attitudes respond psychologically and how they deal with these covert behavioural information tracking practices.

As knowledge and awareness is an individual filter, it is, in line with Marreiros *et al.* (2015) and Reiter *et al.* (2014), something that is subjective to each consumer, as well as something that is affected by various other influential elements. Thus, the authors of this study suggest that as knowledge and awareness can be developed, a development as such may lead to a shift in either a positive or negative direction with regard to their experience of OBA ads.

3.3.2 Situational filters

The situational filters can be explained as being the current situation that depends on the context in which the consumer is in whilst being exposed to an OBA advertisement. These kinds of situations are uncountable, but are for the purpose of this study divided into two sub-groups for easier interpretation: (1) *trust* and (2) *contextual setting*.

3.3.2.1 Trust

There are evidence that trust is an important concept when studying OBA. Bleier and Eissenbeiss (2015) discuss and highlight the importance of consumer trust if advertising strategies such as OBA are to be effective. Bleier and Eissenbeiss' study show that trust relate to effectiveness of an OBA ad by investigating consumers' responses to ads belonging to either a trusted company, or a less trusted company. When an online retailer, which the consumer perceive as trustworthy, shows personalised ads there is an increase of 27 percent in click through-rates, compared to when that same, trusted, online retailer uses standardized advertisements. In contrast, the less trusted online retailer suffers a drop of 46 percent in click-through rates for ads with a higher level of personalisation, compared to if they were using a less personalised advertisement strategy.

Findings by Jai, Burns, and King (2013) show a disconnection for consumers and a, by them, trusted online retailer when it comes to the information that companies allow third-party advertisers to collect data on their consumers. Jai *et al.* mean that if left unresolved, this issue can result in deterioration of the relationship between the company and consumer, and undermining repurchase intentions.

Trust is not only important in the sense of consumers trusting the advertiser from before seeing the OBA ad, but also in the aspect that the ad may influence the consumer's trust in the advertiser based on the experience of the ad. Distrust toward companies can be created if consumers' feel that a "social contract" has been violated by certain measures to collect and use personal information (Miyazaki, 2008).

3.3.2.2 Contextual Setting

Contextual setting is mainly made up out of two components: (1) the *physical setting* that a consumer is in when viewing the advertisement, and (2) the *digital setting* currently experienced by the consumer whilst being exposed to the ad.

Physical setting is a context (Marreiros *et al.*, 2015) that influences consumers' experience of OBA depending on their physical location in the real world whilst being exposed to an OBA ad. The *digital setting* is the digital circumstantial environment such as: device used, the intent of browsing and contextual appearance. In this conceptual framework, contextual appearance refers to the digital context of the ad, such as which website or social media the ad is communicated through. Consumers' preferences, or attitudes, might be influenced in either direction based on what type of device they are using when accessing the Internet (Sandvine as cited in Stocker & Whalley, 2018).

3.4 The Consumer Experience of Online Behavioural Advertisements
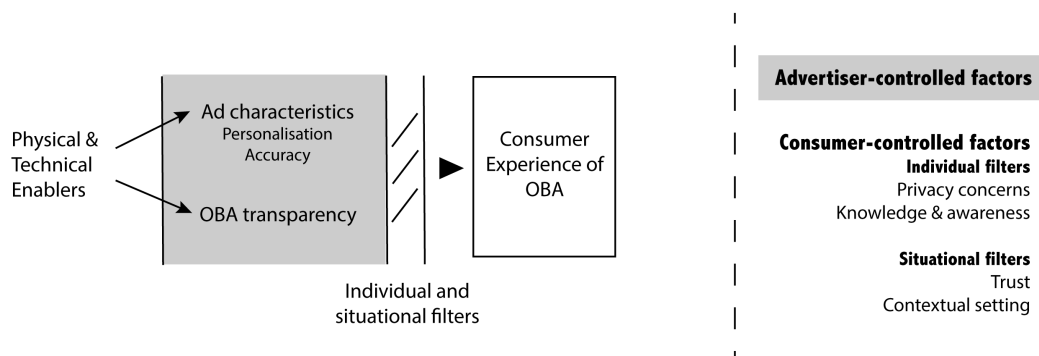
Figure 3 Step 3: The Online Behavioural Advertising Experience.

In the conceptual framework of this study, the authors theorize that the consumer experience of OBA ads is the resulting attitude or perception held by a consumer toward that ad. The experience is suggested to as being the result of the individual and situational filters. In turn, the consumer experience has strong influence over the advertisement outcome and effects.

In line with Raake and Egger's (2014) definition of Quality of Experience, the consumer experience of OBA ads will be graded on the degree of delight or annoyance that a consumer feels when being exposed to the ad. The experience is the result from the

consumer's evaluation of the fulfilment of his or her expectations and needs in the light of the advertiser-controlled factors and the consumer-controlled factors.

3.5 Ad effects
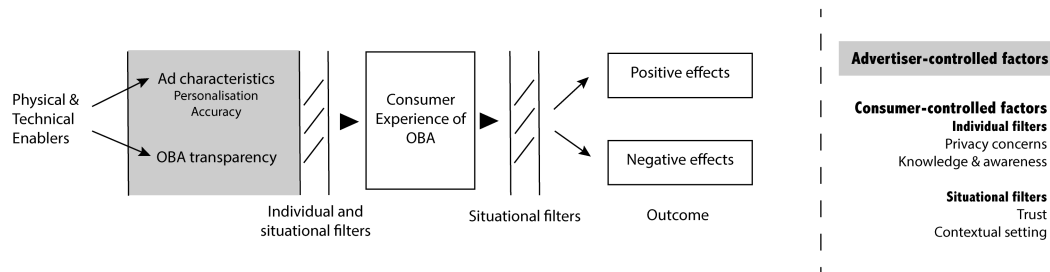
Figure 4 The fourth and final step: How the consumer's experience of Online Behavioural Advertising (OBA) is linked to outcome in the form of effects.

As seen in Figure 4, two elements are added following "Consumer Experience of OBA", including: *situational filters* and *outcome*. The element including the situational filters is incorporated in the conceptual framework in the fourth step once again. This choice is based on the belief held by the authors of this study that even if a consumer might have a determined experience of an OBA ad, the consecutive action in form of ad effects can still be influenced and determined by the context of the situation in which the ad is viewed. This is further accounted for in the previous section dealing with situational filters.

Online behavioural advertising outcome is the result in the form of positive or negative effects, determined by the consumer's previously formed experience. The outcomes are determined by advertiser-controlled factors and consumer-controlled factors. The outcomes include: (1) the actual advertising effects such as purchases and click-through rates, and (2) the degree to which the consumer accepts or avoids OBA. In general, the findings of previous studies are nuanced, more so than the promise that OBA positively boosts ad effects. Positive effects include ad acceptance, which in turn are positive changes to click-through intention and behaviour, purchase intention and behaviour, and improved brand recall. Negative effects include outcomes related to ad resistance, such as ad avoidance (Boerman *et al.,* 2017).

This step is included in the conceptual framework since it is important to consider what the changing of the advertiser-controlled and consumer-controlled factors may result in, in terms of outcome and effects, regardless of that effect being positive or negative. Going further, this step is not fully investigated in terms of what the actual effects might be. Nevertheless, this is seen as a crucial step to include in the conceptual framework created by the authors, as to give the full picture of the process.

4 Method

The purpose of this chapter is to provide a detailed description of the choice of subject, methodology, and research strategy.

4.1 Choice of Subject

As discussed in the introduction of this study, the great technological and digital innovations have made it possible and necessary for advertisers to find new ways to reach consumers and influence their behaviour. Traditional marketing strategies have been embroidered upon, and adapted to the new digital environment that is growing rapidly, both in size and societal importance. In the light of innovative marketing strategies, the term Online Behavioural Advertising, OBA in short, was introduced to the authors. As this type of marketing and its effects are still rather unknown, the eager to learn and understand more was the main argument for why this type of advertising strategy was chosen as the main subject and field of research for this study. OBA is still a fairly new phenomenon, but a great deal of research has already been performed within the subject. What makes OBA particularly interesting is its high level of innovation, together with promises of potential effectiveness and profitability, meanwhile as it involves many factors to consider in order to maximize effectiveness and avoid concerns coming from consumers. Therefore, the main choice of subject fell upon investigating the various factors involved in the consumer experience of OBA ads and how these may influence the effects of OBA. In order to be able to find information about how consumers perceives these different factors and whether or not they seem to be of equal importance for each consumer, a new conceptual framework, based on previous research, was developed.

In this study, the conceptual framework has been implemented in the setting of Swedish online fashion retailers as the main focus was to investigate how consumers experience OBA ads. This orientation was chosen because of the digital shift in the retailing sector; many retailers are trying to re-organize and adjust to the digital landscape as the industry moves toward digitalisation faster than any other industry. Adding to the relevance of

this focus is that previous studies reviewed by the authors have not been found to focus on this specific industry.

The online fashion industry in Sweden is growing at high speed, and fashion items are the category most shopped online by Swedish consumers (PostNord, 2018). It is an interesting industry in which to implement this kind of research on OBA. In practice, it is not confirmed that any Swedish online fashion retailer uses the specific strategy of OBA, although it can be reasonably assumed that several do so. However, the aim of this study has been to investigate if these companies chose to do so: what factors shape the consumers experience of the OBA ad and how can companies exert influence over these factors in order to achieve positive effects. Given the main focus on online fashion retailing the second choice, which consumer population to focus this study upon, was made. Since women's fashion is the most frequently purchased category of good during 2017, at 35 percent of all online purchases (PostNord, 2018), women were chosen to be the primary population of interest.

4.2 Methodology
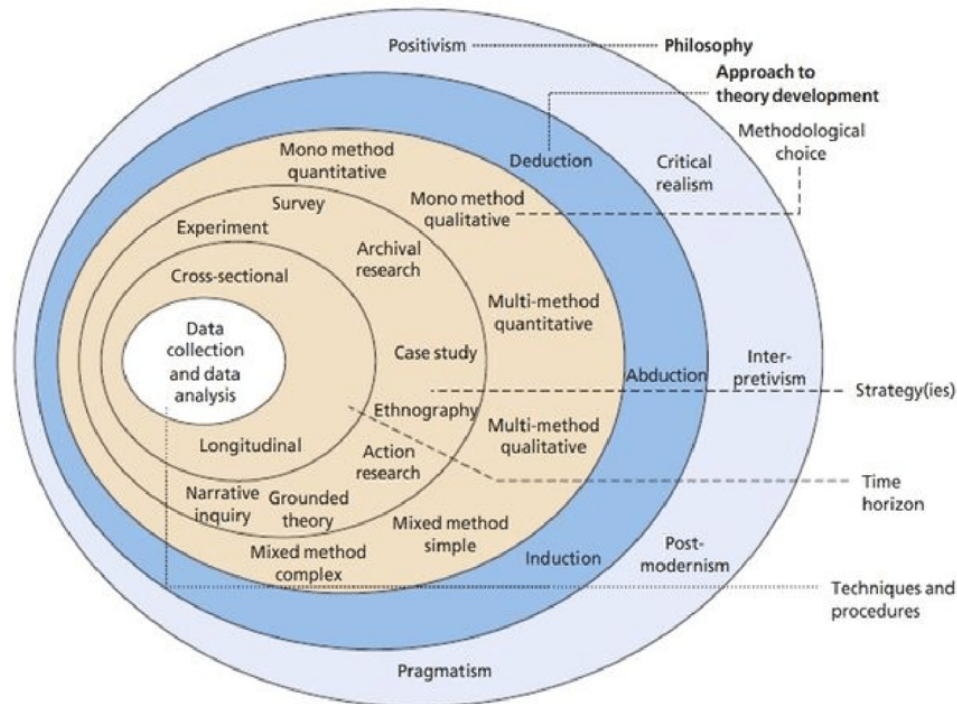
Figure 5 The research onion
(Saunders, Lewis, & Thornhill, 2016, p. 164)

When making the decisions related to research methodology, the authors emanated from the Research Onion, depicted in Figure 5. The various choices are explained in detail in the following sections.

4.2.1 Research Philosophy

Within research, major schools of thought in the philosophy of science are used. As depicted in Figure 5, the five most commonly used philosophies include: *positivism*, *critical realism*, *interpretivism*, *post-modernism,* and *pragmatism*. The philosophical approach of *interpretivism* has been chosen for this study. Interpretivism is based on the philosophical idea that the nature of reality is constructed through social establishments of culture and language, resulting in subjective meanings, interpretations, realities, and experiences (Saunders, Lewis, & Thornhill, 2016). The research philosophy of interpretivism was deemed appropriate since the focus of this study was to gain a deeper understanding of subjective reasoning, consumer perceptions and interpretations, along with new understandings in relation to OBA used by Swedish online fashion retailers.

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4.2.2 Theory Development Approach

As the logic of this study was to generate replicable conclusions based on known premises as well as incorporating existing theories in order to extend existing models, an *abductive* research approach was chosen. The abductive research approach is a mix of the two main approaches for theory development in business research: *deduction* and *induction* (Saunders *et al.,* 2016), and was deemed most suitable for this study. One can argue that some sections of the study had more of a deductive nature, while others had more of an inductive nature. One example of this is the theoretical chapters which have more of a deductive construction as it begins with a wide range of research, narrowed done to a handful of carefully selected research perspectives most relevant for this study. On the other hand, the collection of data in terms of interviews can be seen as more inductive considering its openness with regard to the research purpose.

4.2.3 Methodological Choice

When deciding on what research method that best fit the purpose of this study, two potential methods were discussed. *Quantitative* studies aim to numerical measure and statistically analyse reliable information generalizable to larger populations. *Qualitative* studies aim to discover detailed insights, true inner meanings, and valid data (Babin, & Zikmund, 2016).

This study investigated the effects of *advertiser-controlled factors* and *consumer-controlled factors* critical to consumers' response in exposure to online behavioural advertising, by creating a framework integrating the factors identified by previous research. Together with the aim to provide details for greater understanding of the underlying causes of consumer reactance within the field of OBA for the Swedish online retail industry, these premises pointed towards qualitative method being the most suitable choice. Qualitative research is closely associated with the research philosophy of this study, interpretivism, since the authors need to make sense of the subjective and socially constructed meanings (Saunders *et al.,* 2016), expressed by consumers about OBA.

4.2.4 Research Design Purpose

In order to obtain useful research results, it is of essence to choose the right type of research design. The three basic research designs used in marketing research can be

classified as *exploratory*, *descriptive* or *causal* (Babin, & Zikmund, 2016). Before choosing a suitable research design for this study, the three potential choices were considered, keeping the research purpose and intended research method in mind.

The purpose of this study was to provide details for greater understanding of the underlying causes of consumer reactance within the field of Online Behavioural Advertising (OBA) for the Swedish online retail industry together with its effects. This purpose influenced the design of the research. Since an *exploratory* research design allow researchers to answer questions that begin with "What" and "How" (Saunders *et al.,* 2016) this was deemed to be the most apt choice. Exploratory research enabled the purpose of this study to be fulfilled by discovering or clarifying situations and ideas, reach new insights and explore outcomes in given situations.

4.3 Research Strategy

4.3.1 Data collection

The data collected in this study consist of *primary data,* collected by the authors and *secondary data,* collected from pre-existing research. The primary data were collected through employing extensive semi-structured in-depth interviews. The authors believed that an interaction with respondents in spoken words in terms of qualitative interviews would best contribute in generating a deep understanding about the underlying causes upon which the respondents base their experiences of OBA.

In-depth interviews enable opportunities to generate extensive, detailed qualitative data (Babin, & Zikmund, 2016). Therefore, in-depth interviews were deemed to be the most useful method of data collection for the purpose of this study. As for the form of the in-depth interviews, *semi-structured* interviews were chosen as most suitable. This decision was based on the premise that a semi-structured format make the interviews more consequent than the other kinds of interview structures, such as *unstructured interviews,* as well as allowing the collected data to be analysed and compared more easily (Saunders *et al.,* 2016).

The use of semi-structured in-depth interviews also enabled the authors to manage and lead the discussion in the right direction in order to generate as much useful information

as possible. The in-depth interviews were conducted to promote openness so that the participants were encouraged and felt comfortable to elaborate their answers, thus allowing more detailed answers. Supplementary questions and probing were used in order to allow for clearer insight and a deeper understanding of the participants' answers. The 16 interviews were conducted during a time period of approximately one week in March 2018 and a thorough table of additional information concerning the interviews can be found in Appendix 1.

Secondary data regarding the chosen topic were collected in order to create the literature review and theoretical framework presented and explained in Chapter 2 and Chapter 3. Previous research, models and frameworks were used to develop a new framework able to be investigated by the primary data collection. The secondary data were, to the greatest extent, collected from peer reviewed and often-cited articles available at academic and scientific research databases to retain reliable data with high quality. The secondary sources were found by key search words and terms, including (but not limited to): online behavioural advertising, personalised online advertising, personal data, privacy concern, online trust, and consumer knowledge.

4.3.2 Sample selection

When deciding on what sample to select, researchers must decide to use either a *probability sampling* method or *non-probability sampling* method. Probability sampling methods refer to that every member of the population has a known nonzero probability of being selected. A nonprobability sampling technique where the sample is selected based on personal judgement and convenience. (Babin, & Zikmund, 2016)

Given that this study was constructed on the basis of a qualitative research method, the research design being exploratory, and that there was no need to generate generalizable results, a non-probability sampling method was chosen. The sought degree of accuracy, available resources and time, knowledge of the population, and geographic focus of the study, are criteria that influenced the choice of sampling technique. Given the chosen research method and design, the need for a high level of accuracy to conduct the research was not required. Additional criteria that strengthened the view that a non-probability sampling method would be appropriate were the limitation to the geographical area of Sweden along with the narrow target population.

Further, because of limited knowledge of the population as a whole, it was decided that, *judgement sampling* was to be used. Since the chosen means of collecting primary data was interviews, a time consuming method, convenience sampling was considered as the most suitable method. As the data collection method of interviews had been chosen and the method required setting up meetings and thus coordinating schedules, the sample was drawn from individuals belonging to the sample population in the social and geographical proximity of the authors.

The drawbacks of the choice of a non-probability sampling method were taken into consideration and were counteracted by the choice of focusing on a highly specified, narrow, target population. Additionally, as an attempt to ensure the diversification of the sample, the authors strived to include as heterogeneous individuals as possible within the sample population, with regard to occupation, interests, and geographical location.

With all circumstances, such as purpose, resources, advantages and disadvantages taken into account, the non-probability sampling method convenience sampling was still decided to be the best-suited technique for the study in question.

4.3.3 Pre-test interviews

Before the interviews were conducted, two pre-test interviews were performed in order to test the interview design in accordance with Babin and Zikmund (2016). One of the test-interviews was performed in a face-to-face setting, since the majority of the interviews were planned to be held in that setting. Since some of the interviews were conducted via videoconferences using Internet tools such as Skype and FaceTime, the second pre-test interview was performed via Skype. Further, the pre-test interviews were conducted with both of this study's authors in attendance to assure that the consecutive interviews were to be conducted in the same way regardless of who administered the interview. The structure of the interviews to be held was by these pre-test interviews approved and created with the possibility to make minor, but crucial, changes to ensure quality in the interview design.

The two pre-test participants were asked to provide feedback on the interview format and questions after the interviews were concluded. Due to the use of test interviews, the

structure and questions of the main interviews were considered as sound foundations for receiving reliable results.

4.3.4 Interview design

The interview design was created in accordance with the findings of the literature review and theoretical framework. The flowchart presented below illustrates the structure of the interview design with regard to in which order the various questions related to different topics were asked.
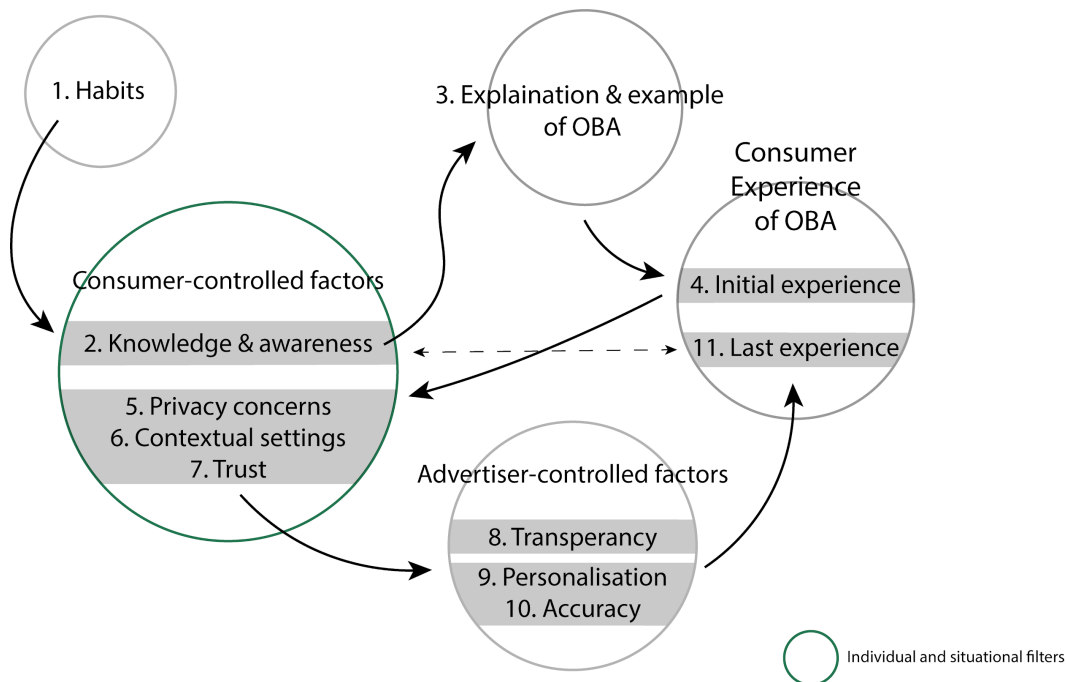
Figure 6 Interview topic structural flowchart

Initially, a few demographic questions were asked, followed by questions revolving around the participant's online- and shopping habits as seen in Figure 6, step 1. These questions were included to have some background information about who the participant was in the view of a fashion consumer.

After this, the interview format was divided into two major sections; one where the focus lied upon the consumer-controlled factors, also referred to as the individual and situational filters in the conceptual framework. For the second section, the focus was shifted towards the advertiser-controlled factors. This was done in order to first discuss

scenarios where the consumer-controlled factors influenced the consumer experience, with the company-controlled factors remaining constant, and vice versa.

The first section was further divided into five smaller sections of questions, including the steps 2-7 in the flowchart presented in Figure 6. Each section dealt with one consumer-controlled factor. The method of deconstructing the interviews into smaller sections to deal with one factor each, was meant to encourage the possibility to gain information about that soul factor's influence on other the factors, the outcome of consumer experience, and effect of the ad. The first of these sections included questions related to the participants' knowledge. Since it was assumed that the participants would gain awareness and perhaps even knowledge throughout the interview, it was deemed important that this section was placed in the beginning of the interview in order to avoid any error given by the design of the interview structure. In the second of these five smaller sections, step 3, a short explanation of OBA along with an illustrated example, related to the given industry studied, was provided to the participants. Based on step 3, the participants were asked to provide answers on their initial experience of OBA in step 4. From there, the following sections dealt with the remaining consumer-controlled factors privacy concerns (step 5), contextual setting (step 6), and trust (step 7).

The second section, dealing with advertiser-controlled factors, was divided into two smaller sections related to transparency (step 8) and the two ad characteristics: personalisation (step 9) and accuracy (step 10), respectively. This section posed a challenge in that it was difficult to ask the participants to hold the consumer-controlled factors constant in their minds, in order for them to only consider how a change in the advertiser-controlled factors might influence their experience, and consecutive effects, of the OBA ad.

Since it was believed that the participants might change their perception of their initial experience (step 4), the last questions (step 11) related back to the consumer experience of OBA in order for the authors of this study to gain some insight into whether or not this belief was accurate.

Throughout the different sections of the semi-structured interviews, different types of question-structures were used. Open questions were used in order to allow the

participants to define and describe their view of a given scenario so as to receive revelation of attitudes and obtain facts (Saunders *et al.,* 2016). Probing, intuitive, and spontaneous questions were used in order to further explore the participant's responses that were of particular interest to this study.

4.3.5 Interview Technique

The technique used when conducting the interviews was to originate from the interview structure created and adding elaboration by follow up on the participants answers with probing questions. Probing was used in order to draw deeper and more elaborate explanations from the participants in regard to motivation for perceptions, attitudes, reactions, experience and behaviour (Babin, & Zikmund, 2016). The situations where probing came to be useful included: (1) requests for clarification of meanings, (2) pausing in order to encourage the participant to explain more deeply as a way of handling the discomfort the silence brings, (3) asking participants' if and how their opinions changed throughout the interview, and (4) asking the participants to contrast one situation to another and account for why there might be a difference between them.

4.3.6 Data Analysis

The analysis of the empirical findings was conducted in a mutual consensus of both authors of this study. This strengthened the exclusion of possible errors stemming from wrongful interpretation of the results since two different individuals will, based on their different frame of reference stemming from experience and knowledge, contribute with differing views and questioning assumptions. This contributed to a more multilateral analysis since each author contribute with new vantage points to include a more complete outlook. Further, this enriched the analysis in terms of uncovering the more covert connections deeply interwoven into the topic of this study.

The empirical findings were interpreted inside the frame of reference provided by previous studies on which the conceptual framework, presented in chapter 3, was built, as well as drawing connections to the findings of previous studies presented in chapter 2. The analysis did not follow the structure of the conceptual framework, as both the interview design and the presentation of empirical findings did. Rather, the question of how to tackle the analysis was taken on in the structure of the research questions. This was considered as the soundest way to go about conducting the analysis since it allowed

the authors to more easily guide the reader through the multi layered analysis and discussion as every part of the conceptual framework was found to be so deeply interconnected on multiple levels.

As was mentioned in the previous section 4.3.4, there was an issue regarding how to structure the interviews as to keep the consumer-controlled factors constant in order to be able to distinguish the advertiser-controlled factors to allow analysis. In the analysis of the empirical findings, this was kept in mind by the authors as to be careful not to make any unconsidered connections or conclusions. With this, no strong evidence was found in relation to the advertiser-controlled factors, which was in line with the purpose of this study since it aims to explore rather than pinpoint or draw generalizable conclusions.

4.3.7 Research Quality

To establish the quality of this study, the design of the research conducted was carefully chosen in order to reduce the possibility of misleading results. In order to be able to anchor this study in a scientific manner and ensure the quality of the research, the concepts of validity and reliability were useful. As this study was based on a qualitative research method, it lacked the ability to ensure quality the same way as quantitative studies do, that is, through statistical methods. Instead, methodological strategies, as described by Golafshani (2003), were incorporated into the research design to ensure the quality and trustworthiness of the findings.

4.3.8 Research Ethics

As research ethics are one of the most important elements to take into account when developing a research study (Saunders *et al.,* 2016), The Market Research Society (MRS) Code of Conduct (2010) was used as a guideline in conducting ethical research. The MRS Code of Conduct (The Market Research Society, 2010) is structured as follows:

- o Researchers shall ensure that participation in their activities is based on voluntary informed consent.
- o Researchers shall be straightforward and honest in all their professional and business relationships.
- o Researchers shall be transparent as to the subject and purpose of data collection.
- o Researchers shall respect the confidentiality of information collected in their professional activities.
- o Researchers shall respect the rights and well-being of all individuals.
- o Researchers shall ensure that participants are not harmed or adversely affected by their professional activities.
- o Researchers shall balance the needs of individuals, clients and their professional activities.
- o Researchers shall exercise independent professional judgment in the design, conduct and reporting of their professional activities.
- o Researchers shall ensure that persons with appropriate training, qualifications, and experience conduct their professional activities.
- o Researchers shall protect the reputation and integrity of the profession.

Each participant was informed about the adopted principles of confidentiality and anonymity, the interview procedure, as well as how and what the collected data would be used for before the interview was initiated. The participants were also asked for their acceptance to record the interview and informed of that they could stop the interview at any time if wanted or needed. Creating and providing a respectful and open environment was key to make the participants comfortable. All of the participants' identities were kept anonymous in order to make them comfortable to express themselves openly. Probing questions were used to generate more nuanced answers if needed. However, none of the participants were forced to answer a question if the participant felt uncomfortable or unwilling to answer.

5 Empirical Findings

Responses given by participants in this study are summarized and presented in this chapter. Analysis of the findings will be kept secluded from this section, and will be presented in Chapter 6. The empirical findings are presented in the order of the conceptual framework presented in Chapter 3. First, the answers related to advertiser-controlled factors will be presented, followed by the findings related to consumer-controlled factors and the outcomes.

When referring to a specific quote stated by any of the participants it is highlighted who said what with the pseudonym assigned to that specific participant. For example, P5 is the pseudonym for Participant 5. A table of the participants can be found in Appendix 1.

5.1 Advertiser-Controlled Factors

5.1.1 Ad Characteristics

5.1.1.1 Level of personalisation

When an ad was perceived by the participants as having a high level of personalisation, the general experience and attitude towards that ad would become more negative. That is, most participants expressed that the level of personalisation had a negative effect on their following behaviour, rather than a positive one. When asked if, and how, their reaction toward an OBA ad was changed based on its level of personalisation, the general expressions used included: "discomforting", "intrusive", and that there was a "line" that easily could be crossed by advertisers, whereas it would become "too" personal.

> *"I do not know, how personalised can it be? For example, if the advertiser would have known that I am going to Costa Rica* [specific destination], *saying: "Oh! We see that you are going to Costa Rica, buy a bikini from us." I would have thought that a line had been crossed in comparison with if the advertiser only knew that I was going abroad, not specifying the destination, I would be okay with that. There is a line"* (P4).

It was also found that how the level of personalisation affected the participants' experience of the ad was connected to their personal integrity and privacy concerns.

Even though the majority of the participants said that they would be affected in a negative way by higher personalisation, some of the participants were positive or neutral in their responses to this question. The participants who were positive attributed this with the fact that it would be tailored to their "style" in terms of clothing. A few of those who were positive when first answering the question asked, changed their opinion and argued that it could in fact be negative depending on various reasons, such as it being "discomforting" because: *"… you're reminded of your browsing history"* and that *"... you become more aware that your online behaviour is being tracked"*.

Additionally, several of the participants believed that their experience was connected to the ad's level of accuracy.

5.1.1.2 Accuracy

The general opinion among the participants regarding accuracy was that a high level of it had a positive impact on their ad experience. It was also expressed that it could potentially influence their shopping behaviour in a positive way, making the participant more eager to buy the specific product and not forced to look for it on their own. Accuracy was also found to be depended on certain circumstances: the benefits the participant could gain from the advertisement and how well the ad suited the targeted participant.

> *"I become grateful if the advertiser has understood my style, then it's great! But if they only show it to me "just because" and the blouse, for example, is ugly, I become more negative toward the ad and the advertiser. Accuracy is very important to me because it shows how well the advertisers know me"* (P6).

It was also expressed by one participant that if the ad was not accurate enough, it would pass by unnoticed.

"The higher level of accuracy, the more positive I become. They know me and I like that. I don't care of it doesn't fit me because I don't think I even see the ad then, or I just ignore it" (P11).

Some of the participants argued that higher levels of accuracy could have both a positive and negative effect on their experience and the outcome and effects of the ad. Even though it was preferred that the ad was accurate and well-targeted to the specific consumer, a few participants expressed that it could cross a line and become "creepy" and sometimes "scary" regarding how much information the advertiser had and how well that information may be connected. It was also found, amongst the participants interviewed, that trust toward the advertisement and the advertiser was related to accuracy.

Although the majority of the participants expressed a positive attitude towards a high level of accuracy, some of the interviewed participants had a negative approach. When the interviewer asked what their reaction for this could be, the participants with a negative approach said that it did not depended on the accuracy of the ad, rather it did not matter since they already knew what they wanted to buy and were therefore not influenced by it.

5.1.2 Online Behavioural Advertising Transparency

The prevailing opinion amongst the participants related to the second category of advertiser-controlled factors was that they would be affected in a positive way, by advertisers being increasingly transparent in their communication, in many different aspects of the experience. The participants attributed companies that were transparent with being "respectful".

When asked to describe if and how their reaction would be altered if an advertiser asked for their permission to collect their personal data in a more formal way, than the overall most common methods used as of now, a majority were certain that this would contribute to their overall experience being more positive. The participants described as feeling "empowered", "in control", and "better informed" if a company would ask for permission.

Even though the reactions were described as positive, the outcome and effect of the ad would not always benefit the advertiser.

> "*Yes* [it would be positive], *because then I would always decline. In that situation, I am always in control and get to decide what to share and who I want to share it with*" (P13).

Factors that the participants mentioned as having a connection to this factor, included: knowledge, awareness and trust. All of these factors would in this case, as described by the participants, either be influenced or influence their reaction in relation to permission positively.

One participant found the question difficult to answer directly, and explained:

> "*I am contemplating how that would look. If they* [the advertiser] *manage to perform the request in an innovative and highly transparent way, I would be positive towards the idea just because they* [the advertiser] *are leading the way, or are the first ones* [advertisers] *to do so, that they are being honest in their communication. Often, one does not even consider the use of cookies, and if, at the same time, the advertisers do not inform about that, you would be almost oblivious about it. And I believe there is a line there, whether you view that as a positive or negative aspect. To sum up: my reaction would be improved as a consequence*" (P5).

When asked to explain how they would be impacted if an OBA advertisement would clearly inform that it is based on their online behaviour by using a symbol or a phrase, the majority of the participants said that they would probably be influenced to experience the ad in a more positive way:

> "*It would be nice to get a confirmation of sorts*" (P7).

One participant said that there was a criterion for it being positive:

> "*It depends, if it* [the advertisement] *is highly accurate, it is positive. If it doesn't hit the spot it gives the impression that they* [the advertiser] *do not know what they are doing* [ignorant] *and* [in that case] *I would get annoyed*" (P14).

The participants that answered that they did not think that it would have any effect, either positive or negative, said that this was because they are "aware" and "not surprised", thus it would make no difference to them, or have any effect in changing their experience of the ad.

Nearly all of the participants said that they believed that high transparency was positively related to trust toward the advertiser. That they then would feel that no "tricks" were involved, and "openness" and "clarity" were aspects appreciated.

In contrast, the majority of the participants did not think that a high level of transparency could or would influence how they felt about their personal integrity. Answers included:

> "*I still wouldn't know who* [which companies] *had access to my data*" (P3).

> "*I feel that obvious transparency statements would have a larger positive influence over my trust to the advertiser than it would have over issues related to my personal integrity*" (P6).

However, one participant did express that her personal integrity concerns would be increased by high transparency, since "*… it's a label reminding me about, and confirming, that they are gathering my personal data*" (P10).

When asked the final question related to transparency, how they would react if an OBA ad would be covert about their personal data collection practices, most answered that their reaction would be negative or neutral. The participants who stated that their response to advertisements with low transparency would be negative did not provide any strong explanations to why this was the case. The participants who considered themselves to be neutral in the matter attributed this with the fact that they would probably not notice if the advertiser was trying to hide this fact or not. In this way, they argued, it would not make any matter in terms of influencing their experience, or behaviour towards the ad.

5.2 Consumer-Controlled Factors

5.2.1 Individual filters

5.2.1.1 Level of privacy concerns

Regarding the level of privacy concerns, specifically how the participants' personal integrity was affected by OBA ads, it was a quite common answer that their personal integrity was slightly more affected by OBA advertisements than standardized online ads. In general, most of the participants answered that the use of OBA and personal data collection "annoyed" them, but that they did not care all too much about it in relation to privacy concerns and personal integrity. Many of the participants gave the impression that they felt "abused", that companies "*forced themselves upon the consumer*" (P4), leaving them with feelings of "*violation*" (P11), feeling as an "easy target" and "victimized".

> "*Absolutely* [about her personal integrity being affected by OBA]. *Since they collect data in a whole other way. It is an infringement in a new kind of way. It is positive for them* [the companies] *but negative for me. I feel that they are infringing at what I do on my computer in my private time*" (P10).

As seen by the quote above, there were participants who felt that their personal integrity was very much affected in a negative way by OBA ads. However, not many of the participants felt worried by the fact that OBA ads are based on their personal data. Only one participant expressed her belief that she was worried over this fact by saying:

> "*… now that I am gaining information about it* [OBA] *I become worried. They* [the advertisers] *have access to so much* [data]. *Personally, I just accept cookie-requests and such to be able to use websites and usually I do not give it a second thought*" (P7).

There were participants that answered that they did not have privacy concerns in relation to OBA which the following quote illustrates:

> "*No, I'm not worried. Because, honestly, maybe this is because I don't have knowledge about this subject, but it feels like: what could they potentially do with this data to harm me? I can't come up with any answer that would cause me to react negatively*" (P5).

However, many who said that they did not feel concerned about data collection practices involved in creating OBA ads still argued that it was "unpleasant". Two of the participants used the word "someone" in their answers, for example:

"… *of course it is slightly uncomfortable when someone sits there and have exact knowledge about my shopping habits and online behaviour…*" (P6).

When asked how concerns for their privacy concerns stemming from OBA could and would potentially affect their subsequent behaviour, diverse responses were received. Participant 7, who was negative in the response to the question above, was the only one who answered that her behaviour would be negatively affected. Another participant expressed that it would not affect her experience, as illustrated below:

"*I've talked about* [with friends] *how creepy it is that ads can get so specific, and that they can track me and what I do. Yet, I do not think that it will affect whether or not I buy the advertised good or not. I still think I would click; I do not think it would affect my purchase intention*" (P3).

Even though as is illustrated by the citation above, this participant express that she feels that it is creepy, she says this feeling would not affect her intention to click-through or purchase the good. In contrast, as seen by the quote below, a participant who also expressed that her privacy concerns were not raised by OBA ads, said that it did not have any influence over her click-through intentions:

"*I would never click*" (P13).

Most participants did not directly connect privacy concerns to OBA. However, a majority said that OBA ads could raise indirect concerns. These concerns were related to issues about how their online behaviour was being tracked, for what purpose their personal data was used in other situations than for creating advertisements, and who else had access to this data.

"… *no. Because even if they* [the collecting companies], *look at social security information, save address information and such, I know that I am just a little individual and no one is going to track me down and kill me just because I bought a pair of shoes from H&M*" (P5).

A few participants also brought up the matter of knowledge, and inferred that this would influence their reaction related to this issue. Additionally, one participant said that because she was concerned about how her personal data were being used for other purposes, she developed a negative attitude towards advertisers after she learned that they were using advertising strategies such as OBA.

Most participants did not seem to care about the number of companies that track their online behavioural data; it did not matter in relation to any concerns for their personal integrity. Amongst those who did care about the number of companies, there were differing opinions. One of the participants said that she rather it be many companies than few, since she felt that everyone tracking and saving data had the same information. She felt that if only a handful of companies collected this data, they would know more about her, have deeper and more detailed knowledge. Further, Participant 8 expressed herself like this:

"*I think that if all* [companies] *do it* [collect personal data], *it is not weird. But if only a couple of companies who do, then I think more like: "why do they want to know?"*" (P8).

The other participants who believed that the number of companies collecting personal data did matter for their concerns about privacy were of a different opinion. This opinion was that the more companies there were doing so, the more concerned the participant would be.

"*Yes, the more* [companies] *there are, the more exposed you become*" (P12).

As mentioned, the majority of the participants were not convinced that the number of companies collecting data made any difference in shaping their opinion in the matter. Some suggested that they attributed other factors as playing a part in this case, such as "*it depends on who the actors are, rather than the amount*" (P9), "*it is not about the number of companies*

but rather for what purpose they use my personal information" (P14), and "*if I have a relation to the companies who do it* [collect personal data] *then the amount does not matter*" (P16).

The participants who said that they had a negative experience of OBA ads connect this to "annoyance" and "integrity infringement". As the quote below illustrates, one participant connected her negative experience of OBA with the traits of a person, as demonstrated by her choice of words:

> "*At first I don't think one even notice it* [the use of OBA], *but when you do I think you become frightened and begin to think in terms of: "who has access to that information about me?*" (P12).

Participant 12 further explained that…

> "*… Yes* [negative experience of OBA]. *Because I does not appreciate that people that you do not know have access to that kind of information* [personal data]. *Even if it is a computer, people that you do not want to give that information to could get a hold of it*" (P12).

5.2.1.2 Consumer Knowledge and Awareness

All of the participants answered that they shop fashion online at least 1-4 times a month. However, the percentage of fashion shopped online varied between 20 - 100 percent depending on various reasons such as the geographical location the participant lived in, time, and type of apparel.

> "*I would say that I shop 95 percent online, just because the online stores can offer so much more. Instead of going into a store where you can't find what you're looking for, you can filter your search online. In addition, many of the online stores offer several brands and can introduce more unknown brand that you can't find in physical stores. It also facilitates time efficiency, as it takes less time to find what you're looking for*" (P6).

When the participants were asked if they knew what cookies are, none of them were cohesively sure, but all of them had heard about cookies before. Additionally, all of the

participants allowed cookies, but mostly because they felt like they had to and assumed that all companies use cookies.

"Yes, I allow cookies, I don't even know how to disallow it" (P5).

Further, none of the participants knew how they would go about in protecting themselves from the collection of data and the majority were not interested in knowing how to do so. The overall opinion found was that it potentially could be good to know but it was not information they would actively search for due to lack of care and computer knowledge.

"No, I don't think I know how to do that. I'm not that technical and have little computer knowledge. Maybe it's because I'm not interested in it" (P1).

The feelings arising when the participants were asked about their general opinion and feelings about companies tracking, saving, and using their personal data differed among the participants. Some did not express any feelings at all and were not bothered by this nor had a problem with it, while others expressed concern in terms of privacy and discomfort.

"It doesn't feel good. It feels creepy that they know so much about me and connect several sites I visit online" (P7).

One of the participants expressed that her behaviour online had changed because of the increase in the use of this type of marketing tools and that she had become more observant than before. A few also expressed that they were not comfortable with the collection of personal data, but as it is so common nowadays, they just had to accept it.

"They do it all the time, I'm never safe. You know that is it happening all the time and sure, that doesn't feel 100 percent right, but at the same time it is what it is and I have accepted it" (P10).

All of the participants had seen and noticed that companies offered information regarding the collection of data but none of them had proceeded and read that

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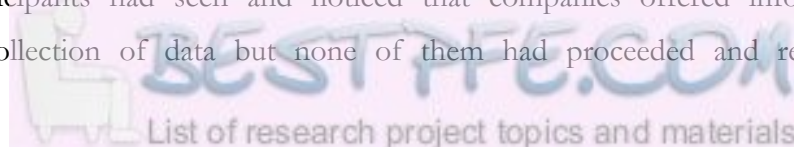
information. The general opinion about this information offered was that the small window appearing on the screen was annoying and something the participants wanted to disappear as fast as possible.

> "*I never read it, I just press accept to get rid of that fucking window*" (P5).

In the end of the interviews, all of the participants were asked if their general opinion regarding OBA advertisements had changed due to greater knowledge and awareness when discussing the subject more thoroughly throughout the interview. A majority said that their opinion had changed after the interview, mostly in a more negative way.

> "*Yeah, I think I get affected by it when you think about it. I don't know if I trust these types of advertisements. The more knowledge and experience you have, the more you start you think about what they* [the advertiser] *do or if they just try to trick me*" (P2).

Some of the participants expressed that they felt divided in their opinion and could not decide if more knowledge and awareness affected them or not, and had mixed feelings about OBA advertisements.

> "*I think like this: I can feel that it's positive if I want to buy something, but at the same time I can feel like it's something negative in the way that I share my integrity. In relation to fashion it is maybe not that important; I'm a little bit indecisive. I don't really have any privacy concerns since I don't have anything to hide, but if you take it one step further, it's like someone is coming home to me and checks out my closet, and then I feel like my integrity is getting offended*" (P8).

It was also argued by some of the participants that they were of the same opinion at the end of the interview as in the beginning of the interview. These participants claimed that the factor knowledge and awareness was not crucial for their attitude towards and experience of OBA, but that other factors were. These factors were expressed to be the "*time and energy*" (P10) needed to process the ad and the "*ability to filter out*" (P11) the ad, if she would like to do so. Also, one participant said that the most important factor for her was the ad characteristic accuracy:

"I would say that my opinion is the same as before. It's positive if the ad is accurate for me, and that's the most important factor for me" (P14).

One participant believed that her positive experience of OBA advertisements depended on *"if they managed to obtain something that is relevant for me."* (P4). Another participant said that her experience of OBA ads depends on her knowledge about how extensive the data collection practices are:

"It [her opinion] *is more negative if I know how much information they have about me. Because then I would feel more used* [by the advertisers]*"* (P7).

One of the participants that described her experience of OBA as being neutral said that it was her *"… knowledge of the subject, I am so aware"* (P10) that was the cause for this. Also relating her reaction to her knowledge of the subject was Participant 7, who said that: *"if I know that they have gathered by information it is discomforting. If I do not know it, I would only think that it is a good ad"*.

5.2.2 Situational filters

5.2.2.1 Trust

When asked to mention which online fashion retail stores the participants most frequently shopped, the top mentioned companies were: Boozt.com, H&M.com, Nelly.com, and Zalando.com.

All but one of the interviewed participants said that their reaction to the advertisement was affected by the level of trust they felt towards the advertiser, both in a positive and negative direction. Some of the participants said that their trust towards the ad would be positively affected if the advertiser, was someone they trusted and had a relation to.

"It depends on if I have shopped there before or not, and if I have a relation to the company. If I have received what I wanted, had the ability to return, or that the payment has been safe, I feel more trust [towards the company]. *It's about comfort for me. It feels uncommon to run into something that doesn't feel honest and safe in 2018. If that would happen, I would never shop there"* (P13).

It was also expressed that the level of trust in the company could be negatively affected by their uses OBA strategies. The frequency of OBA use by companies was also mentioned as a factor influencing the attitude with regards to trust. One of the participants expressed that her reaction did not depend on the level of trust she felt toward the company advertising.

> *"I feel like the more advertisement of this sort, the less I trust the company. It's hard to say, I don't know if I'm more prone to have a positive reaction if it is a company that I know of and trust than if it is an unknown company that advertises"* (P8).

There were split opinions among the participants regarding what factors that build trust. Some argued that the visual aspects were of high importance, characteristics such as "visual appearance" "design" and "seriousness".

Further, some of the participants said that if the advertisement was of interest but they were not sure if they trusted the advertiser, they would proceed to the website and look of payment methods offered by the company in order to decide if it was trustworthy or not. Delivery options were also a factor found to influence the level of trust.

> *"… I usually check for payment methods if I want to decide whether or not I can trust the company. I want to pay with invoice if it's possible since I prefer not to leave sensitive information such as my social security number"* (P8).

> *"Shipping and returns is together with payment details important factors for me in deciding whether I trust the company or not"* (P6).

Additionally, several of the participants wanted to know what others thought about the specific company by asking people they know, read reviews, and looked for additional information.

> *"I would have searched for information of what others had to say about the company. Maybe ask people around me that I trust"* (P14).

5.2.3 Contextual setting

All of the participants said that when shopping for fashion online, their physical location was almost exclusively at home, via a computer. Some participants said that they occasionally made purchases whilst being elsewhere, for example; on the bus commuting or at work. One participant who illustrated her answer particularly well said that:

> "*At home. When the purchase is made, I am at home. Then again, you will be influenced to make the purchase in other physical environments … The purchase itself is most often made at home when I have my credit card details easy at hand and have had time to go through it, in contrast to the spontaneous encounters during the day*" (P6).

As most participants said that they used their computer to go through with potential purchases, the main reason for this was that it is easier to get an overview when using a computer. Still, three of the participants said that they most often used their smartphones when making online purchases, but none of them gave any explanation as to why they preferred to use that device to other options.

As to whether or not their physical location mattered in shaping their experience of an OBA ad, most participants said that they believed that it did. Four participants said that it did not matter and one participant said that it did not matter because her reaction would always be negative, regardless of how any of the factors changed.

One of the participants that said that her physical location would not impact how she reacted to an OBA ad. However, she said that:

> "*It depends if you shop or look at weird things* [online]. *I don't do that so in my case it does not matter*" (P9).

Amongst those who said that they believed that their physical location would matter in the shaping of their experience or reaction to an OBA ad, the reasons were divided, as illustrated by the following quote:

> "*It is least bothering if I am at home, because then I am doing it in my spare time. If an ad offering a pair of shoes or a dress shows up then* [at home]*, I have the time to seek further*

information and it is less likely that I would be bothered by it as I would be if I was at work" (P5).

Further, a number of the participants, whose general view of OBA was positive, said that their physical location mattered as in terms of how their attention was directed.

> *"… if I am at a place where I often engage in quick mindless browsing, on the tram for example, I don't think that I would react in the same way towards an ad as I would when I am in a calmer environment and have time to notice the ad"* (P15).

One participant did not think that her attitude towards an OBA ad would be influenced by her physical location, but that her behaviour would by saying that *"... if I am not in shopping mode, I would try to turn the ad off or simply ignore it"* (P14). Another participant seemed to be of the same opinion:

> *"... at home I would be more likely to react positive because that's where I usually buy fashion. If I am on the bus, I'm just browsing to waste time, and that's not where the purchase takes place. Maybe that would influence me to keep the advertised item in mind. But I think that if I see the same ad when I am at home in peace and quiet and able to get an overview of it on a larger screen I would be more inclined towards consumption"* (P8).

On another note, one of the participants believed that her experience and reaction would be influenced negatively if she was at home, having more time to think things through:

> *"... I become more worried than I would be if I saw the ad on my phone while I was in town"* (P7).

As for whether or not the purpose for them being online played a role in shaping their experience of an OBA ad, most participants said that they believed that it would. Only one participant said that it would not, and did not provide further explanations as to why this was the case. The general opinion held by the participants was that if they perceived their reason for being online as important, they did not appreciate any advertisements bothering them and interfering with their ongoing activity.

When it comes to the third element of contextual setting, the online environment, most participants said that this element mattered when forming their experience of an OBA ad.

> *"... I think that it* [her experience of an OBA ad] *has to do with whether I am on a serious site or a less serious one. For example, if I am on Dreamfilm* [an illegal video-streaming site] *and an ad appears there, I would not trust the advertiser in the same way. In that aspect I might perceive it as frivolous thus affecting my reaction towards the ad in a negative way"* (P3)

Two participants and said that they would react negatively towards an OBA ad if it would appear in relation to more serious websites. In this case, the website might be one of a company that they trust.

> *"... on websites that I have to log onto, I do not wish to see OBA ads. On serious sites it is more unpleasant."* (P13)

5.3 Experience, Outcome, and Effect

In describing their experience of OBA ads, with their own words, there were three main patterns in terms of positive, negative, or neutral descriptions. Most participants described their experience of OBA ads as being mostly positive. These participants attributed their opinion with them not having to view "irrelevant" ads, it being "comfortable" for them not having to look for things they might want to purchase. Despite this, not all of the participants who expressed a positive experience of OBA said that they would click on an OBA ad or buy the items advertised. Also, even if their general opinion was that OBA would bring positive advantages to them. Some participants reflected over the fact that it could be negative in terms of it leading them to purchase fashion items they do not really have a need for.

The participants who expressed having a negative experience of OBA advertisements provided three general explanations for this. One being their own lack of knowledge of the subject, a second being that they did not appreciate companies having such good understanding about them, and the third was that they wanted to keep the control of what they viewed to themselves. On the other hand, participants who expressed having a

positive experience of OBA ads gave multiple explanation to this. These explanations included: (1) they would not have to look for items for themselves, thus saving time, and (2) they would rather have tailored ads directed to them instead of it being irrelevant advertisements of e.g. "*lawnmowers*" (P4).

During the interviews performed, it was found that the potential effects of an OBA advertisement differed amongst the participants. Some of them said that they could do everything from ignore the ad to click-through and buy the product offered, depending on both advertiser-controlled factors and consumer-controlled factors. In general, it was more common that the exposure of the ad led to a more positive experience in relation to their buying behaviour. It was also found that the frequency of the ad viewed could affect the participants.

> "*If you just see the ad once, you may think that it looks nice, but often it shows up several times. I think that makes you like it more, which often leads to me buying it* [the advertised item]" (P3).

> "*I would say that I shop more because of it* [the use of OBA ads]. *Even though I may not click-through at once, it still catches my attention, which may lead to that I buy the item later if I see the same ad once or twice again*" (P11).

Even though several of the participants said that their action when exposed to the ad could be click-through and buy, others expressed more negative feelings and used words as "annoyed" and "disturbed". The participants also mentioned the possibility of just ignoring the ad:

> "*If I get a negative feeling of the ad I just ignore it and scroll past it*" (P9).

> "*I wouldn't have reacted. I think it is strange and I am more negative than positive. I don't want to get exposed to those kind of ads so then I just ignore them*" (P13).

One of the participants said that she would never click on an OBA ad. If she wanted to buy something, she would find it herself.

6 Analysis

In this chapter, an analysis based on the empirical findings of this study is presented. The analysis aims to interpret the empirical findings incorporated with the findings of previous research in relation to the purpose and research questions of this study. In order to ensure and provide basis for easy understanding and a full overview, the analysis is structured freely so that it will continuously answer the research questions. This results in a disposition largely in the same structure as the conceptual framework, with exception to the order of the subject fields.

RQ1 How do each of the *advertiser-controlled factors* and *consumer-controlled factors* relate to the establishment of the consumer experience of Online Behavioural Advertising?

RQ2 How do the various *advertiser-controlled factors* and *consumer-controlled factors* relate to each other?

6.1 Consumer-Controlled Factors

6.1.1 Individual Filters

Privacy Concerns

Generally, when asked about privacy concerns relating to Online Behavioural Advertising (OBA) and personal data, the participants of this study were, as perceived by the authors, quite doubtful as to how privacy concerns may influence their experience of OBA ads. As aforementioned, most of the participants stated that in direct relation to OBA, used by online fashion retailers, they were not concerned about their privacy. As several participants described, this was because of their high level of knowledge and awareness when it comes to the use of OBA. However, one participant who expressed that her experience of OBA was being negatively influenced by her concerns for privacy also claimed that this view was due to the high level of knowledge and awareness she possessed.

In section 3.3.1.1, the authors of this study introduced the Social Presence theory as it is described by Phelan *et al.* (2016). Phelan *et al.* argue that social presence in an online environment can be said to cause the same negative effects and feelings as when someone is looking over your shoulder when browsing the Internet. From the analysis of the empirical findings of this study, this theory has been found to be useful in explaining how participants experience OBA. Additionally, the Social Presence theory is valuable in explaining how the perception of social presence might shape the participants' concerns for privacy and the consecutive behaviour towards OBA advertisements. This can be related to the empirical findings, as one of the participants compared online fashion retailers' use of OBA with the scenario that someone comes to her home and goes through her closet. Another participant expressed that she feels as if personal data collection practices intrude on what she does on her private devices in her spare time.

When it comes to how the participants' privacy concerns are influenced by the number of companies tracking their online behaviour, their answers show differing opinions. On one hand, the findings of this study confirmed the statements made by Schudy and Utikal (2017), that the willingness of consumers to share personal data decreases as the number of companies accessing it increases. On the other hand, the findings of this study are contradictory to what Schudy and Utikal found, as some of the participants expressed other opinions to what is mentioned above. Firstly, one of the participants was less concerned if there were more companies collecting her personal data and tracking her online behavioural patterns. Also, there were participants who claimed that it did not matter to them, more important factors influencing their privacy concerns were: which the online fashion retailers were, the relationship they had with these retailers, and for what purposes their personal data is being collected. This indicates that the factor privacy concerns is related to the factor trust, in that by having a relationship with a company, the consumer is more likely to feel an increase of trust towards that company, thereby lessening any privacy concerns felt.

No direct link between concerns for privacy and the use of OBA by online fashion retailers was found, but instead a general worry of how other parties might collect and use personal data. This is seen as a very relevant observation to highlight, since at the

time of conducting this study, the GDPR is about to be put into use across the European Union. Further, as one participant said:

> "… *No. Because even if they* [the collecting companies], *look at social security information, save address information and such, I know that I am just a little individual and no one is going to track me down and kill me just because I bought a pair of shoes from H&M*" (P5).

Her quote illustrates a general lack of knowledge, of the socio-economic threats attached to the question of personal data collection for purposes that might not be shared with the public, that seems to be shared across the participants. These kinds of macro-threats are not something that the participating of this study were aware off, which strengthens the statement made by Ham and Nelson (2016) that consumers view OBA as a personal issue rather than a social issue. Still, even if the factor privacy concerns is not directly linked to online fashion retailers use of OBA, the participants' general privacy concerns are thought to influence their experience of OBA ads.

Of the consumers participating in this study, regardless of having concerns for their privacy or not, no one wanted to take active actions in order to protect their personal data and personal integrity online. This is contradictory since many of them expressed that they did not want companies being able to gather data and track their online behaviour. Smit *et al.* (2014) claim that when consumers have a high level of concerns for their privacy, they will be more inclined towards trying to protect their online privacy. These findings of Smit *et al.* do not fully correspond to what was found in this study, as participants who expressed high levels of privacy concerns showed little interest in gaining information about OBA and how to protect their personal data.

The empirical findings have abled the authors of this study to strengthen the statement made by Lee *et al.* (2015), that the most profitable consumers to target, with the use of OBA ads, are those with low privacy concerns, substantial previous knowledge and know-how in shopping fashion online, who are also willing to share their personal data. However, all of the participants in this study can be said to have a high level of know-how and experience when it comes to shopping online for fashion, as well as using the Internet generally. Due to this active choice of limitation of population, little information

is gained as to whether or not consumers with low know-how or previous experience of shopping online would be as profitable for companies to direct their OBA advertisements towards. Additionally, all of the participants answered that they agree to share their personal data with companies whether or not they are actually willing to do so.

In general, it cannot be said the level of privacy concerns of a consumer is fixed. This complies with the findings of Inman and Nikolova (2017), as it has been found that the level of privacy concerns felt by a consumer is influenced by several other factors. For example, findings of this study suggest that through increased knowledge, a consumer's privacy concerns may be altered either in a positive or negative direction. Together with this, it was also found that participants value their personal data differently; which is in line with findings of Inman and Nikolova as well as Schudy and Utikal (2017).

Knowledge and Awareness

The empirical findings give evidence that knowledge and awareness is a strong factor in the conceptual framework of this study. In addition, knowledge and awareness is also strongly influential towards other factors in the framework. For example, from the primary and secondary data sources, the authors have come to believe that in relation to privacy concerns, the participants already have a somewhat fixed view of what may evoke their privacy concerns based on what knowledge they possess and how they use and interpret that knowledge. In relation to trust, the participants seem to be using the knowledge they possess or lack, in order to determine if the online fashion retailer advertising is one they can trust or not. Lack of knowledge in relation to trust can result in other factors gaining importance. For example, if a participant lacks sufficient knowledge to be able to say that they trust an advertiser, other factors, both advertiser-controlled and consumer-controlled, presented in the conceptual framework have the possibility to provide influence over the consumer experience of OBA and outcomes or effects. If consumers lack the pre-existing, basic, knowledge of being able to trust the advertiser, they might use other cues to determine their perceived experience, such as visual signs from the physical and technical enablers and advertiser-controlled factors. Additionally, the factors included in contextual setting may also gain increased influential power over the consumer experience of OBA in the case of insufficient knowledge.

Here, a consumer may rely on circumstantial information to make up for the pre-existing knowledge-gap.

It has been found that not only pre-existing knowledge, that make up the participants' frame of reference, is influential over other factors and the outcome in the conceptual framework of this study. More direct knowledge about technological and legal structures is thought to have influence over how a consumer will experience an OBA ad, and over the following outcome or effects of that ad. What was found in this study corresponds with the findings of Beales and Muris (2008) and Van Doorn and Hoekstra (2013), that consumers do not know the extent of personal data collection practices, nor do they commonly read the information provided by companies in order to gain knowledge. However, although important, this type of knowledge is not thought of as being something that advertisers may affect in the moment, but rather as something that is learned over time and first then might accommodate a change in either the consumer's opinions or attitudes.

When asked about what knowledge they possessed about cookies, the answers given by the participants clearly illustrated that none of them knew very much. Not only did they lack a basic understanding about what cookies are, but also of the technology that drives the underlying infrastructure of data collection. Despite the impression that all of the participants shared a somewhat equal level of knowledge within this topic, their answers about how they experience OBA ads varied. Participants positive toward OBA and participants negative towards OBA alike, answered that they did not care to be further informed on data collection methods when visiting sites offering them such information and merely accepted out of sheer convenience. The general reason for this seemed to be that the small pop-up information window is perceived as annoying and interferes with their on-going online and cognitive activities. Further, many participants said that they would not even notice if companies abide any potential laws to inform or not, that they would not notice it missing if it did not pop up when entering a company website. In this aspect, one may draw a parallel between awareness and transparency.

When asked about how and if their experience of OBA ads changed at the end of the interviews, the thought was to allow the participants to reflect on if it had changed, how it changed, and why it changed. The responses were mixed. Some participants held to

their initial experience, whilst others said it changed to either worse or better. From this result, it is evident that as the interviews progressed, some participants became more aware based on the information provided by the interviewers, as well as their own insights when focusing on discussing a subject otherwise often ignored by them. This being said, the results from this is what the participants said about how they thought their attitude was altered or not. The altered attitude might just be because of the focus dedicated to this subject in this moment, therefore not lasting. Another possible explanation could be that the insights and awareness gained from participating in the interviews resulted in a permanent change of the participants' attitude. The interviews are not thought to have given the participants much knowledge, only stimulating their awareness to focus on this subject for a longer time than they usually would on their own. Some of the participants, who expressed having the same attitude towards the end of the interview as in the beginning, said that it did not necessarily depend on their knowledge and awareness. Rather, they argued that that for them, the situational filters and advertiser-controlled factors might be more important.

In section 2.1.2 the authors of this study proposed that when consumers lack knowledge, and therefore understanding of OBA and data collection practices, as well as how to protect their personal data, they will feel vulnerable. Based on the empirical findings, this proposition is strengthened. Perceived vulnerability is thought be amplified when the consumer feels a lack of control that is influenced by the perceived lack of knowledge. However, there is also evidence that points towards that in order for this to be true, the consumer must also be aware of their lack of knowledge. Interestingly, it is evident that there are cases in which participants are not aware of their relative level of knowledge and awareness. Either overestimating or underestimating their level of knowledge and awareness. This implies that in certain situations, it is not the relative, actual, knowledge a consumer possess that is important. Rather, it may be their own valuation and perception of that knowledge.

Some participants often refer to their experience of and reaction towards OBA ads as being dependent on the knowledge and awareness they possess. When dividing the participants into two categories, according to them being mostly negative or mostly positive towards OBA ads, participants belonging to either of these categories that their stated experience of OBA ads depend on their level of knowledge. This can be seen as

quite contradictory. One participant who was negative attributed this with her being quite knowledgeable. Another participant, who was positive, made the same statement. This leads the authors of this study to believe that the participants' perception of their own knowledge is not a valuable factor in describing their reaction towards OBA ads. This is also evidence of participants interpreting, valuing and using their knowledge and awareness differently. Thus, the level of knowledge might be irrelevant in predicting the consumer experience of OBA ads. What matters is how knowledge is applied in order to interpret and assess information given in OBA situations.

6.1.2 Situational Filters

Trust

As presented in section 3.3.2.1, Bleier and Eissenbeiss (2015) found that personalised advertisements are beneficial for online retailers whom the targeted consumer trusts. When a consumer distrusts the retailer that is using behavioural tracking methods, that retailer will experience a decrease in click-through rates opposite to what they would if they simply employed a standardized advertising method. This is congruent with the findings that were uncovered in this study. About this, it can be said that distrust is important since it appears to have the power to forcefully influence the consumer experience of OBA ads, as well as the behaviour consumers display as a result of their experience. Further, this evidence suggests that when consumers feel distrust towards a retailer, the consumer will be more eager to react violently negative, since it evokes privacy concerns and further influence other factors, included in the conceptual framework of this study, negatively. Much time and effort is required in order to build and rebuild trust, whilst it may only take a few seconds to ruin it.

From the empirical findings, there is evidence of trust not being an important factor in all situations. The situations where trust may be less important may be those where the criteria for being a risky situation, presented in section 2.1.3, are not qualified. For example, if the situation fails to evoke any concerns with the consumer, there is no part for trust to play in the equation. That being said, trust does not seem to be all that important in all situations, but it is still an important foundation upon which the consumer relies on when passing judgement. For example, one of the participants said that she expected being able to trust all online retailers nowadays, because of her trust towards the societal structures around the online retail industry. In line with what was

previously presented in the section 6.1.1, related to privacy concerns, trust is connected to privacy concerns in that the amount of online retailers collecting personal data does not always matter to the consumer in terms of their concerns. Instead, the relationship that consumers have with certain online fashion retailers is more important.

Closely related to trust, as was found by the empirical findings, is the relationship between the trustor and trustee. Some participant mentioned this relationship to be of higher importance than the concept of trust. In turn, this implies that if consumers consider themselves to have a relationship with an online fashion retailer, the concept of trust might not be important to discuss, since trust is then more fundamentally embedded into the relationship.

In accordance with the findings of Jai *et al.* (2013) previously presented in section 3.3.2.1, the authors of this study found evidence sufficient to draw a parallel between trust and the advertiser-controlled factor transparency. Specifically, there is a connection between these two factors when consumers feel misinformed or betrayed by online retailers they trust, when this trusted retailer share data with third-party actors. Thus, lack of information provided by the trusted retailer will in such a scenario influence the trust the consumer feels towards that retailer negatively. Additional findings show that trust related to OBA flow in two directions. One direction is when a consumer trusts an online fashion retailer they may be more inclined to have a positive experience of that retailer's use of OBA. The second direction is that the very use of OBA, if experienced negatively by the consumer, could influence the level of trust the consumer feels towards the retailer soliciting the OBA ad.

Contextual Setting

Physical Setting

The empirical findings of this study indicate that the findings of Marreiros *et al.* (2015) are true. That is, that the consumer experience of an OBA ad may be influenced by the factor physical setting, their physical location in the real world. The authors of this study believe this influence to be even stronger in relation to step 4, outcome and effect (Figure 4), of the consumer's experience. Evidence of this is found in the answers where participants state that because of a certain setting in the physical world, they will either have more or less time to interpret the ad and give other factors time to influence their

experience or not. For example, participants answered that if they viewed an OBA ad at home, where they usually are located whilst shopping for fashion online, they would be more inclined to have a strong experience or outcome and effect towards the ad. This seems to be true for both negative and positive experiences.

Digital Setting

This study found that, in line with the findings of Sandvine (as cited in Stocker & Whalley, 2018), the device used when browsing can influence the consumer experience, but mostly the outcome and effect of an OBA ad. This is seen through the participants' answers that they most likely will be inclined to make a purchase when being on the device they most regularly use when making fashion purchases online.

The propositions, given in section 3.3.2.2, that the consumer experience of OBA will be affected by the factor components *intent of browsing* and *contextual appearance* are believed to have been supported by the empirical findings of this study. Firstly, the factor component intent of browsing will be dealt with exclusively in the discussion, since the indications grouped around this component are suggested to be modified. Secondly, the factor component contextual appearance is believed to consist of at least two elements. One of these elements is the congruity of the ad in relation to the setting in which it appears, the second element is related to trust. The congruity between the ad and the environment was found to be something that a majority of the participants contemplated and noticed in forming their attitude towards an online fashion retailers' OBA ad. For example, one participant said that if the ad would seem incongruent with the setting, as well with her intent of being online, her experience of the OBA ad would be more likely to be negative. As to the second element, how the contextual appearance of an online fashion retailer's OBA ad connects to trust, findings suggest that trust, or distrust, influence the consumer experience of the OBA ad. For example, one participant said that if an OBA ad would appear on a website she did not trust, even if the company advertising was a one she recognized and trusted, she would never click through. This can further be related to knowledge and ability to interpret signals such as visual signs that build trust, as well as privacy concerns.

To sum up, digital setting is more of what one could entitle a secondary factor since it is built upon other, more direct, factors. At the same time, digital setting can in certain

situations, have strong direct influence over the consumer experience of OBA, as well as the outcome and effects. 6.2 Advertiser-Controlled Factors

6.2.1 Ad Characteristics

Level of Personalisation

Generally, the participants' direct answers when asked about how the level of personalisation of an OBA ad would influence their experience of that ad were negative. As presented in Chapter 5, participants stated that they felt that with a higher level of personalisation, feelings of intrusiveness and discomfort would increase. This complies with what was suggested by Boerman *et al.* (2017). On the other hand, it can be argued that this is a general view that the participants hold towards online tracking by various parties, and may not be directly relatable to the context of OBA advertisements by online fashion retailers. Still, the answers are evidence that the level of personalisation is connected to the factor privacy concerns.

As described by Bleier and Eissenbeiss (2015), highly personalised advertisements could evoke resistance for the consumers if they perceive an inability to protect their personal data. When looking at the individual participants' answers, comparing them to their level of knowledge of protection, not much can be said to confirm this. The authors of this study further argue that a consumer will only feel the need or want to protect their personal data if they have general concerns for their privacy or more specific distrust towards any actor accessing their personal data.

As aforementioned, Van Doorn and Hoekstra (2013) found that the benefit consumers perceive to gain from personalised ads will only partly make up for the negative cues of intrusiveness. This may be related to, and explained by, the Social Exchange theory that deals with how the consumer weighs benefits versus costs. However, the authors of this study believe that Van Doorn and Hoekstra's explanation is only true in certain situations. In this study it has been found that, in some situations, the benefits of highly personalised ads could outweigh the perceived costs. For example, if a consumer trusts the advertiser, if the contextual setting is befitting to that consumer, the perceived cost will be low. If, in this situation, the consumer is positive towards receiving personalised ads and appreciates it, the benefits might be higher than the costs, thus wholly making up for them.

Under the right circumstances, provided by the alignment of other factors included in the conceptual framework, the authors of this study believe that high levels of personalisation can be argued to be either appreciated or negatively received by consumers. Thus, personalisation is not a crucial factor for determining the consumer experience of an OBA ad, nor the outcome and effects of it. Rather, it becomes important based on how other factors, mainly trust and privacy concerns, are aligned.

Accuracy

In general, the participants of this study expressed a view that a high level of accuracy would influence their experience of an OBA ad positively. This view is believed to be applicable to the outcome and effects of the OBA ad as well. Boerman *et al.* (2017) identified accuracy as a key characteristic of OBA. The findings of this study support that idea in that an ad that is not accurate will not be appreciated. Participants in this study expressed that if not accurate enough, the OBA ad may pass unnoticed as any other standardized ads would. These findings are evidence for accuracy being a key characteristic of an OBA ad. Since participants expressed that when an OBA ad is highly accurate the benefits of receiving that ad increases. Accuracy is also found to be relatable to the Social Exchange theory. As aforementioned, this theory explains how a consumer weighs benefits versus costs in forming their opinion. Thus, the authors of this study agree with Schumann *et al.* (2014) in their statement that the Social Exchange theory can be used to describe negative experiences of OBA. However, the Social Exchange theory can also be used to explain positive experiences of OBA ads since if criteria for an accurate ad are not met by an OBA ad, it is more likely to promote irritation instead. This corresponds with the findings of Van Doorn and Hoekstra (2013).

As may be construed by interpretations of the answers given by the participants, when an OBA ad is highly accurate in terms of time, coherent with tastes, and needs, it will influence the consumer experience of the OBA ad positively, more so than standardized advertisements.

6.2.2 Transparency

Participants in this study seem to have an easier time portraying what role transparency hold in forming their experience, than they had concerning other factors. This is shown by them connecting transparency to other factors such as knowledge and awareness and trust without any guidance from the interviewers. This could potentially mean that the connections between these factors are more obvious than other connections. One participant said that transparency was related to accuracy, that the criterion for her being positive when online fashion retailers were overt with their OBA practices, was that the accuracy had to be high. If not, this would lead her to believe that the retailer was ignorant. The authors of this study believe that in turn, this might influence trust negatively since the participant would not feel that the personal data collected by that retailer would be in safe hands because of their perceived ignorance.

As mentioned in Chapter 3, Marreiros *et al.* (2015) argue that they found that many consumers to care about how they receive information about OBA, as well as options they are provided with to decline sharing their personal data. The findings of this study further accentuate their claim. However, it is important to point out that transparency is not alone in determining the effectiveness of an OBA ad, as illustrated by the other components included in the conceptual framework. Contradictory evidence to the statement of Marreiros *et al.* is that the empirical findings of this study points towards a paradox where the participants say to be wanting more knowledge, at the same time as they say that they have not taken any action to do so. For example, when asked how they react and act when entering a website who offers them information about data collection practices, all of the participants said that they do not even read the initial pop-up window. Let alone would they click on that window in order to get through to the webpage where that company offers more detailed information about data collection practices along with information how the consumer can go about protecting their data. Most of the participants said that they were only annoyed when a window of this kind would pop-up on a website.

The criteria for informed consent, given by Friedman *et al.* (2002), was found to be valuable in uncovering and describing how transparency is connected to the other factors in the conceptual framework of this study. As the participants expressed that transparency contributed to them feeling empowered, in control, and better informed

this is evidence that transparency is important. Building on this, the factor transparency seems to be stronger in influencing the consumer experience of OBA the more positive consumers have been affected by other, predetermined, factors. Thus, transparency can be said to be dependent on these factors that are already present since transparency can be interpreted differently based on the alignment of other factors.

Another finding of this study is that transparency is closely related to knowledge and awareness, that these two factors influence each other. When online fashion retailers are highly transparent, consumers may easily gain knowledge and awareness of OBA practices. When highly knowledgeable, consumers may interpret transparency in a different manner than they would if they had less knowledge and awareness about OBA.

7 Conclusion

In the following chapter, conclusions of this study are given, which are based on the analysis of the empirical findings. The conclusions are given in accordance with the purpose and the research questions of this study.

RQ1   How do each of the *advertiser-controlled factors* and *consumer-controlled factors* relate to the establishment of the consumer experience of Online Behavioural Advertising?

Each of the factors located and included in the conceptual framework of this study have been found to influence the establishment of consumer experience of Online Behavioural Advertising (OBA) in the setting of Swedish online fashion retailers.

Although there is no direct link between consumers' privacy concerns and OBA, the general concerns that consumers hold for their privacy have been shown to cause an effect on the consumer experience of OBA. As additional evidence show, the importance that the factor privacy concerns has over consumer experience is not fixed but strongly influenced by other factors. Knowledge and awareness can be a strong factor influencing the consumer experience of OBA, foremost in the way that it influences other factors in the conceptual framework. Trust has been shown to be an important factor. Firstly, trust is a fundamental construction embedded into society and without it there would be no possibility for the other factors in this framework to exist. Secondly, trust in relation to OBA might be important in some, but not all, situations since other factors determine whether or not trust will be important and what role the factor will play in establishing the consumer experience of OBA. Contextual setting is a factor that also is fundamental in that it enables the criteria for the very existence of a consumer's experience to be fulfilled. The ad characteristics personalisation and accuracy are cornerstones of OBA ads. This means that regardless of consumers' opinion of the factors, they are important in shaping the consumer experience of an OBA ad. The advertiser-controlled factor transparency has also been shown to be important in shaping the consumer experience

of OBA. However, the importance of this factor is contingent on the arrangement of other factors. Thus, the role of transparency is relative to individual situations.

No general experience can be said to be contingent of any particular factor as it is found that the factors are highly interconnected, meaning that each situation is different. No factor is fixed but rather can be altered. However, an adjustment of one or more factors may not always result in any change in consumer experience of an OBA ad, nor the outcome and effects. This is because for a certain individual, a single factor may be so strong as to not even letting other factors play a part. As mentioned, each situation for each consumer seems to be different. When weighing the evidence, there are indications that additional factors may be included in the framework in order to provide a more detailed understanding of the consumer experience. Both advertiser-controlled factors and consumer-controlled factors may be further developed in order to better describe how and why consumers experience OBA in the way that they do.

The conceptual framework has provided insights of the complexity over how the factors influence the establishment of consumer experience of OBA ads. There is no simple way to provide a concise answer to how they do so. Therefore, a more descriptive answer to RQ1 is provided throughout Chapter 6.

RQ2   How do the various *advertiser-controlled factors* and *consumer-controlled factors* relate to each other?

From the analysis of the empirical findings of this study, it appears that the advertiser-controlled factors and the consumer-controlled factors are often and intricately influential over each other. However, all factors do not influence all of the other factors, at least not on the surface, but maybe secondary or tertiary. Through this, many different combinations exist that will cause different results in terms of the consumer experience of OBA as well as the outcome and effects. This implies that there is no straighforward answer to the research question of how each advertiser-controlled factor and consumer-controlled factor influence each other. This study has achieved to uncover some connections, which include, but are not limited to:

- o The level of knowledge and awareness can affect the importance of other factors, which include e.g. trust and contextual setting. For example, if a consumer lacks sufficient pre-existing knowledge to determine if they can trust an advertiser, contextual setting may provide required basis for this assessment.
- o Personalisation may evoke privacy concerns due to the possibility of increased awareness of companies' OBA practices through intended or unintended transparency.
- o If a consumer perceives to have a high level of trust towards an advertiser, the importance of their per-existing privacy concerns may be significantly lowered.

These connections, and more, are described in detail in Chapter 6. It can be concluded that the ways in which these factors influence each other, as well as the strength of impact of these influences, are multi layered.

8 Discussion

The following chapter is dedicated to discussing the findings that go beyond what is presented in Chapter 6. These findings are based on indicated connections that have been uncovered but not confirmed, neither by previous research nor by this study. Firstly, the discussion will deal with general findings. Secondly, findings related to managerial implications, along with societal and ethical implications will be presented. Finally, the limitations of this study are introduced and suggestions for further research are given.

8.1 General Discussion

As mentioned in section 3.3, Marreiros *et al.* (2015) stated that consumers' pre-existing beliefs along with individual sensitivity means that consumers link the information they receive through observation with a diverse range of values which they link to their current situation. The empirical findings of this study did not find any direct evidence to confirm this. However, through other suggestions being found to be true, the authors of this study have gained deeper insight into the functions of factors and filters included in the conceptual framework. The individual filters are heterogeneous and shape how advertiser-controlled factors are perceived and interpreted. Adding to this, not only do the individual filters influence the advertiser-controlled factors, but also the remaining consumer-controlled factors which are included in the conceptual framework, such as trust. Further, as presented by Reiter *et al.* (2014) individual filters are shaped by digital literacy, socio-economic, cultural, geographic, and demographic characteristics. This explanation, of what shapes the individual filters of a consumer, is not quite fully descriptive. Here, an abstract factor such as personality or an "inner compass" of an individual consumer could be used to better describe just how these characteristics shape individual filters. This suggestion of an abstract factor refers to individuality of the consumer, which specifies how the personality of a consumer may dictate how privacy concerns and level of knowledge and awareness are applied when consumer's estimate the benefits and cost of OBA ads.

As described in Chapter 6, privacy concerns held by consumers seems to stem from a more general concern regarding online privacy. Thus, privacy concerns must not necessarily stem from the direct and actual use of OBA by online fashion retailers.

Instead, the more general concern for privacy can be argued to emanate from consumers fear of not understanding the technological advancements and what these advancements may lead to in the future, making them feel vulnerable in their lack of knowledge. This indicates that consumers' general privacy concerns are difficult for advertisers to handle, since it is out of reach to influence. However, the importance of the factor privacy concerns may be possible to lessen through a change in other factors. For example, if the level of trust and accuracy is high the consumer may overlook their general privacy concerns in relation to the OBA ad.

When taking all of the arguments related to consumers' level of privacy concerns into account, it can be said that privacy concerns is an important factor explaining the consumer experience of OBA in the context of online fashion retailers. Still, in the brief moment when a consumer is exposed to an ad, privacy concerns may not be vital for determining their experience nor the outcome and effects. As privacy concerns seem to mostly concern general issues and not specific ads, other factors may be stronger in the moment of viewing an ad. This serves as an explanation to why consumers say that they worry about personal data collection practices at the same time as their behaviour show the opposite. That is, a consumer may have a general concern for their privacy but does not really worry when a specific company uses OBA. However, there are situations in which consumers may worry about a specific ad as well, this seems to be more contingent on other factors, such as trust towards that specific company or the current digital setting. Further, the paradox where a consumer says to worry but displays the opposite through their behaviour may also be explained by the trust consumers have towards authorities. This will be further discussed in section 8.3.

The Social Presence theory is useful in describing why some consumers view OBA as "creepy". The authors of this study believe that this theory manages to describe consumer behaviour in certain situations very well, specifically how and/or why consumers' experience of OBA ads are negative. The Social Presence theory appears to be useful in locating those situations and may be beneficial when trying to determine where the line between appreciated and accurate becomes creepy. Paired with the other factors and filters included in the conceptual framework of this study, the Social Presence theory can help determine where general privacy concerns are evoked and directed towards a specific OBA ad.

The participants of this study can be presumed to be rather homogenous in their level of knowledge and what experience they have of shopping online, as well as their general knowledge of the Internet. However, this assumption may not be true since it is impossible, or at least very difficult, to know with certainty how an individual's frame of reference is structured. As mentioned above, privacy concerns can be said to be influenced and determined by a third, abstract, factor in individual filters. This idea might be applicable to the factor knowledge and awareness as well. For example, two individuals may have equal frame of references. Still, those two individuals might have different interpretations and perceptions that may cause them to draw different conclusions based on the same experiences included in each of their individual frame of reference.

The idea that consumers' knowledge of OBA is not alone in influencing their experience of an OBA ad or the outcome and effects, was formed from the empirical findings. A consumer can be presumed to possess pre-existing knowledge on many subjects, which is used by them in order to evaluate situations and pass judgement. Therefore, it is suggested that consumers might use different kinds of pre-existing knowledge to determine, for example, if they are able to trust a specific online fashion retailer, or the digital setting in which the OBA ad appears. If the consumer lacks pre-existing knowledge to be able to pass judgement on such a situation, it might be more likely for that consumer to be negatively positioned towards the ad. In summation, the authors of this study believe that there are dimensions in the factor knowledge and awareness that are not fully justified in the current design of the conceptual framework. Further, the authors believe that it is important to highlight that it is not only knowledge of OBA, laws, regulations, or technology matters, but also other kinds of knowledge. These other kinds of knowledge include unconsciously or subconsciously used knowledge. This type of knowledge is difficult to cover and assess by researchers which adds to the complexity of the factor knowledge and awareness.

After analysing the empirical findings, the authors of this study have found that contextual setting is an important factor that may influence other factors in the conceptual framework in various situations, even though previous research have not focused that much on this factor. One can argue that the physical and digital setting do

not affect the consumer experience of an OBA ad directly, rather indirect as it influences the other factors. Based on what was found in the empirical study, the authors suggest that the factors included in contextual setting needs to be modified and an additional dimension of contextual setting to be added. It seems that it is not only the physical and digital setting that matters when understanding the establishment of the consumer experience of OBA ads, but also the mental state of mind the consumer is in when being exposed to the ad. Many of the participants in this study expressed that their experience, the outcome and effects very much depended on their state of mind and if they were in "shopping mode" or not, it can be argued that this dimension is to be taken into consideration. Depending on what mental state the consumer is in, their experience of the ad will vary. Additionally, this could possibly play a more crucial role in the future since consumers are developing a skill to filter out what is not important in their mind at that moment in terms of what their purpose of being online is, and their intent of browsing. This argument is strengthened by the empirical findings of this study, as several of the participants expressed that they most often filter out an OBA ad if it is considered unimportant by not being connected to their purpose of being online.

Further, the contextual setting is thought to influence how consumers use the knowledge and awareness they possess, as well as their ability to interpret that knowledge. For example, several participants in this study expressed that when they were in a situation where their attention was directed elsewhere, they would be less prone to even notice the ad. In extension, this prevents them from being able to use their knowledge in such situations, which will have an effect on the outcome or effects of an OBA ad. In contrast, when participants had more time to notice the ad because of the contextual setting, they are considered being more prone to have a strong experience the OBA ad.

8.2 Managerial Implications

The bottom line of all advertising activities is the end result in terms of benefits received by the company. An important step to reach this goal is being able to measure and evaluate the advertising actions the company undertakes. What has been previously discussed in this study are concepts and ideas that the authors of this study deem important to consider in order to comprehend and grasp the knowledge of what and how will influence consumers experience of OBA. From the empirical findings, it is clear that experiences of OBA are contingent on a vast amount of factors and combinations of

these. This means that if advertisers identify key factors and adjust key characteristics of an OBA ad, they may be able to counteract any negative influences.

There are factors that lie beyond the control of any advertiser. The advertiser-controlled factors are in the direct control of an advertiser, whilst the consumer-controlled factors can merely be attempted to influence by adjusting advertiser-controlled factors. One could say that the situational filters are exceptions to this, since companies may take active actions to build trust and adapt the digital setting in which the OBA ads appear. However, the result of these changes will ultimately lie in the hands of the consumer.

Wanting to find out what builds trust in risky situations, the empirical findings tell of three different aspects that can play a role in this. From the answers of the participants in this study, three aspects located include:

- o Visual design

  The design of the advertisement appears to be important in building trust since it gives consumers subtle cues as to whether or not it is of quality. Participants of this study connected these visual cues with being able to determine if a company is serious or not.

- o Payment methods and delivery options

  The payment and delivery options offered on the website of the online fashion retailer advertising is something mentioned by participants to be something they looked for when trying to decide whether or not the retailer could be trusted.

Both of these aspects are changeable through adjusting advertiser-controlled factors. Here, advertisers may have a chance at providing basis for positive reactions by developing their ad, website, and supply chain in accordance with cues that manages to project honesty and trustworthiness.

- o Social inquiry

The third aspect that participants mentioned having a role in determining trust was social inquiry, which compromise the use of drawing reference from friends or review sites about the online fashion retailer.

When it comes to the advertiser-controlled factors, they are in direct management of the advertiser, but the interpretation of the advertiser-controlled factors is still contingent on the consumer-controlled factors, thus being open for various interpretations.

This being said, it is evident that the consumer experience of OBA is a very challenging task for an advertiser to handle, as every customer has individual preferences. However, it is possible to affect the consumers' experience of OBA ads in a positive direction when having better understanding of the underlying factors influencing their experience and how they relate to each other.

8.3 Societal and Ethical Implications

It is clear that Online Behavioural Advertising is connected to multiple societal and ethical dilemmas. The existence of these dilemmas might be partially explained by OBA being a relatively new strategy of targeting consumers, combined with the power and unknown future of the method. In being driven by Artificial Intelligence (AI) technology, OBA introduces ethical considerations in that it allows for never before seen collection and interpretation of data. This means that advertisers have the power to go beyond demographics, maybe even knowing the consumer better than the consumer know themselves. There is a line where persuasive techniques can evolve into behavioural control since, through the AI technology used in OBA, advertisers do not only know the wants of the consumers but also the motivations and vulnerabilities that drive each consumer's behaviour.

Another ethical consideration related to the findings of this study is the benefits received by the parties involved. Companies often pitch OBA as being beneficial for consumers in that it delivers relevant ads in contrast to the consumer being bothered by irrelevant ads, thus relieving the consumer from spending time looking for items that he or she would like to purchase. This can also be seen from second point of view, where the benefits of OBA only befall the advertiser, not the consumer. In this alternative perspective, the argument may be that advertisers benefit from OBA as a persuasive technique, or even

behavioural control technique, whilst the consumer is being tricked into purchasing items or services he or she does not have any actual need for. A societal consideration connected to the benefits received through the use of OBA is that through the stimulation of economic activity, the society at large will be benefited economically at a macro level.

Consumers in Sweden seem to have a foundational trust in authorities. When that authority is the state, consumers seem to rely on existing legislations to protect them from unethical exploitation, as well as instances enforcing these kinds of legislations. This may lead to, that instead of informing themselves, consumers blindly rely on that they are "safe" regardless. Further, trust in authorities may not only be directed towards the state, but also towards authoritative companies that consumers feel safe in trusting.

An implication of these ethical and societal considerations is that in an effort to establish OBA advertising as ethically justifiable, effective guidelines could be created through a system of transparency across the digital environment. By this, consumers could be given a clearer opportunity in acting as an advertising-partner instead of a targeted, unknowing victim.

8.4 Limitations and Further Research

As the aim of this study has been to provide the reader with fundamental knowledge within the subject of OBA, what factors that influence the consumer experience of OBA, and how these factors do so several limitations have resulted in research gaps, which are suggested for further research.

There is no doubt that knowledge and awareness is a very interesting factor when trying to understand consumer behaviour in relation to OBA. At first sight, this factor may appear simple, but it is not. Knowledge and awareness is a factor that goes far beyond the obvious and is thought to be highly abstract. Furthermore, it is possible that additional factors influencing consumer experience, outcome and effects need to be defined or detached from already existing factors. Related to this, and to further contribute to existing research, it would be interesting to study consumer experiences of OBA and the effects of these experiences by using another methodological choice of research design. It would also be of interest to map consumer behaviour in relation to
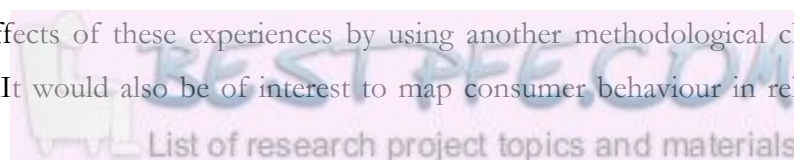
OBA to a greater extent not only to investigate intentions, but also the actual consecutive behaviour of consumers to define the potential intention-behaviour gap. This could be executed through descriptive, experimental, studies that aim to measure consumer behaviour.

Through using the conceptual framework presented in this study as a point of departure, more detailed research is possible to conduct of how the advertiser-controlled factors and consumer-controlled factors affect one another. The authors of this study have come to realise that the subject of OBA is to a high extent complex. Adding to this complexity is the fact that the technology on which OBA is built, still rapidly develops along with the extent of its usage, which makes it hard to predict what the future holds.

This study has been limited to the Swedish online fashion retailer industry with a target population of young Swedish females between the age of 20-35 years. Therefore, I could be beneficial to use the conceptual framework presented in this study to analyse consumer behaviour in relation to OBA in other industries, countries, and with other, larger, samples, including several generations. Such studies could add to the generalizability of the results by drawing concrete conclusions and comparable results, which this study has not aimed to do.

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Appendix 1

Main study participants						
Pseudonyms	**Age**	**Main occupation**	**Date**	**Duration (minutes)**	**Interviewer**	**Setting**
P1	24	University student	12th of March, 2018	23	Lind & Olsson	Face-to-face
P2	23	University student	12th of March, 2018	25	Lind & Olsson	Face-to-face
P3	22	University student	12th of March, 2018	25	Lind & Olsson	Skype
P4	23	Entrepreneur	15th of March, 2018	23	Lind & Olsson	Skype
P5	25	Full-time employee	13th of March, 2018	34	Olsson	Skype
P6	23	Student/employee	14th of March, 2018	31	Lind & Olsson	Face-to-face
P7	21	University student	14th of March, 2018	28	Lind & Olsson	Face-to-face
P8	27	Full-time employee	14th of March, 2018	25	Olsson	Face-to-face
P9	27	Full-time employee	14th of March, 2018	26	Olsson	Face-to-face
P10	23	Full-time employee	14th of March, 2018	22	Lind	Face-to-face
P11	26	Full-time employee	15th of March, 2018	22	Lind	Face-to-face
P12	23	Full-time employee	19th of March, 2018	35	Olsson	Skype
P13	24	Full-time employee	12th of March, 2018	21	Lind & Olsson	Face-to-face
P14	22	University student	19th of March, 2018	23	Lind	Skype
P15	31	University student	16th of March, 2018	24	Lind & Olsson	Face-to-face
P16	32	Full-time employee	16th of March, 2018	28	Lind & Olsson	Face-to-face
Pre-test participants						
Pseudonym	**Age**	**Main occupation**				
PTP1	35	Full-time employee	10th of March, 2018	39	Lind & Olsson	Skype
PTP2	34	Entrepreneur	11th of March, 2018	22	Lind & Olsson	Face-to-face