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# **Determinants of Attitude towards Retargeting**

Analyzing the direct role of product sustainability and webstore experience, and moderate role of discount offering in the formation of consumer's attitude towards retargeted ads

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## *Abstract*

Considering the increase in the digitization of the marketplace, marketers need new marketing strategies that can fit the digital market problems in specificity. One such marketing strategy, *Retargeting* is a well-known phenomenon, solving the problems of shopping cart abandonment. This marketing strategy has proven to be effective and beneficial for not just marketers but also for the consumers. Looking at the benefits this marketing strategy provides, one could easily guess that the consumer's attitude towards retargeting would be positive. But the reality is not as simple as it seems. Consumers possess different types of attitudes towards retargeting and there are many factors that impact the formation of such attitudes. Another interesting fact to notice is, these attitudes are not permanent, but rather vary, depending upon the features of the webstore, retargeted ads, and consumer's interests.

The focus of this paper is to analyze the impact of two factors i.e., Product Sustainability and Webstore Experience on consumer's attitude towards retargeting. Another factor i.e., Discount offered in the ads would be analyzed as a moderator.

Data was collected through questionnaire design (N=309) and was further analyzed through structural equation modeling. Results proved to be satisfactory, showing that Product sustainability and a good webstore experience help the brands in achieving positive attitude towards the retargeted ads by the consumers. On the other hand, moderate role of discount offering turned out to be unimportant and it is concluded that marketers can attract and persuade consumers through retargeting by focusing on sustainability and by providing a positive webstore experience, without the need of offering a good percentage of discounts in the retargeted ads.

**Keywords:** Retargeting, Attitude towards Retargeting, Factors behind Consumer Attitude, Sustainability, Webstore Experience, Discount Offered in the ads, Elaboration Likelihood Model

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*Bergen, June 1<sup>st</sup>, 2024*

*Yamna Ali*

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# 1. Introduction

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The digitization of the marketplace can be deemed a fairly recent phenomenon, gaining mileage and popularity in the past two decades, coinciding with the spread of the Internet itself. It has not only changed the field of marketing as a whole, but also given rise to a new kind of consumer, one who has access to brands 24/7 on-the-go and the ability to choose products with a few clicks on their smartphones.

However, this also means that the online consumer does not share the same traits of their conventional counterpart. These consumers have short attention spans, a variety of content to choose from, and access to brands and products from around the world.

One problem that is unique to this digital marketplace is the abandonment of shopping carts right before purchase. Consequently, a new method of marketing has been developed to try and persuade such consumers and redirect them towards the product or service in question. This method, known as retargeting, is the focus of the research.

## *1.1. Digital Consumerism and Challenges for Marketers*

The digital marketplace has revolutionized the world of shopping, and this was further cemented during the COVID-19 pandemic where it was finally seen as a viable alternative to the conventional marketplace. McKinsey reported 10 years' worth of e-commerce adoption in the first few months of the pandemic (Forbes, 2021). This caused a dramatic shift in consumer habits leading to E-commerce taking up most of the share in total annual sales globally, and increasing annually as more consumers engage with the digital marketplace (Belpasso P., 2021).

This marketplace offers a variety of features that conventional marketplaces cannot match. Consumers can make purchases or browse products in lieu of window shopping, from local or international webstores, without leaving their homes (Belpasso P., 2021). Being able to add products in virtual cart and shop whenever they want provides a sense of satisfaction and accomplishment whenever a consumer makes a purchase. (Kwiyreply., 2023). Apart from browsing and purchasing, consumers can also share their feedback on company's websites and social media platforms which makes it easy for future customers to check the quality and authenticity offered by a webstore. (Park, H., & Lee, J., 2019). Another primary driver behind

the prevalence of digital consumerism is its 24/7 accessibility allowing consumers to shop whenever they want without being restricted to traditional retail hours. (Kwiqreply., 2023).

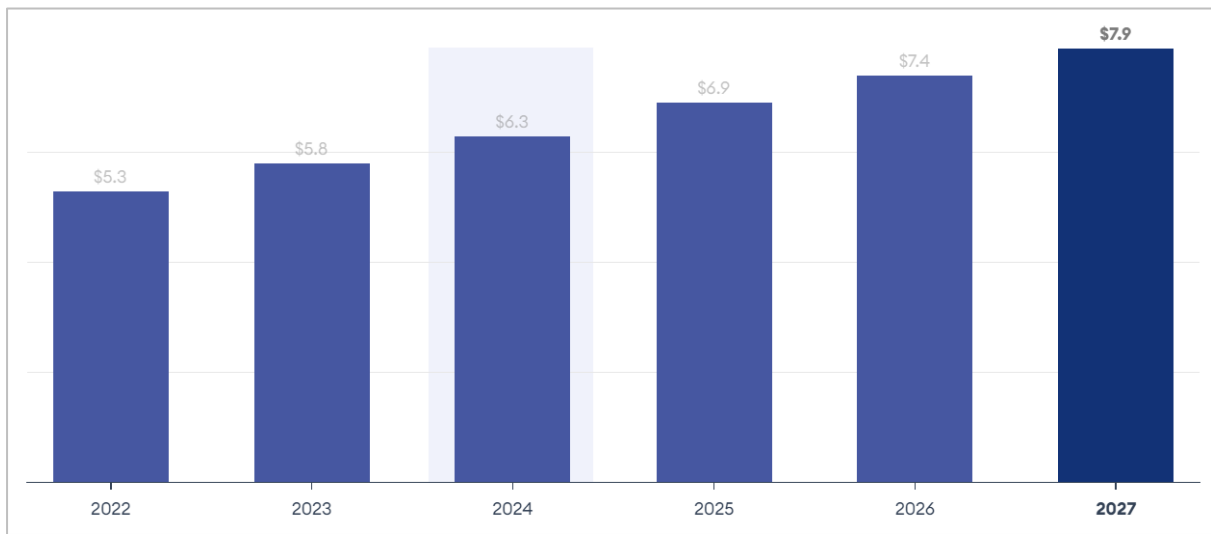


Figure 1. The Growth in Retail E-commerce Sales Worldwide 2022-2027 (in trillions), (Forbes Advisor, 2024)

The shift in consumerism from traditional to digital methods has compelled businesses and marketers to adopt new practices catering to diverse customer needs. From integrating secure digital payment systems enabling online and in app transactions to introducing digital chatbots for the ease of communication with customers, companies have redefined shopping practices for their customers (Forbes, 2021). With the development of digital marketplace, on one hand it has become easy for brands to reach their customers, on the other brands are facing a huge challenge with the online presence of almost all the big and small enterprises to compete with them and make their mark. It is crucial for brands to offer best possible solutions to cater to customers' needs and win them over. The best way to gain competitive advantage is to improve one's brand image, enhancing customer perception of products and increasing user interaction.

Another common issue that the brands are facing regarding this rise in digital consumerism is inducing customers to make purchase decisions. Before the rise of e-commerce, the buying process was quite simple i.e., a customer's needs were triggered by watching an advertisement or browsing a catalogue, they visited the shop, and then made their purchase. Contrary to this, with the increase in the usage of internet and the availability of over eight hundred options of information search, purchase process of each customer is different (Mazurek, G., & Tkaczyk, J., 2016). From the various methods of order placement to payment to receiving products, consumer purchase journey has become complex. With the 24/7 access of online stores of various brands, consumers now take a lot of time to browse and compare products before



making the purchase. It is a huge challenge for businesses to grab the attention of customers, influence them to buy their products and retain them in the post-purchase period (Mazurek, G., & Tkaczyk, J., 2016).

To combat this issue, companies have taken advantage of technology and using it as means of customer communication and engagement. This transition has now created new methods of communication and advertisements for marketers through which they can build even stronger relationships with their customers. With the usage of mobile devices and emails, messages from businesses now reach directly to the consumers without any interruption and in return consumers can now directly respond to these messages (Lee & Cho., 2020).

In addition to this, companies collect and analyse personal data which the customers leave online in order to better understand their customer's need. According to a study the data collected online doubles every 40 months, main reason behind which is the surge in the usage of mobile devices and social media platforms (Mazurek, G., & Tkaczyk, J., 2016). By using this data, companies tailor their offerings to suit customer needs and communicate with customers on a more personalized manner bringing the customers and brands closer to each other. Moreover, companies use this personal data to send tailored digital ads to consumers as a means of user interaction. These ads have proven to be attractive and convincing if sent at the right time. A study declared that around 66% of the consumers from UK got convinced to buy from a brand they never bought from, just because of their timely and informative ads (Mazurek, G., & Tkaczyk, J., 2016). Additionally, digital ads lead to an increase in brand awareness and ROI (Pepsi Max's ROI grew by 43% due to switching from traditional TV ads to digital advertising) (Mazurek., 2016). One of a technique of digital advertising commonly used by firms is Retargeting i.e., sending personalized ads to consumers who recently viewed firm's website. In this way, firms have been able to attract customers by showing them relevant recommendations based on their most recent browsing behaviour (Tucker et al., 2013).

## *1.2. What is Retargeting?*

In order to fully understand the buying behaviour of consumers and the need of brands to make the consumers revisit their webstore, it is important to first know the issues that lead to 'non-buying' behaviour. This behaviour has been commonly seen in the online shopping context in various forms (Kinney M. & Close A., 2009). A famous issue regarding this 'non-buying' behaviour in online shopping context is the issue of cart-abandonment where many consumers

leave their carts on an online webstore without making a purchase (Kukar-Kinney and Close, 2010; Rajamma et al., 2009; Rubin et al., 2020).

During online webstore visits, consumers do not immediately choose and buy the products but rather they browse websites to see other options and often get distracted and leave the shopping cart abandoned (Berke A, 2014). A research found out that only 2% of the customers reach up to the stage of purchasing an item whereas 98% are only there for window shopping (Yeo et al., 2017). There are various reasons behind cart abandonment (Figure 1) such as customers waiting for discounts, comparing the products in the cart to external websites, concerns about the prices, complicated purchasing procedures and customers being unsatisfied with their choices (Xu & Huang, 2015; Kinney M. & Close A., 2009; Huang et al., 2018)

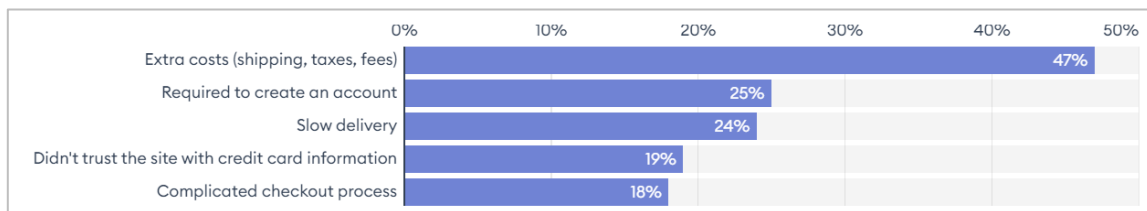


Figure 2. Why Consumers Abandon Their Online Carts (Forbes Advisor, 2024)

Kinney (2009) suggested that products abandoned in the shopping cart represent an opportunity for future sales rather than a lost sale. While visiting a webstore, customers leave some information about their interests and preferences by showing different browsing behaviours such as filling out a form or shopping cart or visiting a specific product’s page (Berke A, 2014). E-commerce websites use cookies to store this information that they can use later on for their own benefits. Through this intent data, businesses can observe which products the consumers are interested in and try to attract customers by giving further information about those products. They can also send a reminder ad about the abandoned cart and motivate them to purchase these items by offering discounts or free shipping etc. These reminder ads or sending additional information is a phenomenon in e-commerce known as Retargeting (Villas-boass & Yao, 2021; Kinney M. & Close A., 2009). As defined by Sahni S., & Narayanan S. (2019):

*“Retargeting, also known as remarketing or behavioural retargeting, enables advertisers to target consumers who have visited the advertiser’s website in the past but did not make a*

*purchase. It is a unique form of advertising because, by construction, it targets people who are likely to know about the product the advertiser aims to sell.”*

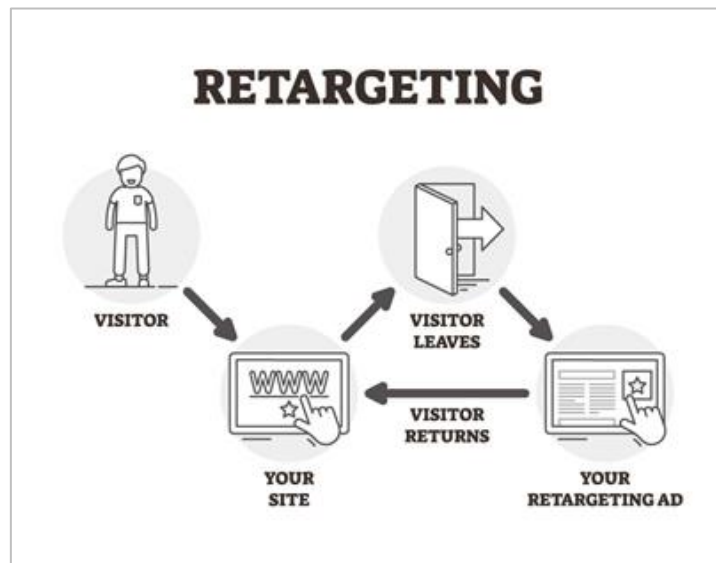


Figure 3. Process of Retargeting (Josh Gallant, 2021).

Many researchers have studied the effectiveness of retargeting and customer's attitude and reaction towards this type of marketing (Aanand, 2009; Lamrecht & Tucker, 2013; Sahni 2019; Blier 2015; Johnson 2019; White et al. 2008). There are various factors that influence customer's attitude towards retargeting, and this would be the focus of this study.

### *1.3. Purpose of the Research*

Retargeting is a unique form of marketing targeting only those customers that have already shown some interest in a firm's products. Firms send reminders in the form of targeted ads to the customers and motivate them to make the purchase. Customers show various reactions, negative and positive, towards these ads. Sometimes retargeting proves to be beneficial for the firms by increasing sales, as well as for the customers by giving them the right information that they need to make the purchase decision. Contrary to this, at times retargeting backfires due to customers perceiving these ads to be intrusive or various other reasons.

The purpose of this study is to find out how useful this form of marketing is for the firms, what kind

of attitude customer show towards retargeted ads and what are the factors influencing their attitude. Hence, following research questions have been created in order to compartmentalize and deeply analyse all the above-mentioned topics of research.

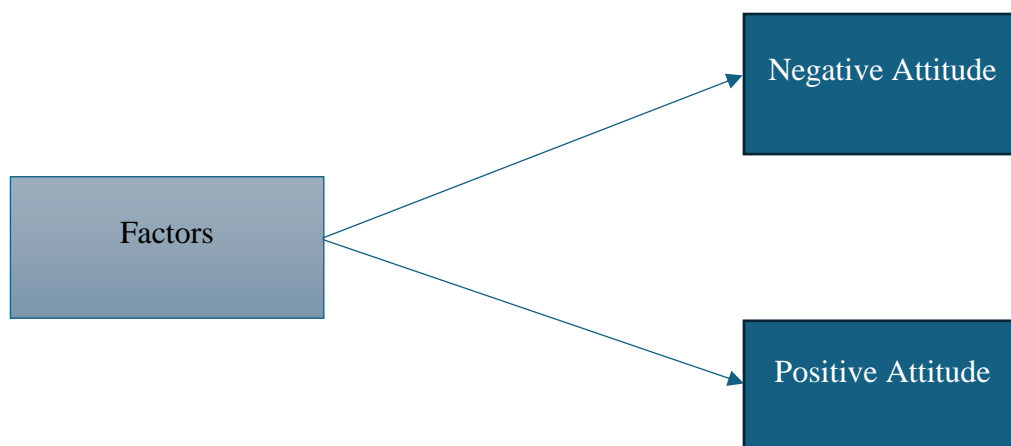
*RQ1: How do consumers behave towards retargeted ads?*

Consumer Behaviour towards advertisements will be studied in the literature review and then it will be examined in the empirical research to find out how do consumers react when they receive a retargeted ad.

*RQ2: What are the factors that affect consumer's attitude towards retargeting?*

This question will be examined by empirically testing the information gathered through primary research. The intention behind examining this research question is to find out factors behind consumer's attitude towards retargeting and see which factor derives negative or positive attitude and to what extent.

Based on above mentioned research question, the basic structure for conceptual framework is created below that illustrates the variables and the relationship between them:



*Figure 4. The conceptual framework*

## *1.4. Outline*

The paper has been divided into six distinct sections detailing the subject matter of the research. All these chapters have been further split into subchapters according to the topics addressed in that particular chapter.

The first chapter delineates the background research, introducing retargeting by giving a brief history of how this technique started and why was it important to send targeted advertisements to consumers. This is followed by a description of the purpose of this study and the main research questions this study will be examining.

The second chapter showcases a comprehensive literature review that evaluates previous research relevant to retargeting, consumer purchase decisions and intentions, consumer attitude towards advertisements, as well as privacy concerns, thereby highlighting gaps in the research area that this thesis focuses on.

The third chapter details the theoretical framework, pointing out the theoretical domain within which the research operates and generating the conceptual model and subsequently the hypotheses of the research.

The next chapter explains the methodology employed in the research, describing and rationalising exactly how the data was collected, analysed and validated.

The fifth chapter presents the findings of the research in relation to the research questions, while the concluding chapter comprises of the researcher's analysis and interpretation of the data, comparison with existing literature, as well as recommendations for practical applications and future research.

## 2. Literature Review

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### 2.1. Consumer's buying decision making process

In order to reduce problems like shopping cart abandonment and customer's distraction during shopping, it is highly beneficial to first understand the steps of customer buying process leading to purchase decision. By understanding these steps, marketers can create marketing strategies that can influence the customer journey at the right time.

Consumer's decision of making a purchase consists of several stages until they finally make a purchase. Philip Kotler (2014) proposed that while making buying decision a consumer passes through five stages: problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behaviour (Kotler, P & Keller, K., 2014). This process is summarized in the figure below:

Stage	Stage Name	Description
1	Problem recognition	Stage where a person recognizes his need for a product
2	Information search	Stage where a person intends to obtain more information on a product
3	Evaluation of alternatives	Stage where a person evaluates a product based on the information acquired
4	Decision of purchase	Stage where a person decides to purchase the product based on his evaluation
5	Post-purchase behavior	Stage where a person evaluates the product he purchased

Figure 5. Philip Kotler's decision-making process (taken from Ogino and Kato, 2015)

With every passing stage, people's degree of interest in the product increases until they reach the final stages of purchasing the product. During the initial stages, consumers are not certain about their interest in the product hence they tend to be just merely looking at different products instead of showing any active behaviours such as inspecting the product in detail. Contrary to this, during later stages consumers actively show their interest after being sure about what they need or want, by comparing different products and looking at their options. In the final stages they make up their minds about a product that suits their needs the best and then make the purchase (Ogino & Kato, 2015).

Marketers play a huge role in taking the consumer from earlier stages of buying decision process to persuading them to actually make the purchase and even retaining those consumers

later on. For this reason, it is important for marketers to understand consumer's thought process behind making a buying decision and then giving them the information they need depending upon which stage they are in.

Commonly, there is a stimulus or a trigger making people realize the need to buy something. During the problem recognition stage, it is crucial for the marketers to trigger consumer's need recognition and for that they need to gather information what brings consumers to their products. By gathering this information, marketers can develop effective marketing strategies to attract consumers (Kotler & Armstrong, 2008). Apart from attracting, marketers can also create a want in the consumers by making them recognize an unfulfilled need and showing them how buying a specific product can satisfy it through advertisements (Stankevich, 2017).

The second stage when the consumer is searching for information, it is a great opportunity for marketers to advertise their products and provide relevant information to show the consumers how this product will fulfil their needs. It is also important for marketers to know about what source of information consumers commonly use and then try reaching them through that source (Armstrong, 2008; Stankevich, 2017). During third stage of evaluating alternatives, consumers are usually looking for best deals depending upon price, product attributes, quality, brand positioning and location etc (Stankevich, 2017). Furthermore, it is important to know that consumers mostly evaluate alternatives by visiting various websites and inspecting different products in detail. (Berke. A., 2014). During this stage consumers may have made the intention to buy a product, filled out their cart but did not close the deal due to distractions. This is the time when marketers need to gather information about consumer's browsing behaviours and then attract them through personalized advertising and providing them with the best deals that suit their needs. Retargeting allows the brands to stay in the view of people who have already shown interest in their products and turn them into customers (Berke. A, 2014). After passing the purchase stage, marketers need to make sure that the customer is happy with the product which is important for turning them into loyal customer (Stankevich, 2017). This further helps in customers making future purchases from the company, spreading good words about their products and not feeling the need to go to their competitors (Kotler & Armstrong, 2008).

## 2.2. *Effectiveness of Retargeting*

Retargeting is an effective marketing tool equally for both, businesses and customers. A number of authors have studied the effectiveness of this strategy, claiming it to be highly beneficial for both the stakeholders and customers.

### 2.2.1. *Company's benefits*

Many past researchers have proved that retargeting is an effective way of convincing the customers to return to the webstore after they have left their cart abandoned. These ads have proven to be more relevant, personalized, and informative for the customers. On the other hand, these ads are cost and time saving for firms, bringing for traffic to the webstores and consequently increasing their ROI.

Retargeted ads are highly beneficial for the companies as they are attractive enough to convince the customers to return to the webstore. Sahni et al. (2019) found an increase of 14.6% in the number of customers returning to the website after being exposed to retargeted ads as compared to the customers who were not sent any ads. Anand et al. (2009) in their paper argue that Retargeting is effective in a way that it serves as a signal to the attributes of the product which might attract the customer. With the advancement of media and new technologies, on one hand it has become extremely easy for companies to reach their customers, on the other advertisement noise has increased causing customers to avoid digital ads. By adopting this marketing strategy, firms can bring customers back to their websites without irritating them with irrelevant information. Moreover, firms can save time and costs by not sending ads to irrelevant consumers who are not interested in the product and aiming at only those who visited the webstore (Anand, 2009).

A reason for retargeting being more effective as compared to generic ads is its specificity for the target audience. It provides more detailed information about the attributes of the product in which the consumer is already interested. Lambrecht, A., & Tucker, C. (2013), in their research suggested that generic ads are most effective only for the consumers who have shown slight interest in the overall brand and have not visited the review site to sought out the quality of a specific product/s. Whereas, after the customers have narrowed down their preferences for specific products and have visited review sites, dynamic retargeting would be relatively more effective for them at this time.



However, this marketing strategy is not as simple as it seems. Retargeting can also backfire if not used effectively. Firms need to be extremely cautious while sending these ads to the customers. There are a few factors that the firms need to consider if they want their strategy to be successful. One of the factors is the time frame in which ads are sent. Studies have proved that the ads under a few days after the customer has left the website seem to be more effective and relevant for the customers. The first week of retargeting is one of the most effective times in which marketers can draw the customers back to the website (Sahni et al., 2019). Generally, this is the time when consumers are looking for alternatives, waiting for prices to drop or just in need of more information to make the purchase decision (Berke. A, 2014). Ads sent during these hours enable marketers to get the attention of customers because after some time customers start forgetting about the products in their shopping cart (Prioleau, 2013) or change their preferences (Blier, 2015). Here, an important point to remember is that ads sent too soon can backfire and irritate customers instead of attracting them. Ads sent within a few minutes of cart abandonment by the customers can seem to be too pushy or controlling as the customer might perceive that the company is pressurizing them for its own profits (Li J. et al, 2021). This negative effect of time sensitivity of the retargeted ads has been regarded as the double-edged effect of retargeting. This misperception can trigger ad annoyance and not only reduce sales but also hurt customer's long-term satisfaction (Li J. et al, 2021).

Another factor to consider is the personalization of the retargeted ads which, is an important attribute in achieving an increase in the click-through rates by the customer (Blier, 2015). But if done too much, an extremely personalized ad might be regarded as intrusive by the customer (Turrow, 2019). Apart from privacy concerns, customer can also regard these personalized ads as irrelevant or annoying if they have changed their preferences during the purchase decision process. This is a common issue as customers tend to change their mind after passing the early stages of decision-making process and these personalized ads fail to meet the new preferences as time passes by (Blier, 2015).

Blier (2015) proposed three key suggestions for the marketers to make their retargeted ads more attractive and effective:

- First, firms should constantly monitor their customer's buying behaviour to determine the suitable intensity of personalized ad and the optimal time for retargeting.

- Second, delivering online ads on different display websites can increase the reach of the ads and in this way, marketers can evaluate which website provides the best reach for their ads for future usage.
- Finally, sometimes customers are browsing just for fun and in that mode they are less likely to pay attention to such ads. Hence, it is important to recognize and differentiate between the different web browsing intentions of the customers before delivering these ads.

### 2.2.2. *Customer's benefits*

A huge reason of consumers getting distracted during purchase decision process is the unavailability of necessary information they need to make the decision. After getting triggered by a stimulus, consumers start looking for products that suits their needs the best and for this purpose they visit several webstores which is a very time-consuming process. Often times they get so lost in the search of relevant information that they leave it altogether. Retargeting is a strategy that saves time and unnecessary hassle of information search for the customers, providing them with only the information they need.

Targeted advertisement can be very informative for the customers as it is sent only to those customers who have already visited the website and shown interest in a certain brand. Secondly it is tailored according to the preferences of the customers. (Tucker, 2012). Alreck and Settle (2007) in their paper state that with the help of targeted advertisement consumers get relevant information about the products they are interested in which saves time as now the customers do not need to visit websites to search for information. Additionally, they receive less messages and irrelevant ads for the products that they do not need. Blier and Eisenbeiss (2015) stated that due to online advertising noise many consumers have started avoiding digital banner ads using ad blockers. In contrast, retargeted ads are tailored and personalized based on consumer's recent online shopping behaviour, making these ads attractive and relevant for the consumers.

Another interesting fact about these ads is that they usually bring tempting offers for the consumers such as free shipping or discounts. Firms try to bring the consumers back to their websites and in order to do so they make their ads as attractive as possible, resulting in customers not only getting what they need but also getting some extra benefits (Alreck and Settle, 2007).

### *2.3. Privacy Concerns and Ad Avoidance*

“Everywhere one turns these days it seems that the right to privacy is constantly under assault.”

– Bruno Bettelheim (quoted in Solove J. Daniel, 2008, chap1)

Companies use data mining algorithms and web cookies (electronic devices used to collect records of consumer’s online behaviour, shopping history and preferences etc) to collect consumer data (Zarouali et al, 2016; Rapp J, et al, 2009). In the hope of establishing lasting relationships with customers, companies use this data to target consumers with more personalized offers. With the help of new and advanced technology, marketers are able to make more accurate and personalized profiles of consumers based on their browsing behaviour and search histories. These profiles containing information from credit application to online purchases, are not only used by advertisers but these are also sold to other parties (other businesses and government etc) (Zarouali et al, 2016; Rapp J, et al, 2009). This gives rise to a natural tension between what businesses expect and what consumers demand because while such data collection method helps businesses to devise strong marketing strategies, it also creates a sense of fear relating to privacy amongst consumers (Rapp J, et al, 2009). This fear is not only limited to the discomfort of consumer’s personal data being collected by marketers, but it also concerns who has access to it and the data being available to third parties (Zarouali et al., 2016). Generally, consumers use internet with little to no knowledge of getting tracked by the companies. Retargeted ads sometimes act as signals to the consumers that they are being exposed to privacy invasion or intrusion because these ads are highly personalized. This leads to consumers taking measures to strengthen their privacy protection. (Zarouali et al., 2016)

When privacy concerns become high, consumer start taking measures to protect their privacy and start avoiding ads. According to a survey, 66% of the adults in America are against the idea of marketers tailoring ads to the consumers interests even if they are aware of the process by which marketers collect data. (Turow et al., 2009). A major reason behind this ad avoidance can be explained by the reactance theory by Brehm (1989) (cited in Zarouli., 2016; Tucker., 2014; White., 2008). According to Clarke, R. (1999), marketers gather consumer profile data in order to send them tailored and customized ads and by doing so they wish to push consumers to act upon the marketer’s wishes, without exercising their own freedom of choice. Brehm (1989) states that consumers want to make a decision based on their own choice while acting

upon their freedom to think, feel and act. When marketers push tailored ads to them influencing their choices, consumers think of it as a threat to their autonomy and feel as if they are being controlled by the marketers. This triggers reactance, which is, in the words of Brehm (1989), a motivational state in which people tend to do exactly opposite of what they were asked to do as a response to them finding something forcible (Zarouli et al., 2016). Another concern raised by Tucker, C. (2012) is the disutility consumers may face upon receiving such highly 'informative' tailored ads, which causes them to react. This reactance causes them to avoid tailored ads and question the credibility of the brands from which they received the ads (Zarouli et al., 2016). Furthermore, consumers also start avoiding the websites that demand any personal information about their preferences etc to fill out a survey form or registering for anything, causing some to provide false information (Goldfarb & Tucker, 2011). Due to these privacy concerns consumers have started to perceive online tailored ads as creepy, intrusive and off putting, leading to a huge decline in the response rates of these ads (Goldfarb & Tucker, 2011).

### *2.3.1. Privacy concerns and Ad personalization*

Two key features of a retargeted ad are that one they are only sent to the consumers who already showed interest in a brand and two, they are personalized keeping in view customer's preferences. While this personalization in the ads provides many benefits to the companies, it has many negative consequences as well.

During a 2022 survey carried out among consumers who purchased something online in the past six months from various countries across the globe, 62 percent stated that a brand would lose their loyalty if it delivered a non-personalized experience (Statista, 2023). A personalized and customized ad reduces information overload and increases relevancy of the ads, aiding consumer's buying decisions. (Ansari and Mela, 2003). Consumers with highly particular preferences respond positively to highly personalized ads. (Lamberct and Tucker, 2013). Advertisers also get an opportunity to construct much close and deeper relationships with the customers by providing them with more relevant offers according to their desires (Rapp J, et al, 2009). Also, personalization is different from the traditional targeting as in this process consumers know that brands know their taste and preferences. When brands send retargeted ads to consumers containing personal information such as their last browsed or purchased item, their most browsed webpage etc, they let the consumers know that they are being targeted (Anand & Shachar, 2009). For example, companies like Google and Amazon making sure that the consumers know that the ads they received was personally designed for them. This might

be an effective strategy by firms as consumers might interpret these ads as signals to the product attributes that perfectly aligns with their preferences (Anand & Shachar, 2009).

Contrary to this, most of the times these ads are perceived as invasive, intrusive and a threat to consumer privacy (Zarouali et al, 2016; Rapp J, et al, 2009; Tucker., 2014; White., 2008), giving rise to ‘personalization reactance’ – resistance shown by consumers towards highly personalized advertisements (Zarouli et al., 2016). Even if the consumers know and have permitted the firms to use their information, these ads might receive negative responses if the consumers feel restrained by the feeling of being chased by the firms (White et al., 2008). Another reason that these personalized ads fail to elicit desired response is the phenomenon of ‘over-personalization’ (Blier, 2015), a phenomenon by which personalized ads start of losing its effectiveness as time passes by and consumer start changing their preferences. This over-personalization causes a decline in the click-through rates of the ads and decreases ad effectiveness as more and more time passes after the consumer has left the webstore. Hence in that scenario, less close personalization could be more effective if the ads are being sent after a week of cart abandonment.

To address these privacy concerns and reduce reactance, marketers are finding more ways to strengthen their privacy controls. By giving more controls to consumers and making them in charge of what and how much information they want to give can reduce reactance (Tucker, C., 2014). Additionally, marketers are adopting more options to make their offers look more attractive, such as improving brand trust, offering lower prices etc.

### *2.3.2. Role of Brand Trust*

Consumer’s distrust in a brand is another possible reason behind resistance to targeted advertisements. Consumers tend to distrust a brand due to breach in the privacy policies or if the firms lack to clearly specify how they are going to handle consumer’s personal data, or, as mentioned earlier, if the consumers fear lack of control (Rapp J, et al, 2009). If consumers distrust a brand, they become alert and wary while dealing with that brand, especially when they receive ads from they perceive it to be highly intrusive. (Zarouli et al., 2016)

Trust, as defined in Chaudhri and Holbrook (2001), is the willingness of consumers to depend on a brand and have faith that the brand will perform its declared responsibilities. Brand trust causes consumers to repeatedly buy from a brand despite the influence of marketing efforts from other brand, because they perceive such brand providing some unique and favourable

value. These repeated purchases not only increase brand's profits but also leads to an increase in the market share of the brand. Brand trust or loyalty is considered to be as a 'key mediating variable' in the relationships between a company and consumers.

In online shopping context, different levels of perceived risks attached to privacy affect consumer's utility or convenience from their shopping experience. Brand trust and perceived risks, respectively, increase or decrease this utility, influencing not only the choice of brand but purchase channel as well (Mazurek, 2016; p307). In this context, trust is a mixture of competence (brand's ability to provide goods or services in consumer's desired quality, time and price), benevolence (brands willingness to act in the favour of consumers), and integrity (honesty, fairness and responsibility shown by the brands). (Mazurek, 2016; p309). A little increase in brand trust and convenience in online shopping lowers consumer's risk perceptions leading to a positive effect on consumer's online shopping behaviours. Online brands need to introduce little means to communicate with the consumers, persuading them that the brand acts in the favour of consumers and they are not facing risks while shopping with them. This could improve overall shopping experience of consumers helping brands to increase sales and paving their way to increase future sales (Mazurek, 2016; p 316,349).

According to authors (Mazurek, 2016; p69), respecting consumer's privacy helps brands to establish strong trust-based relationships with the consumers which further leads to increase brand's net profits and market shares. Research shows that more than 42% of the consumers only make online purchases if they are buying from trusted brands (Mazurek, 2016; p365). Additionally, most of the consumers agree to release personal information only to the online brands with whom they have a trust-worthy relationship (Rapp J, et al, 2009).

To summarize, marketers need to focus on building brand trust as well as the personalization feature of the targeted advertisement in order to reduce ad reactance.

## *2.4. Consumer's attitude towards Retargeting*

Defined by Eagly (1998), attitude is a psychological and internal state of a person that is not overtly observable but rather can be evaluated from their responses towards certain events or individuals. Consumers show different attitude towards retargeting which can be evaluated by several responses such as ad avoidance, number of website visits or increase or decrease in purchase intentions. Most advertising is targeted, and it is understood that the customers are

aware of the fact that the firm is knowingly targeting them by using the information about their taste and preferences. Sometimes they perceive these ads as ‘persuasion’ and might show a positive response, other times they can even interpret ads as ‘brain washing’ and ‘manipulation of tastes’ and show a negative response (Aanand, 2009). Targeted advertisement might even reduce sales if the consumers start to avoid or ban these types of ads due to the fear of being tracked by the companies. (Johnson et al., 2019). Sometimes ads are misperceived by the customers due to them misreading the ad, ignoring, or not paying enough attention to the ad or maybe vague language of the ad content (Aanand, 2009). Furthermore, customers with higher privacy concerns might feel constrained by the sense of being too exposed, identifiable, or observable by the firm. Even consent based usage of personal information leads to negative responses by the customers (White et al., 2008). An interesting fact to consider while evaluating consumer’s attitude towards retargeting is their perception of the outcome they get as a result of these ads. As stated by Ajzen and Fishbein (1967) in their theory of reasoned action, an attitude is developed based on the belief if a certain behaviour will end up in a desirable or undesirable outcome. If consumers believe that paying attention to these ads will result in getting something valuable e.g., necessary information, they might behave positively towards these ads and vice versa. Later, during the last stages of purchase decision process these positive or negative attitude influence their purchase intention, finally leading to their decision to buy or not buy a certain product.

There are several factors that drive people’s attitude towards retargeted ads in positive or negative direction. Different authors have studied various factors such as privacy concerns, timing and frequency (Sahni et al., 2019), personalization (Lamberct and Tucker, 2013), ad content and firm’s choice of advertising medium (Anand, 2009) etc. Explained below, there are some factors that are not yet explored in the retargeting context. This study fills this research gap by exploring those unique factors to understand consumer’s attitude and examines if these factors help deriving positive or negative attitude towards retargeting.

#### *2.4.1. Product Sustainability*

With the rise in environmental consciousness, customers have been showing a thoughtful behaviour about what they buy and consume. To cater to the needs of the consumers who want to make choices supporting a sustainable lifestyle, companies are focusing on developing businesses strategies that involve sustainable development (Nagar K., 2015). One of the means of developing strong customer trust and increasing customer’s purchase intention is

promoting/selling sustainable products (Yansritakul et al., 2017). Along with manufacturing ecofriendly products, it is an utmost requirement of a business to promote these products in an effective way to create awareness about their environmental concerns as a means of getting consumer's attention. A contemporary term used for the promotion of sustainable products is Green Advertisement, which addresses the link between a brand's products/services with environment, how the brand is being environmentally responsible and aiding to the promotion of a green lifestyle. Through this type of advertisements brands can build a strong positive reputation, develop higher customer's trust and create a positive impact on customer's attitude towards green products (Lavuri et al., 2022). Consumers are sometimes willing to pay a higher price for an ecofriendly product than for a generic product (Nagar, 2015) and show a positive response and approval towards green ads as compared to simple ads (Lavuri, 2022).

#### *2.4.2. Webstore Experience*

While talking about building strong brand trust to gain positive customer's response towards advertisement, a good website experience is an important factor to consider. An effective website design is essential in providing a good website experience by delivering enjoyment to users, ease of use and perceived usefulness. Gehrke and Turban (1999) claim that for an e-commerce business, success in sales and profits mainly depends on an effective website design.

Website design preferences may vary across cultures and could include information available on the website, visual design or ease of navigation (Cyr, D., 2008). Furthermore, page loading speed, and cybersecurity are also important determinants in ensuring website design effectiveness (Gehrke and Turban, 1999). By focusing on user's experience on the website and improving website design aesthetics, companies can not only attract new users but also gain good user retention as now users would want to stay on the website for a longer period of time (Cyr, D., 2008). An effective website design containing good navigation and visual appeal can also result in customer satisfaction and loyalty towards the webstore (Cyr, D., 2008).

#### *2.4.3. Discount offering*

As mentioned earlier, a reason behind customers reacting to personalized ads is the disutility consumer feel from the intrusiveness of the ads. According to White (2008), consumer's reactance to personalized ads is dependent upon the perceived utility of the goods or services offered by the ad. While deciding whether they should disclose their personal information to firms, consumers compare the potential utility with the potential threats attached to disclosing



such information. If the utility or benefits of the goods exceed the psychological costs of privacy invasive ads, consumers might become willing to bear these costs. Utility is one of the important drivers of behaviours and intentions. If consumers perceive utility of an advertisement to be high, they welcome these ads and might be willing to form good relationships with the company that provides useful products or services no matter whether and how much personal data the company has collected (White et al., 2008).

In order to increase the perceived utility, advertisers add a scarcity nudge or offer price discounts in the personalized retargeted ads. Examined by Luo (2019), in the earlier stages of buying process when the preferences are not very specific, scarcity nudge is highly effective. However, as the customer advances towards the end of decision-making process, price incentives are 11.4 times more likely to drive positive attitude towards the ads and result in an increase in purchase intentions. Hence, it is important for marketers to match their offers with different stages of the consumer decision making process and prevent useless targeting.

As already mentioned, consumers leave their shopping cart abandoned due to reasons like not being able to afford the costs or to compare the price of product with other brands. After consumers have put the products in their shopping carts and have narrowly construed preferences, a price incentive (e.g., a percentage off or free shipping etc.) may persuade the consumers to immediately buy the product. With these price incentives, a customer with low budget might also be able to buy the product on discounted price. Additionally, shoppers with sufficient or high budget can also take advantage of the discounted price as now the economic costs of buying are low. Therefore, price incentives increase the perceived utility of the ad, leading to high purchase intentions.

However, Li, J. et al. (2021) raised a concern that repeatedly using this tactic might train customers to purposefully abandon cart products and wait for price discounts to buy the product. Moreover, offering discounts repeatedly can have a negative impact on the perceived quality of the brand, but this is out of the scope of this paper.

## 3. Model and Hypotheses

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### *3.1. Overview*

The theoretical framework for this research aims to explore and analyse the role of retargeting in the context of online marketing and specifically digital media advertising. It has been developed to provide an understanding of the factors and stimuli that may or may not affect a consumer in the context of retargeted advertisements, in order to perceive the effectiveness of said factors towards creating an optimal consumer journey online.

Here, the consumer journey is of paramount importance – in order to stipulate a working theoretical model for increased marketing effectiveness, it is important to look at the outline of a consumer's awareness of and interaction with a brand. Scholarship regards a successful consumer journey to have three levels – the pre-experience, the actual customer experience, and the post-experience (Tynan & McKechnie, 2009). Riivits-Arkonsuo, Kaljund and Leppiman (2015) further elaborate that the journey starts with a direct or indirect encounter with the brand, and should ultimately lead to brand loyalty and advocacy. Online, it takes the shape of five main phases derived from the conventional three: landing, product identification, product presentation, cart, and finally order completion and payment (Mangiaracina et al., 2009).

As a significant portion of today's consumer base constitutes millennials and gen z, who have been found to have exceptionally short attention spans (Khadar, 2020), many consumers may not move past the first few phases. Moreover, the prospect of choice overload when it comes to online content (Yun & Duff, 2017) means that brands have to constantly compete with content of every type under the principles of attention economy. This means that the conventional approach of consumer journey mapping, where touchpoints are considered part of a horizontal sequence is no longer the optimal method for effective brand communication. Rosenbaum, Otalora and Ramírez (2017) have expounded upon this linear sequence-based consumer journey by proposing a Consumer Journey Mapping method that lays emphasis on the individual touchpoints encountered by the consumer and facilitates the development of strategic categories along the vertical axis, depicting possible strategic initiatives for each touchpoint.

This means that any effective marketing experience should factor in novelty, element of surprise, personal relevance, engagement and learning not just holistically (Poulsson & Kale, 2004), but on every individual touchpoint as well, along with treating each touchpoint as its own entity instead of a small cog in the marketing machine.

In the case of online retargeted advertising, it is therefore apparent that relevant factors need to be considered in order to increase effectiveness and maximise impact. Here, the Elaboration Likelihood Model is an appropriate and useful starting point for determining these factors and their level of effectiveness on end-users (Shahab et al., 2021).

### *3.2. Elaboration Likelihood Model*

Originally developed by social psychologists by Richard E. Petty and John Cacioppo (1986), Elaboration Likelihood Model explains how persuasive communication is processed by people and how it can change their attitude. According to this model, a person can take one of the following routes when processing persuasive communication based on motivation levels and cognitive abilities:

- a) The Central Route: This route requires an extensively involved audience that can carefully consider and think about contents of the message. This route is utilized when the audience is motivated and able to think about the message, and allows for long-term persuasion.
- b) The Peripheral Route: This route relies on superficial cues like imagery and emotion that do not necessitate high level of thinking or consideration by the audience. It is normally utilized if the audience is not motivated enough to engage cognitively with the messaging, and persuasion through this route is generally temporary.

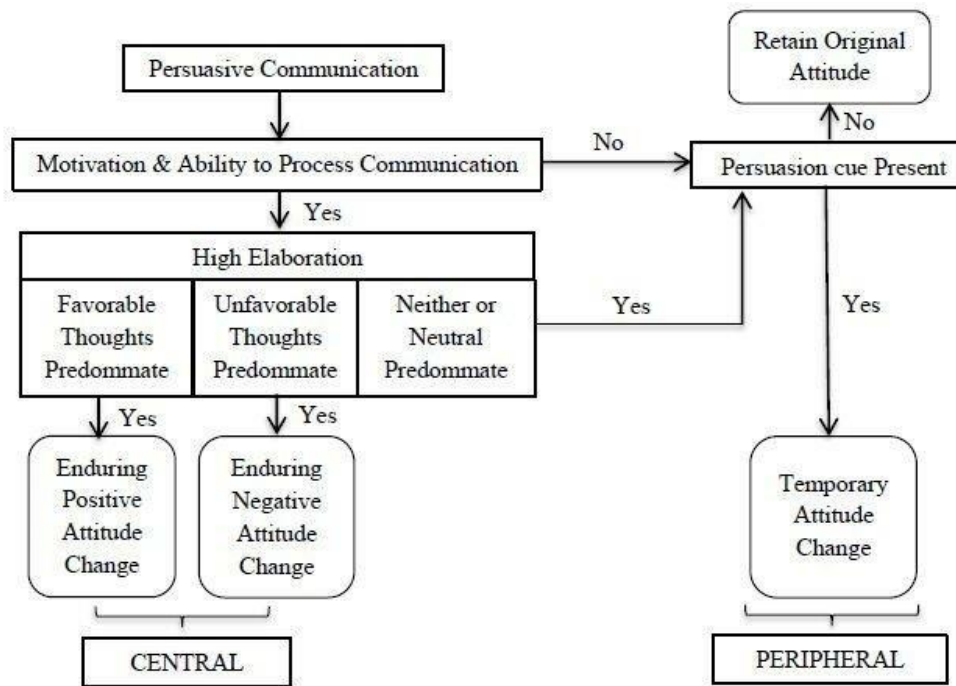


Figure 5. The Elaboration Likelihood Model (ELM) (Source: Nguyen, 2016)

ELM has found applications in diverse areas of multichannel marketing and brand management ranging from research on the consumer decision-making process, consumer behaviour, advertising strategies, and cross-cultural marketing (Kitchen et al., 2014), to fields such as political advertising, product marketing, health marketing and environmental marketing.

However, as established by Kerr et al. (2015) in a series of replication studies across multiple countries, the traditional variation of the model does not fully account for the interactive and multifaceted nature of online media and is therefore inconsistent in predicting consumer attitude and behaviours in that context. Hence, scholars have proposed various alterations for ELM in this regard in order to update it for the cyberspace (Holt, 2020; Lowry, 2012; Chen & Lee, 2008).

### 3.2.1. Extending ELM to Retargeting

By dissecting retargeted advertising as per its definition (Sahni et al., 2019), it is fairly evident that the process comprises two distinct, interconnected phases: an individual's prior experience with the brand, particularly in the context of e-commerce, and that individual's subsequent encounter with the retargeted advertisement.

The inherent prerequisite of having prior experience with a brand means that retargeted ads generally rely on the peripheral route through attractive visuals or appealing offers etc. and

don't require high involvement. Nonetheless, there is a high likelihood of the consumer having different motivation levels during their brand interaction in each phase and thus the peripheral and central routes of the Elaboration Likelihood Model may not be able to propose an optimal execution strategy for retargeting. A more effective retargeted ad strategy can be made by combining elements of both routes such as captions, visuals, and informative content so that the content can grab attention as well as provide compelling arguments in favour of the brand/product.

### *3.3. Hypotheses*

The focus of this research is two specific factors that have been shown to have an effect on consumer behaviour in terms of general online marketing and advertising – product sustainability (Nagar, K., 2015; Lavuri, 2022) and a positive webstore experience (Cyr, D., 2008; Gehrke & Turban, 1999). The goal is to determine if these factors affect consumers' attitudes towards retargeted advertisements and if so, then in what way. Furthermore, another factor i.e., discount offered in the ad can be regarded as an additional feature of the retargeted ads, that could help in persuading less motivated and low involved individuals. The hypotheses consequently reflect this goal.

#### *3.3.1. Impact of Product Sustainability*

While ordinary advertisements might be irritating or unwelcomed by the consumers, green ads have the possibility to attract environmentally conscious individuals. As already established from the literature review (referring to chapter 2.4.1), promoting green products in the advertisements helps the advertisers in developing positive reputation, building consumer's trust and gaining a positive attitude towards the ads. With this being said, it can be inferred that promoting green products on the webstore and sending retargeted ads that contain information about such product to the consumers might lead to a positive consumer attitude towards retargeting. Hence, the first hypothesis of this research is aimed at looking at the correlation between product sustainability of a brand and consumer attitude towards retargeted advertising from said brand.

**H1:** Product sustainability influences consumer attitude towards the retargeted advertisement.

**H1a:** Product sustainability is directly proportional to positive consumer attitude.

**H1b:** Product sustainability is indirectly proportional to negative consumer attitude.

Furthermore, discount offering is a useful feature of the retargeted ads that moderates the reaction towards the ads by increasing consumer's perceive utility of the ads. For example, the irritation caused by the retargeted ads can be reduced by offering a percentage of discount in the ads (Luo, 2019; referring to chapter 2.4.3). Thus, it can be established that discount offering would also help in increasing an already formed positive attitude due to other factors (such as product sustainability or a good webstore experience).

Therefore, the second hypothesis adds discount offers as a moderator to see how it affects the correlation proposed by H1 and its corollaries.

**H2:** Discount offering positively moderates the influence of product sustainability on consumer attitude.

**H2a:** Discount offering positively moderates the influence of product sustainability on positive consumer attitude.

**H2b:** Discount offering positively moderates the influence of product sustainability on negative consumer attitude.

### 3.3.2. Impact of Webstore Experience

As already mentioned, a positive webstore experience can possibly lead to a customer loyalty and satisfaction (referring to chapter 2.4.2). Consumer's having a good webstore experience are likely to be more loyal to the brand, revisit the webstore and stay on the webstore for a longer period of time. Hence, it can be established that a positive webstore experience would likely be helpful in generating a positive response towards the retargeted ads. Thus, the third hypothesis examines the correlation between webstore experience and consumer attitude towards retargeted advertisements from the store.

**H3:** Positive webstore experience influences consumer attitude towards the retargeted advertisement.

**H3a:** Positive webstore experience is directly proportional to positive consumer attitude.

**H3b:** Positive webstore experience is indirectly proportional to negative consumer attitude.

Similarly, the final hypothesis is concerned with looking at discount offers as a moderator to see how it affects the correlation proposed by H3 and its corollaries.

**H4:** Discount offering positively moderates the influence of positive webstore experience on consumer attitude.

**H4a:** Discount offering positively moderates the influence of positive webstore experience on positive consumer attitude.

**H4b:** Discount offering positively moderates the influence of positive webstore experience on negative consumer attitude.

The model below provides a cumulative overview of the hypothesized correlations:

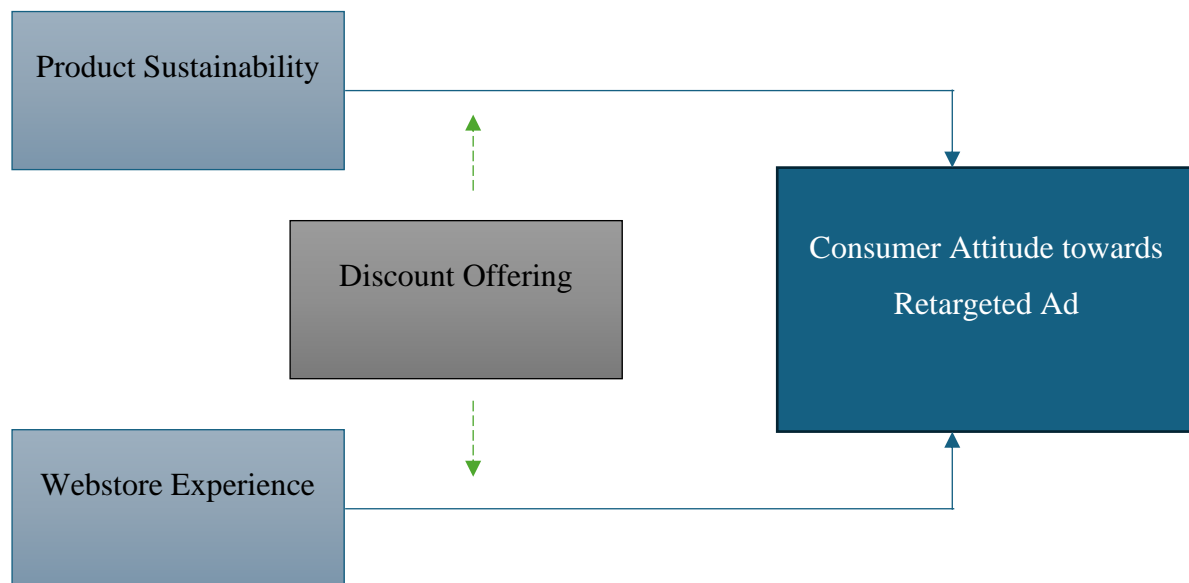


Figure 6. Conceptual Framework

## 4. Methodology

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The purpose of this study is to discover the direct and inverse effects of product sustainability and webstore experience on the positive and negative attitude of consumers towards retargeted ads respectively. Furthermore, a moderate impact of discount offered in the ads will also be explored.

In order to study all the research questions mentioned in the introduction chapter, a suitable research design is needed which is a complete guideline for data collection, data analysis and generating results. As suggested by Saunders et al (2009, p.136), a research design is a) your plan to how you are going to answer your defined research questions, b) has clear objectives and c) clearly specifies your data collection sources and methods. Keeping in view all these characteristics, a detailed research design has been devised to continue this research by applying primary data after the secondary data has been explored.

### *4.1. Research Design*

An online survey about the effects of multiple factors (mentioned above) on attitude towards retargeting and purchase intention was conducted to test the hypotheses. The hypotheses were established based on the findings of the previous literature and a research model was created based on the previously defined research questions and hypothesis. This implies that a deductive approach of research was used, as explained by Saunders (2009, p.127), an approach emphasizing on cause-and-effect relationships between variables, moving from theory to data and requiring to collect quantitative data.

Furthermore, for this study consumer's attitude in the present time needed to be studied instead of examining a change in the attitude over time, hence a cross-sectional study was required for data collection, which is the most suitable and relevant study design when assessing attitudes and knowledge (Kesmodel, 2018).

According to Saunders (2009, p.144), to study the relationships between variables while following a deductive approach of research, survey strategy works best. This strategy is highly economical way of collecting a large amount of data from a huge population. Research found out that using online survey methods is cost effective as it cuts the costs by 20%-40% while giving you a privilege of increasing sample size without affecting costs. These surveys are also



efficient in providing results in a very short time when compared to traditional methods of data collection (Kuada, 2012, p.111). Saunders (2009) further state that, as compared to others, ethical issues attached to survey strategies are very few because of the usage of structured and standardised questions which are interpreted by all the respondents in a similar manner. These questions also tend to avoid the discomfort of respondents with the fear of revealing more information that they want to (which is a problem with in-depth interviews containing open-ended questions). Hence, a survey with cross-sectional study design seems to be the most suitable option for this study.

## *4.2. Procedure*

To make a successful survey design, Kuada (2012) has proposed six comprehensive steps to follow. Starting with defining the survey objectives and deciding what survey method to use, then pre-testing the survey and modifying accordingly, followed by defining sample size, recording the data, analysing, and finally writing the report. The development of survey and data collection procedure was done using these steps as guidelines but the research process was not strictly limited to these steps.

### *4.2.1. Step 1*

As the research approach is deductive in nature, relevant literature and theories were reviewed and hypotheses were formulated based on the findings of existing literature. Before creating the survey and designing the questions, according to Kuada (2012, p.111) the survey objectives must be clearly defined. Furthermore, these objectives should be relevant to the research purpose, theories and models that are presented earlier in the study. In order to test hypotheses defined earlier, an online survey was required to collect information about consumer's shopping behaviours, their encounter with retargeted ads, specific factors affecting their attitude towards these ads and its effects on their purchase intention. Additionally, it was crucial to only collect data from consumers who are frequent online shoppers and are well-experienced in receiving digital ads. Finally, survey questions had to be created based on cross-sectional approach.

After defining the survey objectives, the population of interest needs to be determined (Kuada, 2012). For this research, it was decided that data would be collected from US population as the e-commerce industry in the US has been consistently increasing since the past decade and can

be regarded as the largest e-commerce market in the world. It has been reported that in the last quarter of 2022, roughly 75% of the Gen Z population in the US purchased something from social media platforms (Statista, 2023). It can be expected that if this large number of populations is shopping online, they are expected to be well experienced with the retargeted ads. Hence, it seems reasonable to collect required data from such a population and receive the authentic information.

Next phase is to assess available resources for data collection. There are many online survey tools such as SurveyMonkey, Prolific, Qualtrics, SurveySparrow etc. Detailed research was conducted to compare useability, features, customization offers and affordability of multiple survey tools. Although Qualtrics provides the best features regarding creating online surveys and it's an all-in-one platform for survey creation and data collection, its subscription was too costly. In addition to this, due to time limitations it was necessary to use an online platform that could collect required number of responses in a short time. After analysing and comparing all the platforms and keeping in view the costs and time constraints, creating survey on Qualtrics, and publishing it on Prolific; an online platform that helps recruiting respondents for online researches, appeared to be the best and efficient option.

Once the online survey tool and data collection source were decided, next thing was to develop survey questions (Check appendix (i) for the complete overview of the questionnaire). The survey was divided into four parts to make it a structured questionnaire, comprising of a total of 13 questions, four in first, five in second and two in the third and fourth part each. On the first page of survey, instructions were given in which respondents were asked to remember the last time they visited a webstore and afterwards they received an ad about the products they looked at, and were asked to answer the questions keeping in mind their experience (check appendix ii).

The first part of the survey was comprised of the specific questions about the ad and what did it offer. The next part contained questions about consumer's experience with the ad such as their feelings towards the ad, context in which they received the ad, their perception of the brand, its website, and its products etc. For the purpose of creating control variables, some control questions were asked in the third part asking about respondent's shopping frequency; thus, to eliminate those responses who have little to no online shopping experience. Finally, the last part of the survey asked questions about respondent's demographics for further analysis. As instructed by Kuada (2012), it is proficient to put demographic questions at the

end of survey as some people are unwilling to answer such questions and but until the end of survey they might feel comfortable enough while answering these questions.

#### *4.2.2. Step 2*

The next step requires to run a pilot study to test the quality of the questions, to check any technical errors and if the questions are easily understandable. In order to increase the validity of the results, already tested measurement variables from previous research (explained in the next part) were used to develop questions.

To run the pilot study, the survey was shared with acquaintances and fellow students (a total of 8 respondents comprising of five females and three males) and a few questions were modified based on their feedback.

#### *4.2.3. Step 3*

Next step is to determine the sample size and locating respondents. As previously mentioned, the survey was to be published on Prolific, which allows several features useful for this research such as recruiting respondents from specific locations and adding participant screening so that only eligible users take part in the study who meet a certain criterion. For this study, a sample size of 300 respondents was decided due to cost limitations (as increasing the sample size would increase costs) and a few respondent screeners were added such as US national and frequent online shoppers. Adopting another way to increase the validity of the results, the sample was completely randomized to avoid sample error and sampling bias. The online survey link was directly shared to required participants via prolific and the data was recorded on Qualtrics.

#### *4.2.4. Step 4*

According to statistics provided by Prolific, after the screening 46,321 out of 148,111 participants were eligible to take part in this study. The survey was exposed to more than 360 participants out of which 55 respondents left without completing the survey and the data was collected from 309 participants. From the recorded data, few responses were eliminated based on control variables and then the data was ready to be analysed.

For the statistical analysis of the data, RStudio and Mplus was used to run the structural equation modelling. Before the analysis, the data was checked for validity and reliability through confirmatory factor analysis.

#### *4.2.5. Step 5&6*

The final steps in Kuada's process of survey research are to present and discuss the results based on statistical analysis, which are presented in the next chapters.

### *4.3. Measures*

#### *4.3.1. Measure Items*

The research model for this study consists of 8 variables, and to measure these variables different measurement items have been used amongst which most of the items have been taken from past research and a few were developed exclusively according to the requirements of the study. Establishing survey design based on already used and tested measures can increase research reliability and is an efficient way to measure items as one can meet its research objectives easily and, in less time, (Saunders et al., 2009). Attitude towards ad was measured using three items (relevant, interfering, intrusive and unwelcome) from White et al (2008) and an extra item i.e., interesting was added according to the requirements of research. The latent construct Positive Attitude had three measurement items 'ad was liked', 'ad was relevant', and 'ad was interesting'; and the construct Negative Attitude had three items 'ad was intrusive', ad was interfering', and 'ad was unwelcome'.

For all remaining variables i.e., discount offering, product sustainability and webstore experience, no relevant measurement items were found in previous studies. Hence, the construct Webstore experience was loaded on three measurement items 'exciting webstore', 'webstore has interesting products', and 'webstore is fun to check'. Finally the construct Product sustainability was loaded on two items 'products scowere high on sustainability' and 'products are environment friendly'.

The questions were kept short, clear and relevant for the respondents following the questionnaire guidelines by Kuada (2012) according to whom the entire questionnaire should be short and precise.

### 4.3.2. *Measure Scale*

Majority of the variables were measured using rating questions, which are commonly used to collect opinion data (Saunders et al, 2009). As these questions mainly use a scale, most frequently a likert-scale, in order to get the opinion of the respondents; a five-point likert scale from completely disagree to completely agree was used to measure attitude, ad context, sustainability, website aesthetics and brand trust. Other variables were measured with simple yes/no questions or giving a range of options such as in case of measuring the level of discount offered in the ad a range of discount percentages were provided and customers were asked to choose from them. A neutral category i.e., neither disagree nor agree was added while using this rating scale as these types of categories tend to be less threatening to respondents as compared to them admitting of not having any opinion (Saunders et al., 2009).

Furthermore, previous studies such as White et al (2008), Chaudhry and Holbrook (2001) and Hasan (2016) also used a 7-points Likert scale rating style for their measurement items. However, for this study a 5-point likert scale instead of seven as Saunders (2009) says the likert scale should be determined according to the requirements of a model.

### 4.3.3. *Sample Descriptive*

As shown in the figure, out of 309 respondents, 46% were female and 53% were male, with only 1% belonging to other genders. Hence, it can be concluded that the sample was almost evenly distributed and was suitable to represent the male and female population of the online shoppers in the United States.

Table 1. Gender statistics, N=309

Q12 - Your gender	Percentage	Count
Other	1%	2
Female	46%	143
Male	53%	164

Coming towards age, figure two reveals that majority of the respondents belonged to the age range of 35-44 years (32%) and 25-34 years (26%). Surprisingly, only 8% of the respondents belonged to the age bracket of 18-24 years; although, as mentioned earlier, a large number of

Gen-Z population shops from platforms. The reason could be lack of exposure or interest in filling out the survey.

Table 2. Age statistics, N=309

Q13 - Your age	Percentage	Count
18-24	8%	24
25-34	26%	80
35-44	32%	99
45-49	8%	26
50-54	9%	28
55-59	6%	18
60+	11%	35

Last question from the sample demographics section was about the main occupation of the respondents with employed, unemployed and student as the options to choose from. Figure below shows that major chunk of the respondents was employed, with 18% of unemployed respondents and only 3% of the respondents were students.

Table 3. Main occupation, N=309

Q14 - Your main occupation	Percentage	Count
Student	3%	10
Employed	78%	243
Unemployed	18%	57

#### 4.4. Data Cleansing

Although, prior to publishing the survey respondent screening was added so only relevant and eligible people would respond to the survey. Nevertheless, to make the results more reliable and avoid biases and errors, some control questions were asked such as *About how many products have you bought online last year*, in the second last part of the survey (see appendix). As highlighted in the figure below, 2 of the respondents answered that they did not buy any product online throughout the previous year, hence their response was eliminated as only those responses were relevant for the research that came from those who had frequent experience with online shopping and digital ads.

Table 4. Frequency of online shopping of the respondents

Q10 - About how many products have you bought online the last year?	Percentage	Count
0	1%	2
1-4	13%	40
5-10	19%	58
10-20	21%	64
20+	47%	146

#### 4.5. Measure Validation

After the conceptual framework has been developed and the required data has been collected, the next and the most important step is to check if the measurement model is valid enough to

achieve its intended goals. This can be done by a) checking the overall goodness-of-fit for the measurement model and b) collect evidence for the construct validity of the model (Hair et al., 2006, p. 576). The validity and the overall fit of the model was observed by the Confirmatory Factory Analysis (CFA) which is used by many past researchers in measuring attitudes and personality traits (Fontaine, J., 2005) by using Lavaan Package (version 0.6-9) in R (version 4.1.2).

Firstly, the global fit indexes indicated a reasonably good fit of the model ( $x^2/df=1.86$ ,  $CFI=0.965$ ,  $RMSEA=0.056$ ). Furthermore, four indexes i.e., CFI, TLI, RMSEA and SRMR have been used to reflect the fitness of the model. Results revealed that the model was overall a good fit with all the Fitness Indexes meeting the requirements of being on the acceptance level. The Fitness indexes, their level of acceptance and the results of the goodness-of-fit statistics shown by CFA are presented in the table below:

Table 5. Goodness-of-fit indexes of the measurement model

<b>Fitness Index</b>	<b>Abbreviation</b>	<b>Acceptance level</b>	<b>CFA Results</b>
Chi-Square	$x^2$	n.a	212.41 (p<0.01)
Degrees of freedom	$df$	n.a	114
Normed chi-square	$x^2/df$	< 2	1.86
Comparative Fit Index	CFI	CFI > 0.9	0.965
Tucker-Lewis Index	TLI	TLI > 0.9	0.953
Root Mean Square Error of Approximation	RMSEA	RMSEA < 0.08	0.056
Standard Root mean residual	SRMR	SRMR < 0.08	0.046

\*Acceptance levels based on Hair et al. (2006)

After checking the goodness of fit, the next thing to be assessed was the Construct Validity of the model which examines the accuracy of the model. According to Hair et al., (2006, p.618) Construct Validity is the ability of the measure items to accurately explain the latent constructs and it comprises of the assessment of convergent validity and discriminant validity. The



convergent validity of the model was assessed by factor loadings, average variance extracted (AVE) and Construct Reliability (CR), which are presented in the table below.

According to the thresholds provided by Hair et al (2006), the St. factor loadings to be positive and should be 0.6 or higher. For an adequate convergent validity, AVE should be 0.5 or higher and CR should be 0.7 or higher to suggest adequate reliability of the model. The table shows that the factor loadings for almost all the items are above the required threshold except for the measurement item ‘ad was relevant’ of the latent construct Positive Attitude (as it was 0.593 which is approximately equal to 0.6, the item was decided to not be deleted). Furthermore, the CR values of all the items were above the required value of 0.7, ranging from 0.81 to 0.90, hence indicating an adequate Reliability. Finally, the convergent validity was again proved to be adequate with AVE values of all the measurement items ranging from 0.63 to 0.82 i.e., above the threshold suggested by Hair et al. (2006).

Table 6. Overview of factor loadings, CR and AVE for all the four constructs

<b>Dimension</b>	<b>Measurement Items</b>	<b>St. Factor Loadings</b>	<b>CR</b>	<b>AVE</b>
Positive Attitude	Ad was liked	0.865***	0.81	0.63
	Ad was Interesting	0.593***		
	Ad was relevant	0.891***		
Negative Attitude	Ad was intrusive	0.891***	0.89	0.74
	Ad was interfering	0.836***		
	Ad was unwelcome	0.849***		
Webstore Experience	Exciting Webstore	0.830***	0.88	0.71
	Webstore has interesting products	0.810***		
	Webstore is fun to check	0.883***		
Product Sustainability	Products score high on sustainability	0.943***	0.90	0.82
	Products are environment friendly	0.860***		

To summarize, after checking the model for goodness-of-fit and construct validity it can be concluded that the model is overall fit and fulfils all the standards of an adequate model.

To further measure the construct validity, the discriminant validity of the model was assessed which is the extent of distinction between the constructs (Hair, 2006). To meet the requirements of achieving discriminant validity it is important all the factors are unique and the correlations between them are lower than 0.8. The results of the discriminant validity are presented in the table below which clearly shows that none of the construct correlations exceed 0.8.

Table 7. Correlation matrix

<b>Latent constructs</b>	<b>CR</b>	<b>AVE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Positive Attitude (1)	0.81	0.63	<b>0.79</b>			
Negative Attitude (2)	0.89	0.74	-0.633	<b>0.86</b>		
Webstore experience (3)	0.88	0.71	0.606	-0.373	<b>0.84</b>	
Product Sustainability (4)	0.90	0.82	0.574	0.377	0.635	<b>0.91</b>

Furthermore, the uniqueness of all constructs can be assessed through the Fornell and Lacker (1981) criterion. According to this criterion, the square root of AVE of each latent construct should be higher than its correlations with other latent constructs. Presented in the table, the square root of AVE of all the constructs is in bold and the correlations between all constructs is located off-diagonal. Comparison of the two values indicates that all the correlation values are below the square root of the respective AVE and hence the discriminant validity criterion is met as instructed by Fornell and Lacker (1981). Adequate discriminant validity of the model means that all the constructs are unique and explain the variance in their respective measured items better than what they explain while sharing with other constructs (Hair et al., 2006).

# 5. Structural Equation Modeling

After cleaning the data and checking the data for its validity and reliability, all the eight hypotheses were tested with structural equation modelling (SEM) using Rstudio and Mplus. The SEM examined the effects of product sustainability and webstore experience over the positive and negative attitude towards the retargeted ads. Furthermore, the moderate effect of discount offering in the ads was also investigated. Figures 1 and 3 below show the results of both analysis (direct effects and along with moderation) with the p-values of all the tested relationships.

## 5.1. Direct effect without the role of moderator

Firstly, the direct effect of product sustainability and webstore experience over the consumer's attitude (negative and positive) was analysed under SEM to examine the hypotheses 1-4. As can be seen from the table 1, all the relationships are statistically significant on the significance level of  $p < 0.05$  and only one relationship i.e., product sustainability  $\rightarrow$  Negative attitude was statistically significant with  $p < 0.10$ .

The strength and direction of the relationship between variables can be assessed by the standardised coefficients or the Beta. Figure 11 shows the beta coefficients of the variables, representing the strength and direction of the relationships of all variables.

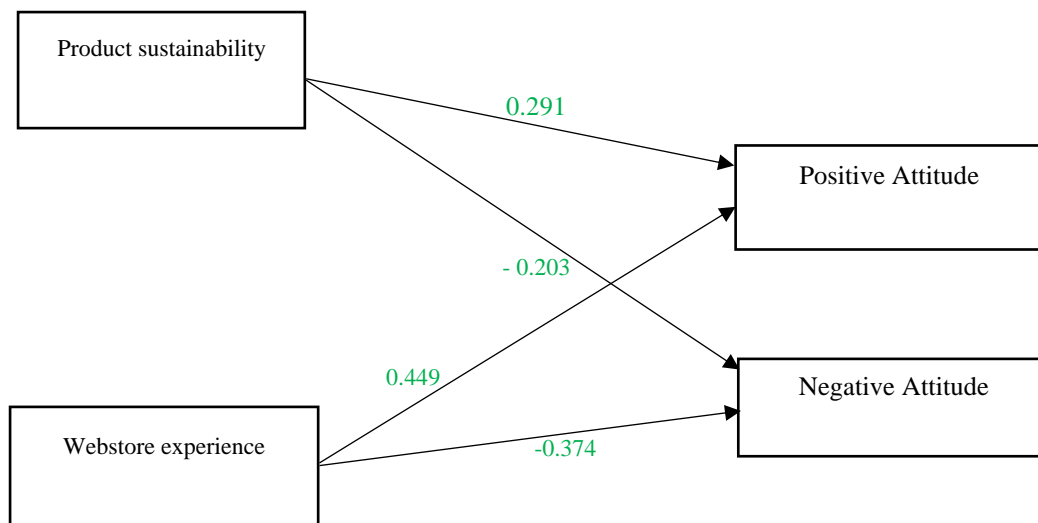


Figure 6. Direct effect without the role of moderator

The standardized coefficients along with the respective p-values are presented in the Table 1. As shown in the Table 1, product sustainability showed a positive significant impact on the consumer's positive attitude towards the retargeted ads. With  $B=0.291$ , it can be estimated that with the increase in product sustainability, consumer's positive attitude towards the retargeted ads would also increase, hence supporting H1a. Additionally, results from the analysis of the relationship between product sustainability and consumer's negative attitude towards the ads show a strong relationship between the two variables but in the opposite direction ( $B=-0.203$ ). Means by increasing product sustainability, negative attitude towards the ads can be decreased which confirms H1b.

Consequently, results from the analysis of the impact of webstore experience over consumer's attitude show a direct significant relationship between the two variables when looking at the positive attitude ( $B=0.449$ ), and an inverse strong relationship in case of negative attitude ( $B=-0.374$ ). Means greater the webstore experience, higher the positive attitude and lower the negative attitude towards the ads, therefore H3a and H3b are confirmed as well. Furthermore, comparison of the coefficients of the impact of both product sustainability and excitedness over consumer's attitude reveals a greater impact of webstore experience on the formation of a positive attitude or decreasing the negative attitude towards the ads than the impact of product sustainability.

Table 8. Coefficients and p-values for analysing the direct effect of the variables

Hypothesis	Relationship	Coefficients	P-value	Result
<b>H1a</b>	<i>Product sustainability → Positive Attitude</i>	0.291	0.000**	Accepted
<b>H1b</b>	<i>Product sustainability → Negative Attitude</i>	-0.203	0.057*	Accepted
<b>H3a</b>	<i>Webstore experience → Positive Attitude</i>	0.449	0.000**	Accepted
<b>H3b</b>	<i>Webstore experience → Negative Attitude</i>	-0.374	0.002**	Accepted

## 5.2. Analyzing the role of 'discount offering' as a moderator

Previously, it has been proven that product sustainability and webstore experience posses direct impact on consumer's positive attitude towards the ad and have an inverse relationship with

the formation of negative attitude. After checking the basic model without moderation, next step is to examine the role of a moderator in this relationship.

As explained earlier, a moderator can strengthen, weaken, or even alter the direction of a relationship. Moreover, unlike a mediating variable that plays a dual role effect or causal variable depending on which part of analysis is in focus; a moderator variable serves as an independent variable in the entire causal relationship and acts on the same level as predictors (such as product sustainability or webstore experience in this case). However, although the moderator is an independent variable, while doing the statistical analysis it is more effective to test the combined effects of moderator x predictor on the dependent variable instead of checking the effects of moderator and predictor separately (Baron and Kenny, 1986). Baron and Kenny advise to create a path diagram mapping the role of moderator for descriptive and analytical analysis (shown in the figure below).

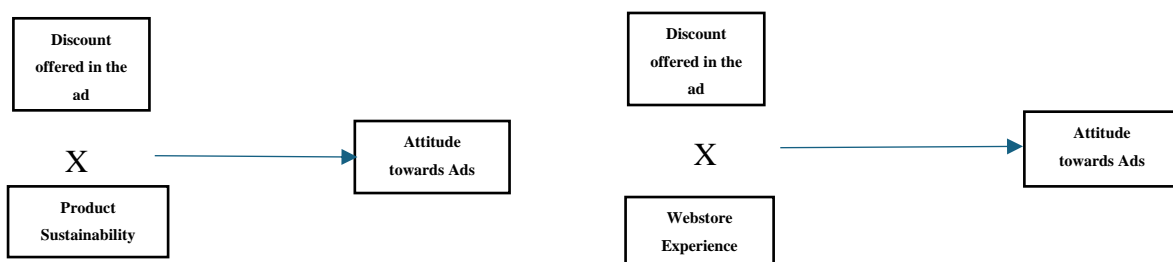


Figure 7. Path diagram showing the moderation of impact of the two variables on attitude due to Discount offered in the ads

As suggested by Baron and Kenny (1986), the moderator hypothesis would only be accepted if the relationship shown in the path diagram is significant. To check the significance of the relationships, p-values of the combined effects of discount offering and predictor variables have been observed. The results reveals a somewhat significant role of discount offered in the ads in moderating the relationship between the previously studied independent variables (Product sustainability and Webstore experience) on the attitude towards the ads.

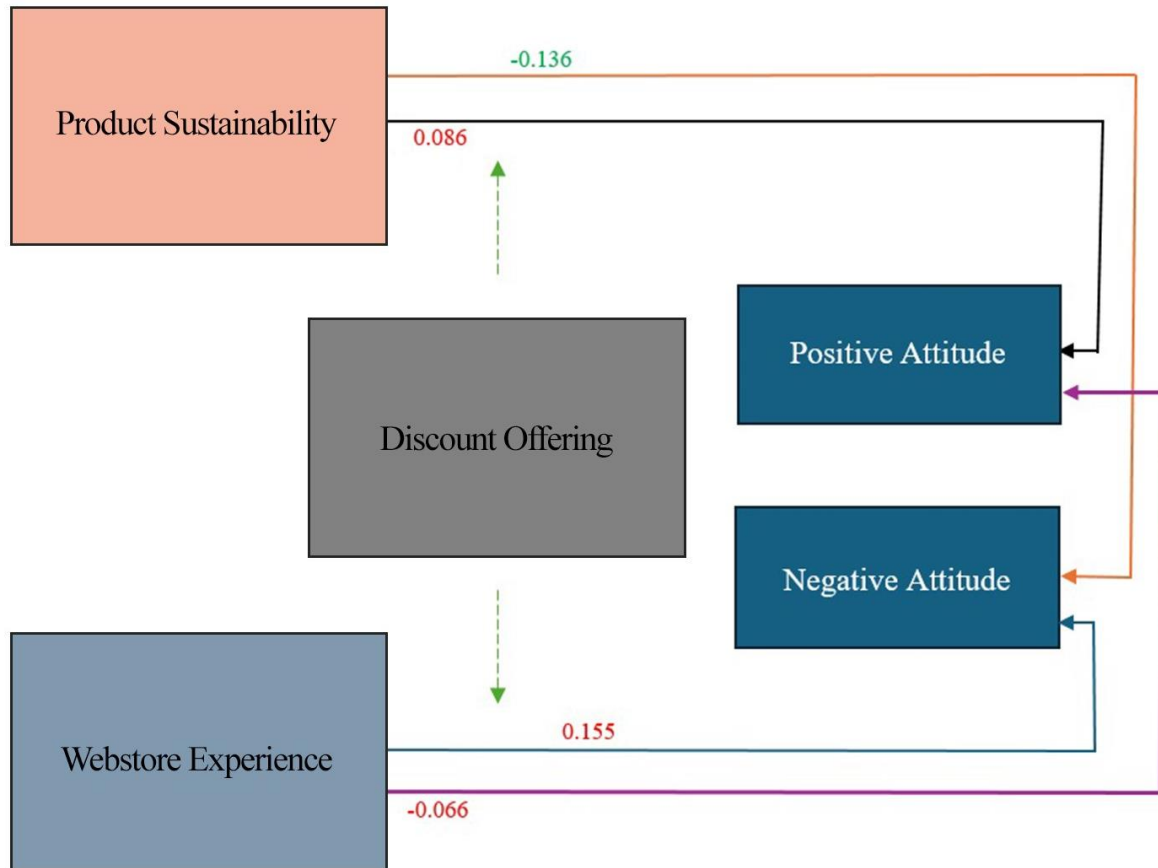
Table 9. Coefficients and p-values for analyzing the effect of variables along with the role of moderator

Hypothesis	Relationship	Coefficient	p-value	Results
	<i>Product sustainability</i> → <i>positive attitude</i>	0.227	0.016**	
	<i>Webstore experience</i> → <i>positive attitude</i>	0.473	0.000**	
<b>H2a</b>	<i>Product sustainability</i> x <i>discount offered</i> → <i>positive attitude</i>	0.086	0.241	Rejected
<b>H4a</b>	<i>Webstore experience</i> x <i>discount offered</i> → <i>positive attitude</i>	-0.066	0.474	Rejected
	<i>Product sustainability</i> → <i>negative attitude</i>	-0.040	0.689	
	<i>Webstore experience</i> → <i>negative attitude</i>	-0.398	0.000**	
<b>H2b</b>	<i>Product sustainability</i> x <i>discount offered</i> → <i>negative attitude</i>	-0.136	0.019**	Accepted
<b>H4b</b>	<i>Webstore experience</i> x <i>discount offered</i> → <i>negative attitude</i>	0.155	0.067*	Rejected

As can be seen from the table, product sustainability and webstore experience again show a significant impact on the formation of positive attitude towards the ad in the second SEM analysis. On the other hand, when studied along with the moderating role of discount offered, the variables fail to show a significant impact ( $p=0.474$  in case of webstore experience and  $p=0.241$  in case of Product sustainability) therefore rejecting H2a and H4a.

However, when tested along with moderation the impact of both variables on the negative attitude towards the ads differs from the previous analysis. Although webstore experience still shows a significant negative impact on the formation of negative attitude with  $p=0.000^{**}$ , product sustainability fails to show a significant impact with  $p=0.689$ . Moreover, the impact of both the independent variables on consumer's negative attitude is significant when tested along with the moderate effects of discount offered in the ads. Discount offered in the ads moderate the impact of product sustainability on decreasing the negative attitude towards the ads with  $p=0.019^*$  meaning higher the sustainability and some percentage of discount is offered in the ad, lower the negative attitude, thus confirming H2b. On the other hand, even though discount offering shows a significant moderate behaviour when affecting the impact of webstore experience on negative attitude ( $p=0.067^*$ ), the beta coefficient of 0.155 shows that it alters the direction of the relationship as compared to the previous negative or inverse impact of webstore experience over consumer's negative attitude when examined without moderating behaviour of discount offered. Thus, rejecting hypothesis H4b.

P-values of the variables when tested with the moderating role of discount offered in the ads are presented in the figure below:



\*Green colour shows the statistically significant and red shows the statistically insignificant variables

Figure 8. Relationship between variables along with moderate role of discount offered in the ads

## 6. Results and Discussion

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### *6.1. Summarizing Results*

Analysis of the direct effect of product sustainability on consumer's attitude towards retargeting shows that with the increase in product sustainability, positive attitude towards the retargeted ads would also increase and negative attitude towards the retargeted ads would be decreased. Hence confirming H1a and H1b. However, testing this relationship with the moderate behaviour of discount offered in the ads shows different results. Results of moderation test show that discount offering does not affect the impact of product sustainability on consumer's positive attitude towards the retargeted ads. On this basis hypothesis H2a is rejected indicating that the role of product sustainability in forming and increasing a positive attitude of consumer's towards the retargeted ads would remain consistent regardless of the discount offering in the ads. Contrary to this, the moderate role of discount offering in the impact of product sustainability on consumer's negative attitude towards the ads showed significant results. This indicates that the increase of discount offered in the ads aids to the positive impact of product sustainability in reducing consumer's negative attitude towards the retargeted ads, thus accepting H2b.

Moreover, testing the direct effect of webstore experience on consumer's attitude towards the retargeted ads showed significant results. The results indicate that a positive webstore experience leads to consumer reacting positively towards the retargeted ads sent by the webstore. In the similar manner, a positive webstore experience leads to a reduction in consumer's negative attitude towards the retargeted ads. Thus, accepting H3a and H3b. On the other hand, testing this relationship with the moderation effect of discount offering showed no significant results. This reflects that the impact of webstore experience on consumer's positive and negative attitude towards the retargeted ads would remain the same irrespective whether any discount is offered in the ad or not. Therefore, rejecting H4a and H4b. All hypotheses with their corresponding results are summarized in the table below:



Table 10. Hypotheses with corresponding findings

Hypotheses	Relationship path	Direction	Coefficients	P-value	Support
H1a	Product Sustainability → Positive attitude	+	0.291	0.000**	Yes
H1b	Product Sustainability → Negative attitude	-	-0.203	0.057*	Yes
H2a	Product Sustainability + Discount offering → Positive attitude	+	0.086	0.241	No
H2b	Product Sustainability + Discount offering → Negative attitude	-	-0.136	0.019**	Yes
H3a	Webstore experience → Positive attitude	+	0.449	0.000**	Yes
H3b	Webstore experience → Negative attitude	-	-0.374	0.002**	Yes
H4a	Webstore Experience + Discount offering → Positive attitude	+	-0.066	0.474	No
H4b	Webstore Experience + Discount offering → Negative attitude	-	0.155	0.067*	No

## 6.2. Discussion

Retargeting, indeed, is an effective marketing strategy in persuading customers to return to the webstore after they left their cart abandoned. There are several features of this type of marketing that make it effective for the businesses as well as consumers. For companies, retargeting is cost and time effective as it targets only relevant customers who already showed interest in the company's products. Through past research (Sahni et al., 2019), it has been proven that retargeting is effective in generating traffic back to the webstore which leads to increase in company's sales and ROI. These ads are also time and cost effective from customer's point of view as they provide necessary and relevant information to the customers, saving their time that could otherwise be spent in information search. Through these ads, customers get reminders of the products that they were interested in but got distracted.

While these ads are cost saving and relevant, they have the potential of easily backfiring if not sent on the right time or in the right way. To make these ads relevant, advertisers use consumer's personal data and tailor the ads according to consumer's preferences. If the ad contains a lot of personal information, it can give rise to privacy concerns which leads to ad avoidance. Hence, marketers first need to focus on ad content and the extent the which they

can tailor the ad so that they can make it more effective. Timing in which the ad is sent is also an important factor to make it effective or ineffective. If the ad is sent too soon, it can irritate the customer, on the other hand, sending a personalized ad after a long time of cart abandonment makes the ad irrelevant for the customer as there are high chances the customer has changed the preferences now (Blier et al., 2015).

In short, this marketing strategy is effective due to its useful features but it is somewhat risky as well due to the possibility of backfiring. Due to this contradiction, consumers show both negative and positive attitudes towards this type of marketing and there are several different factors impacting these consumer attitudes. This study provides insight into two defined research questions related to consumer's attitude towards retargeting and the factors affecting this attitude. The results from the structural equation modeling in relation to the two research questions are discussed below.

### *RQ1: How do consumers behave towards retargeted ads?*

Review of the past literature revealed different type of attitude consumers show towards retargeted ads. While some consider these ads relevant and persuasive enough to return to the website (Sahni, 2019), others might get concerned about their privacy (White et al., 2008) or consider these ads as brainwashing (Aanand, 2009). As already mentioned, these types of ads are tricky, and marketers make efforts to gain a positive response towards these ads.

The most important finding which makes consumer's attitude towards the ad easier to understand is that consumers behave towards the ad based on what they perceive to get as an outcome of the ad (based on Ajzen, 1967, TRA). If the benefit consumers can get because of the ad exceeds their privacy concerns or irritation towards the ads, they behave positively towards the ads and vice versa. Therefore marketers add scarcity nudges or price incentives (such as discount offers or free delivery) so that customers can find these ads more beneficial (White et al., 2008, Luo, 2019).

### *RQ2: What are the factors that affect consumer's attitude towards retargeting?*

There are several factors that affect consumer's attitude towards retargeting. Some of the factors have already been studied by the past researchers such as ad personalization (White, 2008, Zarouli et al., 2016, Ansari and Mela, 2003), time and frequency (Blier et al., 2015), brand trust (Zarouli, 2016, Chaudhri and Holbrook, 2001) etc. The purpose of this paper was

the examine the effect of product sustainability and webstore experience on consumer's attitude and the findings of the empirical analysis have shown satisfactory results.

### *Product sustainability*

In a world that is becoming more environmentally conscious, it has become utmost important for the companies to be aware of their responsibilities towards the environment and society. Consumers preferences have taken a rapid shift, and they are now more inclined towards green products and green initiatives of brands. This situation is an opportunity for the marketers to attract a large number of environmentally focused consumers towards their company and in addition to building a positive brand perception, this study proves that a brand focus towards sustainability also helps in engaging a positive response towards the ads sent by the brand. Results from the study prove that product sustainability increases consumer's positive attitude towards the retargeted ads. This reveals that by focusing on sustainability, marketers can be successful in their goal of making the consumers revisit their webstore through retargeted ads. This in turn would be helpful in increasing purchase intention and ROI for the brand. These results are in line with the findings of Nagar, K., 2015, which states that ads that exhibit environmental concerns of the brands or promote sustainable products are positively taken by the consumers leading to a positive image of the brand. Therefore, along with focusing on timing and content of the retargeted ad, product sustainability and promoting green products is another factor to be considered by the marketers to make retargeting more effective.

### *Webstore experience*

Another important factor that has been studied and proved successful in achieving brand trust and customer retention is webstore experience (Cyr D., 2008, Gehrke and Turban, 1999, Cyr D., Head, M. & Ivanov, A., 2006). This experience ranges from how easy-to-use a website is, to how effective a website design is. Several past literatures have explored the effect of website design and website experience on customer's loyalty towards the brand. The current study explored the website experience in the context of retargeting to evaluate if a good website experience is helpful in making the retargeted ads more effective.

The results for this analysis showed satisfactory support towards the hypothesis, revealing that customers who had a good experience while visiting the webstore were more likely to have a positive attitude towards the retargeted ad sent by the brand. Brands can make their retargeting strategy more effective by focusing on providing a good experience to the customers visiting

the webstore. This can lead to not only customers revisiting the webstore but increasing customer loyalty, satisfaction and strengthening brand trust as examined by Cyr, D. (2008).

### *Moderate role of Discount Offering*

Another relationship analyzed in this research is the moderate role of discount offered in the retargeted ad along with the effects of above mentioned two factors on consumer's attitude towards retargeting. As mentioned above, one of the features adopted by the marketers to make their ad more attractive for the consumers is price incentives offered in the ads. Past studies reveal that such price incentives or discount offering deem to be effective in order to grab customer attention (White et al., 2008, Luo, 2019). Furthermore, marketers offer these price incentives to increase the perceive utility of the ad and to reduce the impact of privacy concerns on consumers (White, 2008). Hence, it is beneficial for the marketers to offer some kind of incentives or discount in the ad to make these ads more convincing.

While discount offered in the ad is effective when examined exclusively, this study analyze whether, when combined with product sustainability and webstore experience, discount offering would have any effect on customer's attitude towards the ads or not. Results revealed that the impact of product sustainability and webstore experience would remain the same whether or not discount is offered in the ads. This shows that the impact of product sustainability and webstore experience on forming a positive attitude towards retargeted ads is so strong that it does not require any additional incentive to be offered in the ads. These results provide satisfactory insights for the marketers who do not want to offer any price incentives to avoid the customers who purposefully wait for discount offerings in such ads, as a concern raised by Li, J., et al (2021). Brands promoting sustainable products and focusing on providing good webstore experience can get desired results from retargeting without offering any discount.

## *6.3. Implications*

### *6.3.1. Theoretical Implications*

This study contributes to the research done within the field of retargeting and fills a research gap by examining the impact of product sustainability and Webstore experience on consumer's attitude towards the ads. Moreover, a moderate role of discount offered in the ads has also been explored. Past researchers have explored these variables in isolation e.g., examining the effects

of product sustainability on purchase intention (Lavuri et al., 2022), analyzing the effects of green ads on brand image (Nagar, K., 2015) or testing the impact of website design aesthetics on e-commerce customers loyalty. To authors best knowledge, no past research has combined these two variables in the context of retargeted advertising.

Furthermore, this study delivers another theoretical contribution by using the Elaboration Likelihood Model in the area of retargeting. The ELM has been widely used in the advertising research and this study provides support in the usefulness of ELM to deeply understand the consumer behaviour towards retargeting.

### *6.3.2. Managerial implications*

This study provides important insights for marketers, especially e-commerce marketers, who want to strengthen their communications with the customers. Furthermore, this study reveals a great insight in the field of retargeting and provides guidelines for the marketers that could be helpful in making their ads more attractive.

Results of this study revealed a great importance of the product sustainability in gaining customer's positive response towards the advertisement. Brands need to strengthen their sustainability initiatives and most importantly focus on building awareness of these initiatives through advertisements as well as on the website so that the customers visiting the webstore or receiving an ad can be made aware of the brand's focus towards sustainability. Moreover, while a positive webstore experience showed significant increase in gaining positive attitude of customers towards ads, an interesting insight for the brands could be combining product sustainability with the webstore experience. Providing more information about brand's sustainable products on the webstore and making the webstore more interesting and easier-to-use for the customers would help making customers revisit the webstore or in customer retention. Brands should also make a separate section on the webstore in which they can provide more detailed information about their focus towards green products and other measures they have taken to give back to the community. This can make their webstore more interesting for the environmentally conscious customers and would also be helpful in building a positive brand perception.

Additionally, this study provides some insightful guidance to the marketers to make their retargeted advertising more attractive for the customers. As the review of past research revealed that while a personalized message is cost saving and more relevant for the customer, over-

personalization could backfire and give rise to privacy concerns making customers avoid the advertisements. Thus, marketers need to find alternative solutions to make their ads more relevant and safer for the customers. Also, while offering discounts in the retargeted ad might not lead to gain a positive customer response on a large scale, but it can somewhat decrease the already formed ad irritation or negative response towards the ads.

#### *6.4. Limitations*

This research paper provides useful guidelines for marketers as well as future researchers regarding the topic of Retargeting. Despite being useful, this paper has several limitations that provide direction for future research in this area.

This study used quantitative data collection with a sample size of 309 participants from US. While this number provided ample data for this research paper, it does not constitute to the whole population. Moreover, it can not be verified if all the answers were precise and accurate or the questionnaire was only filled to get the reward amount offered by Prolific.

Another limitation regarding the data collection is the self-serving bias whereby a person tends to focus only on positive questions while overlooking critical or negative inquiries. Hence, there is a possibility that the respondents might have only given positive feedback related to their experience with retargeting and in reality they were not very positive upon receiving the ad.

Lastly, due to limited time and resources, online survey method was the most suitable for this research paper. But the research on this topic would have been more precise and accurate, had it been done in a real-life experimental setting where an ad was sent to a focus group and their attitude was recorded in present time.

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## *AI Tools*

***Name and Version:*** ChatGPT 4.0

***Purpose:*** Idea generation, correcting sentence structures.

*I am aware that I am responsible for all content of this master's thesis, including the parts where AI tools are used. I am responsible for ensuring that the thesis complies with ethical rules for privacy and publication.*

*Yamna Ali*

## Appendix

### (i) Questionnaire

#### Customer's Attitude Towards Retargeted Ads

NB: Read this introduction carefully:

1. *Sometimes when you have newly visited a webstore and looked at some products, a while later you receive an ad about one of the products you looked at. Please think about the last time you had such an experience and received an ad about a product you had previously looked at in a webstore.*

a. *What type of product was promoted in the ad?*

- Apparel
- Food items
- Fashion Accessories
- Fitness equipment
- Footwear
- Skincare/makeup
- Tech products
- Cleaning items
- Home appliances
- others

b. *About how many days have passed since you received this ad?*  
\_\_\_\_\_ days

c. *Such ads often offer a discount, but not always. How many percent discount were you offered?*

- 0
- 5
- 10
- 15
- 20
- 25
- 30
- 35
- 40
- 45

50

50+

- d. *Did the ad mention your name? YES/NO*
2. *How did you feel about the ad you received? (1= completely disagree, 2=disagree, 3=neither nor, 4=agree, 5=completely agree)*
- a. *I liked the ad*
  - b. *The ad was relevant to me*
  - c. *The ad was interesting*
  - d. *The ad was intrusive*
  - e. *The ad was interfering*
  - f. *The ad was unwelcome*
3. *In what kind of situation did you receive the ad?*
- a. *I was busy (same scale)*
  - b. *I was working on a specific task*
4. *Did you buy the product in the ad? Yes/No*
5. *What do you think of the webstore you visited before receiving the ad?*
- a. *This is an exciting webstore*
  - b. *This webstore has many interesting products*
  - c. *It is fun to check out this webstore*
  - d. *I believe that the products in this webstore score high on sustainability*
  - e. *The products in this webstore are environmental- friendly*
6. *What do you think of the brand in the ad you received?*
- a. *The brand in the ad is a good brand*
  - b. *This brand can be trusted*
  - c. *This brand is reliable*
  - d. *This brand offers something special*
  - e. *This brand is favourably different from other brands*
7. *For the records*
- a. *About how many products have you bought online the last year? \_\_\_\_\_*
  - b. *Consider the product in the ad: About how many such products have you bought online the last year? \_\_\_\_\_*
- c. Your gender**
- Male
  - Female
  - Other \_\_\_\_\_



**d. Your age**

- 18-24
- 25-34
- 35-44
- 45-49
- 50-54
- 55-59
- 60+

**e. Your main occupation**

- Student
- Employed
- Unemployed

**Thank you for your participation!**

*(ii) First page of the Questionnaire*

Read the instructions carefully!

Sometimes when you have newly visited a webstore and looked at some products, a while later you receive an ad about one of the products you looked at.

"Please think about the last time you had such an experience."

