The Dissertation Committee for Ji Yoon Han Certifies that this is the approved version of the following dissertation:

Native Advertising Acceptance or Avoidance: The Effects of Personalization and Trust

Committee:

Minette Drumwright, Supervisor

Ronald Anderson

Vincent Cicchirillo

Maxwell McCombs

Michael Mackert

Sung-Un Yang

Native Advertising Acceptance or Avoidance: The Effects of Personalization and Trust

by

Ji Yoon Han, B.A.; B.Eco.; M.S.

Dissertation

Presented to the Faculty of the Graduate School of

The University of Texas at Austin

in Partial Fulfillment

of the Requirements

for the Degree of

Doctor of Philosophy

The University of Texas at Austin

May 2016

Dedication

I dedicate this dissertation to my parents, Il-Seok Han and Keumhee Park, who have always believed in me and whose best examples have taught me to work hard for the things that I aspire to achieve. Mom and dad, none of this would have been possible without your tremendous love and support. This work is also dedicated to my beloved husband, Wongun Goo, who always listened to me and discussed all the details of my challenging graduate school life. Won, I am blessed to have you in my life.

Acknowledgements

First and foremost, it is impossible to express my appreciation to my advisor, Dr. Minette Drumwright. I have been amazingly fortunate to learn from the best mentor who always put students as a priority and trusted them. I would not finish this dissertation without her tremendous guidance, encouragement, generosity, and patience. Dr. Drumwright, thank you for believing in me and making my doctoral student life much more memorable. I hope that one day I would become as good an advisor to my students as you have been to me.

My sincere appreciation should be extended to my committee, Dr. Ronald Anderson, Dr. Vincent Cicchirillo, Dr. Michael Mackert, Dr. Maxwell McCombs, and Dr. Sung-Un Yang. I cannot thank each of them enough for their valuable guidance at every stage of my graduate life. Thank you for your continued support and encouragement through the years and with my dissertation.

Native Advertising Acceptance or Avoidance: The Effects of Personalization and Trust

Ji Yoon Han, Doctor of Philosophy
The University of Texas at Austin, 2016

Supervisor: Minette Drumwright

The growth of native advertising seems to be increasing as rapidly as the concerns about it. Growing ethical concerns may hinder advertisers from employing native advertising freely regardless of its effectiveness. Likewise, despite the many industry studies and findings on native advertising, to date, limited academic research has explored the interplay between perceived ethical concerns and consumer response to native advertising. The purpose of this study was to investigate antecedents and consequences of native advertising avoidance and examine the effects of (1) perceived deceptiveness, (2) media trust, (3) brand trust, and (4) perceived personalization on perceived privacy concerns, ad skepticism, attitude toward the brand, ad avoidance, and purchase intention. Findings from the first study revealed significant three-way interaction effects among perceived deceptiveness, media trust, and brand trust on ad skepticism and attitude toward the brand. These findings are notable because consumers' low perceived deceptiveness appears to be able to offset either low brand trust or low media trust. As such, identifying that native advertising is indeed advertising can enhance the effectiveness of the advertising message by lowering skepticism. Experiment 2

demonstrated significant two-way interaction effects between perceived personalization and media trust on privacy concerns, ad avoidance, and purchase intention. Specifically, consumers who had high trust in the social media in which the native ad appeared generated lower levels of perceived privacy concerns and lower levels of ad avoidance when they felt that the native advertising was highly personalized. In contrast, consumers who had low trust in the social media in which the native ad appeared reacted oppositely in that they had higher privacy concerns and higher ad avoidance when they perceived the ad as highly customized to their needs and interests. The findings contribute theoretically to our understanding of Psychological Reactance Theory and ad avoidance by demonstrating the moderating role of perceived personalization in responding to native advertising. Additionally, findings from this study provide managerial implications in that personalized advertising can offset weaknesses stemming from low media trust or low brand trust.

Table of Contents

List of Tables

List of Figures

CHAPTER 1: Introduction

The *New York Times* website featured an article entitled, "Women Inmates: Why the Male Model Doesn't Work." The article reported on a little known issue experienced by women incarcerated in prisons; their amenities, treatment options, job-training programs, and the prison culture are all designed for men (Deziel, 2014). On the surface, this article looked normal. However, if readers looked at it more carefully, they might have noticed the familiar Netflix brand logo in red with another colorful logo saying "Orange is the New Black," positioned underneath the words, "paid post." The article was actually promoting season two of Netflix's own show, "Orange is the New Black." This is an example of native advertising, an emerging form of online advertising that looks like content from online publishers, but it actually comes from and is controlled by advertisers (Beene, 2014).

While native advertising is frequently discussed in online marketing, the definition is not fully developed. Native advertising refers to "a form of converged media that combines paid and owned media into a form of commercial messaging that is fully integrated into, and often unique to, a specific delivery platform" (Lieb, Szymanski, & Etlinger, 2013, p. 3). "Paid media" simply means a media buy, and "owned media" refers to the content that can be controlled by a brand or advertiser. Native advertising is also defined as "a form of paid media where the ad experience follows the natural form and function of the user experience in which it is placed" (Sharethrough, 2014). Native ads match the visual design of the platform in which they appear, and they look and feel like non-advertising content.

Native advertising has been used in the industry very actively. A recent industry study by Sharethrough and the IPG Media Lab showed that native advertising is viewed 53% more frequently than traditional banner ads (Bercovici, 2013). Moreover, viewers take subsequent action (e.g. purchase intention) 18% more frequently after being exposed to native ads than traditional ads. Native advertising (32%) is also shared with friends and family more frequently than banner ads (19%). Nielson's recent data also showed that almost 50 times more clicks were generated from Facebook's native advertising (sponsored posts) at a 45% lower cost (Lieb et al., 2013). Among the 70% of consumers who read native advertising, 45% of consumers considered it a form of advertising that could be relevant to them. Additionally, 30% considered it helpful to them in learning more about the brand's industry, and 20% thought that it helped build trust for a brand and encouraged people to provide more personal information (Moses, 2013). Even though 60% could not remember a specific native ad that they had seen (Moses, 2013), brand recall in native advertising (38%) outperforms banners (25%). These data indicate that marketers consider native advertising to be a promising advertising tool to use to reach their target audiences. However, little scholarly attention has been paid to the underlying factors that influence whether consumers accept or avoid native adverting.

Native advertising is considered an effective form of advertising because it seamlessly places advertising on consumers' timelines in social media or blends it in as articles on a publisher's website. However, native advertising raises ethical questions in terms of perceived deceptiveness. According to FTC guidelines, native advertising should be clearly identified as advertising by a sponsored mark (e.g., sponsored tweet) or a brand

logo that clearly disclose a sponsorship. However, the FTC acknowledges that there are many practices that make disclosure difficult or ineffective. For example, some advertisers do not use marks such as “sponsored content” or use them in small, inconspicuous type, and even consumers who see a sponsored content notice may be misled. One research study found that 50% of consumers do not know what the word "sponsor" means (Ponkivar, 2014-2015). This can be problematic from an ethical perspective in that one of the primary defenses of advertising has long been that people know that it is advertising and thus can raise counterarguments (Drumwright & Murphy, 2009). In contrast, some argue that consumers do not care about whether they are deceived, and that a sponsored mark does not prevent native advertisements from enticing consumers to purchase the advertised products or services, so disclosure would have no significant value (Ponkivar, 2014-2015). Thus, whether perceived deceptiveness among consumers influences native ad outcomes is an important and unanswered question. To fill this gap, this study investigated whether perceived deceptiveness of native advertising influences ad skepticism and attitude toward native advertising.

Native advertising in a social network such as Facebook is based on cookies or other browsing information. Thus, its targeting ability and personalization are benefits for advertisers; however, privacy issues have been of concern because they could prompt skepticism and ad avoidance. Past research on personalized advertising through different mediums such as email, telecommunication, and text messages has argued that ad skepticism partially mediates the relationship between personalization and ad avoidance (Baek & Morimoto, 2012). Personalization has been discussed positively in online

settings since it provides information consumers are looking for; however, if it is related to privacy concerns, online users may react to it negatively. This study postulates that native ad avoidance may decrease if consumers perceive that the native ad is targeted and personalized.

The importance of trust has increased in online advertising (Gavilan, Avello, & Abril, 2014) since trust in online advertising is significantly lower than in other types of ads (Soh, Reid, & King, 2007). In the online media environment, trust can influence the degree to which consumers are willing to depend on native advertising and make decisions based on it (Gavilan et al., 2014). Trust also incorporates consumers' assessments of the integrity of the advertising (Soh et al., 2007), so trust may be intertwined with the ethical issues raised by native advertising. For example, the camouflaged nature of native advertising could undermine consumers' trust if they perceive that advertisers are trying to deceive them about sponsorship. Sociologists view trust as having institutional based characteristics, which are defined as "an individual's perceptions of the institutional environment" (McKnight, Choudhury, & Kacmar, 2002, p. 336). A criticism of native advertising is that the advertisers rely on the publisher's credibility to make consumers believe the advertisement is as credible as the publisher's content (Garfield, 2003). Native advertisers hope that consumers will attribute false credibility to the advertisement because it appears on publishers' websites and is camouflaged as publisher content. Studies have shown that consumers are more likely to trust sponsored business and entertainment content than advertisements. Thus, native advertising seems particularly keenly related to media trust. As such, the institution-based

trust that consumers place in the media in which the native ad appears and in the advertised brand could affect whether or not consumers trust the native ad. Brand trust is a delicate concept and often regarded as vulnerable since consumers rely on new information about products and services mainly through media (Yannopoulou et al., 2011). Brand trust has been discussed in risk related situations such as a crisis (Dawar & Pillutla, 2000) or e-commerce context (McKnight & Chevany, 2001). Research on web-based trust investigates how brand trust has an influence on consumers' decision making process in the Internet era. Since this study expects that privacy concerns may increase the risk to process the messages of native advertising, brand trust can be important antecedent to respond to the native advertising. Thus, this study investigated the effectiveness of media and brand trust on viewers' reactions to native advertising.

Chapter 2 will present the relevant literature, and Chapter 3 will present the research methodology, results, and discussion for two experimental studies. Chapter 4 will present the general discussion and conclusions.

CHAPTER 2: Background and Hypotheses Development

Chapter 2 reviews a variety of literature on online users' motivation for responding in native advertising. Several ethical issues such as perceived deceptiveness and privacy concerns are discussed. Theoretical frameworks such as psychological reactance theory and the web advertising model are discussed to understand factors influencing advertising avoidance. The effects of institutional-based trust in media and in brands are discussed in general and with respect to consumers' responses to native advertising. Also, four hypotheses are developed based on the literature.

TYPES OF NATIVE ADVERTISIG

Native advertising is a type of direct response marketing, which is designed to evoke an immediate response and compel consumers to take some specific action (Kern, 2001). These actions include opting in an email list, requesting more information, placing an order, or being directed to a web page (Kern, 2001). In-feed promotion focuses on eliciting direct response and linking off of the sites to content or the brand's landing page (IAB, 2013). The form of native advertising varies by the type of publisher, as shown in Table 2.1. It may take the form of editorial copy in an online newspaper, suggested posts or sponsored ads on Facebook, promoted tweets on Twitter, or promoted posts on Tumblr (Lieb et al., 2013). Native advertising has been classified into four types (IAB, 2013): 1) in-feed units, 2) paid search units, 3) recommended widgets, and 4) promoted listings. As the industry evolves, new native ad categories have been emerging, but those formats do not neatly fit into one of the above categories. Those formats are often too platform-specific and are customized to a specific site.

In-feed units are the most commonly used type of native advertising, and they have two forms: 1) sponsored content, and 2) in-feed promotions. Sponsored content consists of content that reflects the format and functions of other content in a feed (Figure 2.1). Examples include BuzzFeed, Forbes, and Mashable. The second type of in-feed unit is in-feed promotions, which naturally appear in the user's social media time line (Figure 2.2). Examples are YouTube, Facebook, Twitter, Yahoo, and LinkedIn.

Figure 2.1: Sponsored Content

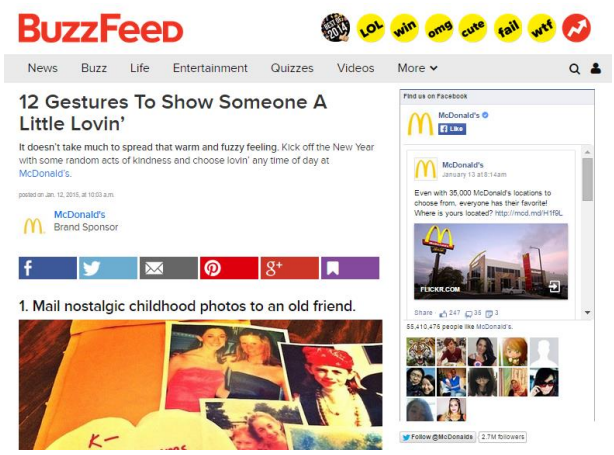


Figure 2.2: In-Feed Promotion

Paid search ads appear along with search results (Figure 2.3). These ads appear in a layout similar to organic results even though they are labeled as sponsored. Thus, they look exactly the same as other content in the surrounding search results. Paid search ad units are among the original native ad formats to achieve massive scale (IAB, 2013). Recommendation widgets are another avenue for native advertising (Figure 2.4). The sites monetize their traffic by recommending content via a widget. While other native advertising mimics organic characteristics by making its content look like the

surrounding content, recommendation widgets do not use this technique, but rather integrate with the page itself. Examples are Outbrain, Taboola, Disqus and Gravity

Figure 2.3: Paid Search Unit

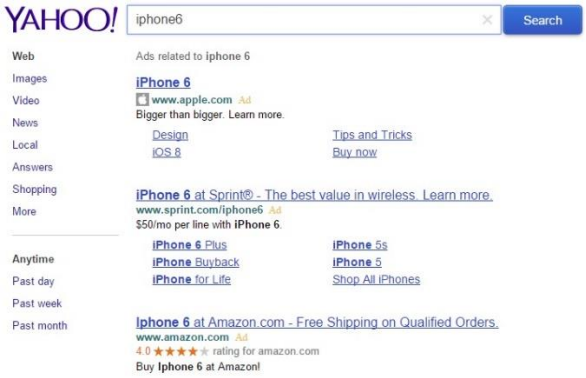
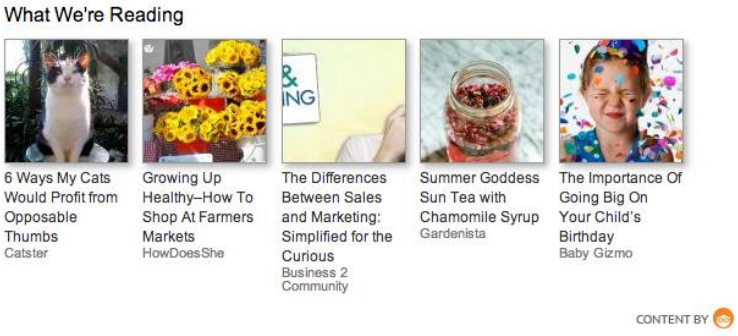


Figure 2.4: Recommendation Widgets



Promoted listings are designed to fit smoothly into consumers' browsing experiences (Figure 2.5). These ads are highly contextually targeted, and the contents look like other products or services the sites are offering. Shopping sites such as Etsy and Amazon are examples, and promoted listings are a type of direct response ad that prompts purchases or links to brand pages.

Figure 2.5: Promoted Listings

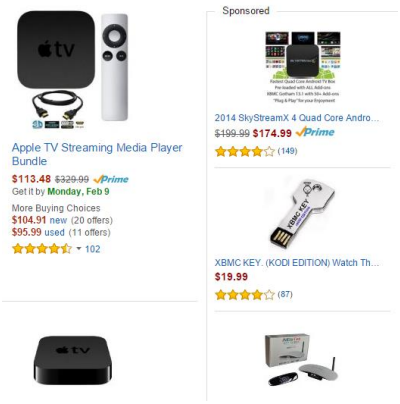


Table 2.1. Type and Examples of Native Advertising

Types		Common Language
In-Feed Unit	Sponsored Content	"Presented by + Featured Partner" (Buzzfeed, Huffington Post)
	In-Feed Promotion	"AD" (YouTube) "Promoted By" (Twitter, Sharethrough) "Sponsored Content" (LinkedIn, Yahoo) "Suggested post + Sponsored tag" (Facebook)
Paid Search Unit		"Ads related with ___", shaded with Adchoice icon (Google) "Ads related to ____", shaded (Yahoo)
Recommendation Widgets		"You might also like" "Recommended by" (Outbrain) "Sponsored content by" (Taboola)
Promoted Listings		"Ads" with icon (Google) "Yelp Ad" "Sponsored Products" (Amazon)

ETHICAL ISSUES IN NATIVE ADVERTISING

Deceptiveness in Native Advertising

Advertising ethics refers to "what is right or good in the conduct of the advertising function. It is concerned with questions of what ought to be done, not just with what legally must be done" (Cunningham, 1999, p. 500). Industry leaders are concerned about ethical issues such as transparency and privacy in the new media environment (Drumwright & Murphy, 2009). Advertising industry leaders have asserted that transparency is required in new media environments with respect to techniques such as paid viral marketing (Drumwright & Murphy, 2009). They consider it more difficult to convey trustworthy messages in new media compared to traditional media since the messages are not always controlled by them, and there is less agreement about ethical behavior with respect to issues such as how obvious ad sponsorship should be (Drumwright & Murphy, 2009). Thus, the necessity for appropriate regulations and ethics in the online media environment in general and with respect to native advertising in particular is an important issue.

The biggest ethical concern with regards to native advertising is whether it is disguised or camouflaged as something other than advertising since native advertising aims to look like a seamless part of the website or the content that is being consumed (Wasserman, 2012). A prominent case of native advertising that misled consumers was *The Atlantic*'s "David Miscavige Leads Scientology to Milestone Year." Even though a small label was included indicating that the article was sponsored, *The Atlantic* acknowledged that it misled some of its audience because the article appeared to be editorial content, but it was an advertisement for the Church of Scientology (Ives, 2013). *The Atlantic* had to apologize to readers the next day. There is still doubt that all readers

and consumers recognize sponsored marks (Dumenco, 2014), which may be related to deceptiveness. Also, as discussed above, there is still the possibility that consumers are misled whether they recognize it or not. In a workshop on native advertising entitled "Blurred Lines: Advertising or Content," a panel of Federal Trade Commission staff and advertising, journalism, and law professionals agreed that standards were required for native advertising involving disclosing the advertiser's identity via text or logos (Steigrad, 2013). Although the FTC has not created regulations regarding native advertising, it has issued guidelines. The FTC guidelines recommend that disclosure should use: (1) use explicit language that the content is sponsored; (2) be large and visible enough for consumers to notice it; and (3) be located near the search result where the consumers will see it (Fair, 2013). The FTC suggests search engines use different shading and borders around sponsored results to meet these disclosure requirements (Fair, 2013). Additionally, the FTC recommends putting the disclosure in the upper left-hand corner of the window or immediately in front of a sponsored result in order to increase the likelihood that consumers will see it. For example, paid search unit are placed on the top of the search results often in a different color than other search results. Also, recommendation widgets can appear on the bottom of the page.

The recent discussion surrounding native advertising relies more on self-regulation than the FTC's involvement (Ponkivar, 2014-2015). Self-regulation has not been very effective, and the distinction between native advertising, and editorial content is often blurry (Ponkivar, 2014-2015). Even though there are not yet regulations by the FTC, a three-pronged general test set out by the FTC can be applied to determine when

an advertisement is deceptive: (1) whether a claim was made by an advertiser; (2) whether that claim was likely to mislead consumers; and (3) whether that claim was important to consumers' decision-making process (Ponkivar, 2014-2015). Thus, deceptiveness is the biggest concern in native advertising, and transparency is often needed in online advertising (Steigrad, 2013).

In addition, the advertiser deceptively uses the publisher's credibility to make consumers believe the advertisement is as credible as the publisher's own editorial content (Garfield, 2003). A recent study revealed that a news publisher increased the perceived credibility of native advertising by 33% (IAB, 2014a). Moreover, publishers agreed that trust in them influences the consumer's perception of the content (Steigrad, 2013). The Interactive Advertising Bureau (IAB) indicates a basic principle of native advertising is that "regardless of context, a reasonable consumer should be able to distinguish between what is paid advertising and what is published editorial" (IAB, 2013, p. 14).

Personalization and Privacy Concerns

Privacy concerns and personalization are both characteristics of native advertising, and there often is a tension between them. Taylor (2009) argued that the six principles of digital advertising that can help marketers engage with consumers. The first principle is that marketers should be sensitive to consumers' concerns regarding scams and privacy issues. For example, consumers consider mobile as a personal space and are sensitive to private information (Hart, 2008). Thus, consumers who opt-in to receive Short Message Service (SMS) think only three messages from advertisers is about right

(Barwise & Strong, 2002). This shows that consumers are sensitive to having their personal information go through private channels such as email, text, and social media. Ironically, the third principle of digital advertising is that that consumers are more likely to respond when the information is relevant to them (Carroll, Barnes, Scornavacca, & Fletcher, 2007; Nasco & Bruner, 2008), and messages are more likely to be relevant when advertisers have consumers' personal information. Past studies assert that relevancy of messages especially matters when consumers have high privacy concerns (Taylor, 2009).

Personalization is defined as providing customized information as a format of recommendation (Mulvenna, Anand, & Büchner, 2000). It also refers to "the right content to the right person in the right format at the right time" (Tam & Ho, 2005, p. 96). Personalization aims to satisfy the needs and preferences of online users by providing relevant objects (i.e. product, services) (Mulvenna et al., 2000). Personalization and privacy concerns have been a significant research area in online environments, ranging from e-commerce to online advertising. Development of information technology and e-commerce allows companies to provide personalized offers for individual consumers (Lee, Ahn, & Bang, 2011). However, consumers' privacy concerns have influenced their messages acceptance.

Native advertising employs a personalization method in different social networks and e-commerce pages. For example, personalized and relevant articles and advertising appear on users' social media such as Facebook and Instagram. Also, native advertising in Etsy, EBay, and Amazon (promoted listings type) are highly contextually targeted and

personalized. Since advertisers who use native advertising place ads based on consumers' cookies and past browsing experiences, native advertising is highly relevant, but presents privacy issues. For this form of personalized advertising, user data must be collected, usually by installing "cookies." Cookies are small text files that are put on users' devices, such as notebooks or smart phones, to collect profile information for targeted advertising (third-party or tracking cookies) (Sablemna, Shoenberger, & Thorson, 2013). While advertisers stress the utility of personalized advertising in terms of providing relevant advertising, the use of cookies is heavily debated by policy makers in the U.S. and Europe because of the potential violation of the privacy of Internet users (Bennet, 2011). The European Union strictly regulates website tracking using an ePrivacy directive for data protection from consumers' activity. In the U.S., there is still a debate whether tight consumer privacy law is necessary (Sablemna et al., 2013). The following discussion explains the theoretical underpinnings of accepting or rejecting native advertising.

THEORETICAL FRAMEWORK OF AD AVOIDANCE

Psychological Reactance Theory

Consumers often respond negatively to advertising that is intrusive or that threatens their freedom of choice. Psychological reactance theory explains this process. Intrusiveness refers to the interruption of editorial content (Ha, 1996). A consumer's goal is to understand content on Web pages. Ads such as pop-ups interrupt consumers trying to achieve their goals, which is often called intrusive advertising, and consumers feel that their freedom of choice is threatened (Edwards, Li, & Lee, 2002). Native advertising also has intrusive elements since it is personalized and appears in individuals' social media

sites or in search engines as discussed above. Thus, consumers may negatively respond to native advertising and avoid it. Ad avoidance has often been considered to have three components: cognition, affect, and behavior (Cho & Cheon, 2004). The cognitive response is related to consumers' beliefs about the object, and the affective response refers to consumers' feelings about the object. Lastly, behavior response refers to consumers' avoidance behavior toward the object (Cho & Cheon, 2004). And, psychological reactance theory explains these three components of consumers' reactions in terms of ad avoidance.

When consumers receive intrusive ads, the common negative emotional response toward them is ad irritation (Krugman, 1983). Some studies argue that consumers often feel annoyed and irritated not from the advertising itself, but from the advertising tactics, such as pop-up ads (Ducoffe, 1996; Edwards et al., 2002). Thus, developing and utilizing appropriate advertising tactics is important in online advertisements. And, the common negative behavior response is ad avoidance (Krugman, 1983). Ad avoidance is defined as "all actions by media users that differentially reduce their exposure to ad content" (Speck & Elliott, 1997, p. 61). In the online advertising environment, perceived goal restriction, perceived ad clutter, and prior negative experiences are considered important factors for avoiding advertising (Cho & Cheon, 2004). Past literature has demonstrated that considering advertisements as intrusive is more related to cognitive evaluations than emotional or behavioral elements (Edwards et al., 2002). Specifically, consumers feel that intrusive advertising interferes with their personal goals for processing content (Edwards et al., 2002). Reactance theory is a social psychology theory that explains

people's response to the perceived loss of freedom (Brehm, 1966; Brehm & Brehm, 1981). And, reactance depends on the degree to which a consumer's behavior is threatened, and the severity of the threat (Brehm, 1966). Reactance theory explains that when people are restricted in their behavior in particular situations or environments, they will attempt to avoid the expected behavior and reestablish their freedom and autonomy (Brehm & Brehm, 1981). In the online environment, reactance theory explains consumers' tendency to ignore unwanted advertising such as pop-up ads (Edwards et al., 2002). Literature explains that consumers recognize the advertisers' intent from this hard-sell tactic (intrusive ad) and have a higher resistance toward the messages (Brehm & Brehm, 1981). Since native advertising is related to concerns about privacy and deception, the reactance may be higher than other types of advertising.

Personalized advertising is defined as a customized promotional message based on personal information such as purchasing behavior, preferences, demographics, and location (Baek & Morimoto, 2012; Vesanen, 2007). Personalized advertising is effective in providing commercial information that the consumers are searching for, which enables one-to-one advertising more easily (Srinivasan, Anderson, & Ponnavolu, 2002). However, consumers use various ad blocking tools to avoid unwanted advertising (Baek & Morimoto, 2012) because consumers genuinely have fears about being too identified or recognizable by brands and companies (White, Zahay, Thorbjørnsen, & Shavitt, 2007). Thus, when consumers perceive that advertisers have used too much of their personal information, they avoid advertising (White et al., 2007).

Baek & Morimoto (2012) investigates potential antecedents of personalized advertising avoidance in the context of personalized media such as email, text messages, postal direct mail, and telephone calls. This study suggested the theoretical model to understand different motivations for personalized advertising avoidance in terms of affective (perceived privacy concerns, ad irritation, perceived personalization) and cognitive (skepticism toward personalized advertising) domains. The findings supported the mediating role of ad skepticism in influencing the causal relationships between ad avoidance and its affective antecedents (perceived personalization, privacy concerns, and ad irritation). The findings also indicated that personalized advertising tends to diminish the negative effects of skepticism, which is consistent with previous findings (Aaker, Brumbaugh, and Grier, 2000). Baek and Morimoto (2012) speculated that consumers may feel that they have had a previous personal contact when they receive personalized advertising, which serves to reduce skepticism. Moreover, marketers' personalized efforts are seen as influencing the increased credibility of the ad claim (Baek & Morimoto, 2012). Previous research also argues that consumers' previous purchases or correspondence experience with a particular business influences reduced negative attitudes toward advertising (Morimoto and Chang, 2006).

Web Advertising Model

Ducoff's Web Advertising Model explains cognitive and affective responses to online advertising. The model discusses consumers' underlying process of responding to online advertising (Ducoffe & Curlo, 2000; Kim & Han, 2014). This model is derived from Uses and Gratifications Theory (UGT). UGT views individuals' media usage

behaviors as guided by specific needs and motivations (Rubin, 2009) and evaluates the effectiveness of advertising from a consumer's perspectives (Ducoffe, 1996). Ducoff's Web Advertising Model focused more on advertising values rather than attitude toward the advertisement (Ducoffe, 1995). The value of advertising is defined as ‘‘a subjective evaluation of the relative worth or utility of advertising to consumers’’(Ducoffe, 1995, p. 1).

This model has been used to evaluate not only advertising in traditional media but also advertising in the Internet environment (Choi & Rifon, 2002; Ducoffe, 1996). Ducoffe (1995) understands that advertising messages can be processed by consumers when exchanges are performed, or they would otherwise avoid or ignore the message. Ducoffe assumes that it is communication exchanges between advertisers and consumers that results in a two-way process resulting in an equality or commonality among sender and receiver (Kim & Han, 2014). This model includes cognitive and affective factors to understand the underlying process of consumers' responses. For cognitive factors, the perceptions of informativeness and credibility in advertisements were considered (Ducoffe & Curlo, 2000). Advertising credibility refers to ‘‘consumers' perception of the truthfulness and believability of advertising in general’’ (MacKenzie & Lutz, 1989, p. 51). Advertising credibility is related to the company's credibility or consumers' evaluations of how the company delivers satisfying products and services (Choi & Rifon, 2002). Thus, it influences consumers' response toward the advertising positively (Choi & Rifon, 2002; Choi, Hwang, & McMillan, 2008). The affective factor includes perceptions of entertainment and irritation (Ducoffe, 1996). Entertainment indicates the ability to

fulfill consumers' needs for enjoyment or emotional release (McQuail, 2005). Ad irritation can cause displeasure and momentary impatience (Aaker & Bruzzone, 1985).

Persuasion Knowledge Model

Advertising has been conceptualized and explained using different communication models, which often use either a rational or a cultural model (Schudson, 1984). Trust is not an important construct to the cultural model because this model emphasizes shared perceptions and attitudes rather than individuals' conscious decision making; however, the rational model views trust as meaningful since it assumes that advertising's primary role is to affect consumers' value perceptions and their decision making process (Nelson, 1974). As such, based on the rational model, advertising functions most effectively when consumers have trust in the information the ad delivers (Soh et al., 2007).

The Persuasion Knowledge Model (PKM) addresses trust and deception as it explains consumers' responses to the persuasion attempts of marketers and advertisers (Friestad & Wright, 1994). PKM assumes that consumers actively evaluate marketers' tactics and determine their attitudes and behaviors based on this persuasion coping process. Individuals exposed to a persuasive message tend to elaborate on three knowledge structures: Topic Knowledge (TK), Persuasion Knowledge (PK) and Agent Knowledge (AK) (Friestad & Wright, 1994). Each structure can be differentiated by whether consumers' beliefs focus on the message (TK), marketers' motivation (PK), or agents' goals and competencies (AK). In particular, PK is related to this study since it pertains to whether consumers perceive that advertisers intend to deceive them (perceived

deception). PK functions as a schema that leads consumers to focus on advertisers' tactics. When consumers view the message as a marketer's tactic, their psychological reactance prevents them from experiencing persuasion, which presumably decreases the message effectiveness. Empirical research has investigated some of the factors influencing the PKM model. For example, forced exposure to pop-up ads caused perceived intrusiveness, leading to irritation and ad avoidance (Edwards et al., 2002). The accessibility of persuasion motives and the cognitive capacity of consumers also affect perceptions of the message agent (Campbell & Kirmani, 2000).

When advertisers try to persuade consumers, ad skepticism plays a role in prompting consumers to avoid the advertising tactics (Obermiller & Spangenberg, 1998). Ad skepticism is defined as a tendency not to believe advertising (Obermiller & Spangenberg, 1998). Much previous literature uses the PKM model to argue that ad skepticism influences ad avoidance as consumers exhibit reactance to online promotion messages (Obermiller & Spangenberg, 1998; Simonson, 2005). As PKM indicates, consumers may perceive the personalized and customized commercial information as manipulative attempts by advertisers (Simonson, 2005).

TRUST AND ONLINE ADVERTISING

Ad Skepticism

Skepticism toward advertising refers to people's disbelief of the claims in an advertising message (Obermiller & Spangenberg, 1998). Simple disbelief is a way that consumers cope with the persuasiveness attempt from advertisers, particularly consumers who are not highly motivated to process an advertising claim (MacInnis, Moorman, and

Jaworski, 1991). Past research indicated that ad skepticism is a moderator that influences consumers' responses to advertising. Ad skepticism influences beliefs toward advertising (Moore, Harris, and Chen, 1995), brand related variables such as belief toward the brand (Mittal, 1990), and perceived untruth in the ad and perceived influence of the ad (Obermiller, Spangenberg, & MacLachlan, 2005). Consumers with high ad skepticism tend to have weaker brand beliefs and show weaker attitudes toward the ad, and lower behavioral intention toward making a purchase (Obermiller et al., 2005). This is considered to be the same process through which consumers who have prior negative attitudes and beliefs tend to generate a less positive attitude toward the ad (Obermiller et al., 2005). Ad skepticism also influences ad avoidance (Obermiller & Spangenberg, 1998) because the general distrust of persuasive stimuli generates resistance (Knowles & Linn, 2004). In online circumstances, consumers evaluate the persuasive intention of marketers as discussed in the PKM; thus, they tend to be skeptical and rely less on the ad, and as a result, avoid the advertising (Obermiller et al., 2005). Ad skepticism has also been discussed in the context of green advertising (Matthes & Wonneberger, 2014). The research on ad skepticism in green advertising indicates that consumers who practice higher green consumerism, which means higher informational utility of green ads in decision making, may have decreased skepticism toward the ads. In other words, the utility of information is important in decreasing ad skepticism and prompts consumers to engage with the advertisement (Knobloch-Westerwick and Kleinman, 2012). Thus, a strong need for the information in native advertising may influence the extent of critical assessment of the advertising.

Ad skepticism is related to some demographic variables such as education and age. Consumers who are more educated and older tend to be less positive toward an ad because they are more skeptical about it (Obermiller et al., 2005). Consumers tend to be skeptical when the advertising claim seems self-serving or exaggerated (Obermiller et al., 2005). Past research argues that an individual's willingness to believe an information claim in advertising is another antecedent of skepticism (Obermiller and Spangenberg, 1998). However, a more recent study does not support the moderating effect of perceived informativeness on the relationship between ad skepticism and responses to the advertising (Obermiller et al., 2005). In other words, for highly skeptical consumers, even highly informative advertising does not prompt positive responses (Obermiller et al., 2005).

Trust and Distrust

Trust and mistrust (sometimes called distrust) are related but separate concepts that co-exist (McKnight, Kacmar, & Choudhury, 2004b). Trust is defined as reliance on the trustee's integrity (Worchel, 1979) and "belief in a person's competence to perform a specific task (Sitkin & Roth, 1993, p. 374)." Mistrust refers to a "sense of readiness for danger and an anticipation of discomfort" (McKnight & Chervany, 2001). Distrust is defined as "confident negative expectations regarding another's conduct (Lewicki, McAllister, & Bies, 1998)." Distrust also means an expectation of punishment from others rather than rewards (Scanzoni, 1979) or a choice to avoid a risky, ambiguous path (Deutsh, 1973). Trust and mistrust are considered as two extremes of the same dimension (Rotter, 1980); however, mistrust is more related to emotion (McKnight, Kacmar, &

Choudhury, 2004a). While trust tends to be calm and collected, distrust embodies fear and insecurity (McKnight et al., 2004b).

Trust and mistrust appear to be particularly relevant to the provision of e-commerce services (McKnight & Chervany, 2001). Many consumers have fear about the privacy of their personal information or a vendor's irresponsible behavior such as disappearing into cyberspace or making recourse impossible (Schmitt, 2001). Thus, trust is considered a critical success factor in e-commerce (Jarvenpaa and Tractinsky, 1999).

Trust can be seen as an effective mechanism to reduce the complexity of human conduct in situations where people have to cope with uncertainty (Luhmann, 1988). Under such a trust mechanism, a consumer may need less information to make a decision (Luhmann, 1989). Past research has demonstrated that trusting beliefs are related to the intention to continue using online social networking (OSN) websites based on the Theory of Reasoned Action (Lankton, McKnight, & Thatcher, 2012). Since OSN websites often prompt concerns about security and privacy, trusting beliefs can reduce the uncertainty and the perceived risk of using the websites. (Lankton et al., 2012). Trust makes consumers consider a product or service and do business with a vendor (McKnight & Chervany, 2001). Dunn (1988, p. 74) quoted Hobbes as saying that while trust is a passion proceeding from the belief of one from whom we hope for something good, distrust is "diffidence or doubt that makes one try to find other means." Thus, having trust is important to proceed with a business transaction, and in terms of advertising, to intend to purchase.

Trust enables consumers to avoid risky situations and engage with the e-vendors, while distrust brings suspicion and doubt that may lower the chance of participating in the e-commerce (McKnight & Chervany, 2001; McKnight, Choudhury, & Kacmar, 2002). McKnight, Choudhury, and Kacmar (2002) developed the integrative model of trust in the framework of the Theory of Reasoned Action (TRA) (Fishbein and Ajzen, 1975). TRA assumes that belief influences attitude, and attitude lead to behavior intention. And, the integrative trust model posits that trusting beliefs about the web vendor (institutional trust) influence trusting intention and related behavior eventually (i.e. behavior intention to engage with the specific Web vendor) (McKnight, Choudhury, & Kacmar, 2002).

Brand Trust and Risk Taking Behavior

Research on brand trust has not received attention commiserate with its importance (Yannopoulou, Koronis, & Elliott, 2011), and trust is often interchangeably used with confidence, benefits, or value (Han et al., 2008). Even though it is not fully established conceptually, trust is considered to be one of the most important antecedents of brand loyalty (Chaudhuri & Holbrook, 2001) and is a major element in the bonding between the consumer and the brand (Hiscock, 2001). Consumers trust brands when they feel secure and believe that brands act in consumers' best interests (Delgado-Ballester et al., 2003). Trust is understood as the dependability of another party based on positive predictability of the future (Han et al., 2008). Trust also influences the psychological intention to accept vulnerability of the other party (Yannopoulou et al., 2011).

Brand trust is a delicate concept and often considered as fragile and vulnerable since consumers rely on new information about products mainly through media, which is difficult for marketers to control (Yannopoulou et al., 2011). The role of brand trust has been discussed in risk related situations such as a crisis context (Dawar & Pillutla, 2000) or e-commerce context (McKnight & Chervany, 2001). And, research on trust investigates how brand trust has an influence on consumers' decision making process. In terms of crisis situations, brand trust is a desirable means for transmitting information and influencing the attitude and behavior of the receiver (Yannopoulou et al., 2011). Luhmann's (1979) Sociological Theory of Trust demonstrates that familiarity is required as a pre-condition for developing brand trust. Consumers can build trust through interactions with the brand and existing brand knowledge, and familiarity is adequate to influence behavior intention in a low perceived risk condition (Elliott & Yannopoulou, 2007). On the other hand, confidence is required to keep purchasing the brand in a high perceived risk condition since competence generates secure expectations (Luhmann, 1979). Trust decreases perceived risk and helps enable the eventual return to a better confidence status (Elliott & Yannopoulou, 2007). Elliott and Yannopoulou (2007)'s Psychological Model of Trust indicates that authentic brand trust can only be developed in conditions of high perceived risk. In other words, research on trust emphasizes that trusting parties' risk-taking behavior can be seen when they are vulnerable (Rousseau et al., 1998, Canning & Hanmer-Lloyd, 2007). And, strong brands influence a reduction in consumers' perceived risk (Ring, Schriber, & Horton, 1980) since branding guarantees

security (Aaker, 1991). Thus, brands help to build long-term relationships with consumers (Elliott & Yannopoulou, 2007).

Many studies in the area of information seeking support the importance of the role of brand trust on the Web. Many research studies have been conducted on trust in the context of e-commerce (McKnight et al., 2001). Studies on the role of trust in the information seeking process have reported mixed results. Some scholars indicate that the influence of the wide availability of brand information and search capabilities of the Internet will gradually decrease the role of brands (Sinha, 2000; Ward & Lee, 2000). On the other hand, some literature argues that trust can help the decision making process because the consumer would be faced with less information (Metzger & Flanagin, 2013) since trust and external searches for information are alternative mechanisms that decrease uncertainty (Luhmann, 1979). Consumers search for information when the cost of the search does not outweigh the benefit of the search (Metzger & Flanagin, 2013). Trust can reduce the time it takes to consider possible outcomes from the decision, and it can reduce the complex process where people have to cope with uncertainty (Luhmann, 1979). In sum, trust simplify the decision making process by reducing the amount of information required to process (Metzger & Flanagin, 2013).

Web-trust based regarding the safety and security of the Internet leads to trusting behavior and intention toward the e-vendor (Keen et al., 1999). Hence, the role of brand and brand-related factors (e.g. brand familiarity, brand trust) and how they influence the external information-seeking behavior are still considered important in the Internet era (Chaudhuri & Holbrook, 2001). However, the relationship between brand-related factors

such as existing knowledge and attitudes toward brands and branded product information searching has rarely been investigated. In a native advertising context, brand trust can be an important antecedent to process and respond to the advertising since this study expects that ethical concerns such as perceived deceptiveness and privacy concerns may increase the risk to process the messages and possibly influence ad skepticism and ad avoidance.

Media Trust in an Online Environment

Trust can be defined differently in different domains. Understanding media trust based on the structural view of trust appears to be crucial because consumers may have difficulty differentiating between more and less trustworthy information in the Internet environment (Okazaki, Akihiro, & Manoru, 2007). Literature on information systems indicates two different types of trust in the technology construct: 1) human-like trust constructs (e.g. benevolence, integrity, and ability) and 2) system-like trust constructs such as reliability, functionality, and helpfulness (Lankton, McKnight, & Tripp, 2015). Trust is also defined as a) dispositional constructs that reflect the trait psychology view of trust; b) institutional constructs that reflect the sociological/structural view of trust; and c) interpersonal constructs that reflect social psychological and sociological views of trust between people (Lankton et al., 2015). Among the different types of trust, this study focuses on institutional trust, which involves on situational normality that investigates where the environment is appropriate and preferable (Baier, 1986). Institutional trust has not identified specific measures that capture its situational normality (McKnight, Choudhury, & Kacmar, 2002); however, constructs adapted from the field of organizational behavior have been used to interpret the trustworthiness of web and media

use. Organizational trust has been measured by integrity, ability (or competence), and benevolence to measure trustworthiness (Mayer, Davis, and Schoorman, 1995). Later, Kim et al. (2004) identified trust as competence, benevolence, and integrity. Competence refers to the organizations' ability to keep a promise based on its expertise, skills, and knowledge (Xie & Peng, 2009). Benevolence is used to determine whether consumers perceive that organizations' motivations positively, believing that they do have sincere concern for customers' interests (Xie & Peng, 2009). Integrity is defined as the adherence to a set of sound principles (Xie & Peng, 2009).

Scholars have investigated media trust and source credibility based on their fields of interests. Media psychologists focus on how individuals perceive the credibility of information while sociologists view trust as institutional-based characteristics, which are defined as "an individuals' perceptions of the institutional environment" (McKnight, Choudhury, & Kacmar, 2002, p. 336). Trust and credibility are often used similarly, but little attention has been paid to differentiating the two concepts. Credibility is about how one assesses the persuasiveness or credibility of an object (Johnson & Kaye, 2004). Source credibility is defined as "a communicator's positive characteristics that affect the receiver's acceptance of a message" (Ohanian, 1990, p. 41). Past studies indicate the role of source credibility in advertising effectiveness, and recent research has focused on investigating how consumers assess source credibility online (Lee, Strong, Kahn, & Wang, 2002). Since the online platform does not provide solid verification systems (Flanagin & Metzger, 2000), source credibility is used to differentiate between quality information and misleading information (Lee et al., 2002). Past studies have indicated

that consumers perceive new online publishers (newyorktimes.com) that have traditional media counterparts as more trustworthy because they believe that these media outlets have more formal gate-keeping systems (Flanagin & Metzger, 2000). And, studies have demonstrated how users perceive the credibility of information influences their choice of websites. For example, online users perceive news information as more credible than entertainment or commercial information (Metzger et al., 2003). Research on the relationship between a user's perception of the credibility of information and media trust shows that a user's perception of the credibility of any given information source can be considered an outcome in a process of the attribution (Metzger & Flanagin, 2013). In other words, credibility provides a reason to build up trust (Kohring & Matthes, 2007). Thus, past research supports a strong correlation between information credibility and trust among news publishers (Metzger & Flanagin, 2013). The relationship between media use and trust has come into sharper focus (Tsfati & Ariely, 2014; Tsfati & Cappella, 2005) since marketers have more opportunities to use earned media in the online environment. And, recent reports that brands on credible media sites have advantages such that readers respond 20% more positively toward content from credible sites than non-credible sites (IAB, 2014b). This study also supports that consumers favor native advertising if the brand is trusted, relevant, and has good content (IAB, 2014b). However, media sites do not have additional benefits by conveying native advertising, and even worry about losing their credibility and trust (IAB, 2014b).

RESEARCH QUESTION AND HYPOTHESES DEVELOPMENT

Previous research suggests that perceived deceptiveness, perceived personalization, brand trust, and media trust would influence ad skepticism, ad avoidance, attitude toward the ad, and attitude toward the brand. The most distinctive characteristic of native advertising is that it has a sponsorship mark (e.g., sponsored post), yet the distinction between native advertising and editorial content is often blurry (Ponkivar, 2014-2015). Native advertisers may rely on the publisher's credibility to prompt consumers to believe that an advertisement is as credible as the publisher's content (Garfield, 2003). As such, the main criticism of native advertising lies is that it may mislead consumers to view it as editorial or non-sponsored content. According to the Web Advertising Model (Ducoffe & Curlo, 2000, Kim & Han, 2014), consumers' underlying process of accepting online advertising focuses on advertising values, which includes both cognitive and affective processes. Cognitive factors include the perceived informativeness and credibility of advertisements; while entertainment and irritation from advertisements are among the affective factors (Ducoffe & Curlo, 2000). This study particularly focuses on both the affective (perceived deceptiveness) and cognitive (trust toward brand and media) aspects of processing native advertising. Past research articulates that ad credibility is related to consumers' evaluations of products or services (Choi & Rifon, 2002). This study assumes that the credibility of an advertisement is related to evaluations of the media that native advertising appears in and brand being advertised. Thus, this study expects that perceived deceptiveness moderates other trust-related variables (i.e., media trust and brand trust) and advertising outcomes (i.e., advertising skepticism and attitudes toward the brand and ad). While previous research

focused on how ad skepticism influenced responses to advertising, this study focuses more on how perceived deceptiveness influences ad skepticism and attitude toward the brand.

Trust is a crucial construct that determines consumers' choices during risky situations. When consumers trust brands, they are not just exhibiting familiarity with the brand or a feeling of competence about it, but also they are willing to embrace the risks from the situations that the brand is placed in. According to the Psychological Model of Trust (Elliott & Yannopoulou, 2007), when consumers are vulnerable, authentic brand trust can be developed. Specifically, branding influences consumers to reduce their perceived risk since they believe a strong brand guarantees quality and security (Aaker, 1991; Ring, Schriber, & Horton, 1980). Many research studies on trust argue that trust reduces the complex decision making process and helps consumers cope with uncertainty (Lankton, McKnight, & Tatcher, 2012). Native advertising raises ethical concerns in terms of deceptiveness and privacy; thus, consumers who are sensitive to these issues may process native ads as risky. In other words, consumers may feel vulnerable depending on their perceived risk in responding to native advertising. Thus, this study assumes that brand trust may be one of the antecedents in responding to native advertising. Based on PKM, consumers evaluate an advertising message or product (TK), a marketer's motivation (PK), and a marketer's goals and competences (AK), and all these evaluations may depend on consumers' brand trust. Past research argues that consumers regard their previous business experience or purchase experience as personal contact (Baek & Morimoto, 2012), and brand trust, which includes familiarity with and

competence of the brand, may perform this role in native advertising. Consumers may accept native advertising if they have higher trust in the brand since they believe that the brand is predictable and provides security even in a high risk situation. Also, brand trust may lower the negative effects of perceived deceptiveness even though the advertising content is personalized. On the other hand, if consumers' brand trust is low, they may have a negative attitude toward the brand and high ad skepticism. Thus, this study investigates how brand trust influences responses to native advertising.

Consumers rely on new information about products mainly through media, making it difficult for marketers to control (Yannopoulou et al., 2011). Native advertising creates content as much as, or the same as third party sites' content; hence an advertiser may depend on the publisher's credibility (Garfield, 2003). And, a recent study demonstrated that a news publisher increased the perceived credibility of an ad's content by 33% (IAB, 2014a). Research on online information seeking indicates that institutional trust, which reflects a sociological or structural view of trust, can be another construct in understanding trust (Lankton et al., 2015). In other words, institutional trust means situational normality where the environment is proper (Baier, 1986), and in a native advertising context, it can be interpreted as whether the advertising is placed in appropriate and credible media. The difference between trust and credibility has not been fully examined; however, those two concepts are keenly related. While credibility focuses on the credibility of information, trust is closer to institutional-based characteristics (Maknight et al., 2002). This study expects that broader levels of institutional-based media trust will influence responses to native advertising rather than

source credibility. Specifically, this study postulates that when consumers have high media trust, they may have lower ad skepticism and a higher attitude toward the brand.

This study assumes that brand trust and/or media trust influence consumers' evaluations of advertising content since the trustworthiness of native advertising is derived from those two factors. Also, this study expects that perceived deceptiveness will moderate the relationship between the trust-related variables and ad outcomes (ad skepticism and attitude toward the brand). Based on these assumptions, this study investigated a research question regarding an interaction effect among perceived deceptiveness, brand trust, and media trust on ad skepticism and attitude toward the brand:

> **RQ1**: Will there be an interaction effect among brand trust, media trust, and perceived deceptiveness on ad outcomes such as attitude toward the brand and ad skepticism?

Native advertising provides customized and highly contextually targeted information as a format of recommendation (Mulvenna et al., 2000). Even though native advertising is designed to not disrupt users' experience so as not to interfere with user's normal behavior in the particular media (i.e. in-stream) (Pulizzi, 2015), consumers' concerns for privacy still remain. Personalization of advertising is defined as a customized promotional message based on personal information such as purchasing behavior, preferences, demographics, and location (Baek & Morimoto, 2012). Native advertising also can be categorized as personalized advertising since the contents are mainly from users' information that is gathered from cookies. Many native advertising

content creators log users' pages and collect information for the purpose of delivering relevant advertisements. Many online networks such as Google Adwords, Outbrain, and AdRoll provide services for creating ads that are targeted to users by utilizing behavior algorithms (Labrien, 2016). Thus, native advertising also cannot be free from privacy concerns since content is created based on high relevancy. And, perceived personalization may be related to perceived media trust. Consumers may have lower privacy concerns when the native advertising placed in high trust media since consumers believe that an advertisement is as credible as the publisher's content (Garfield, 2003). This study assumes that individuals who perceive high personalization will have higher privacy concerns because they may feel that their freedom of choice is threatened (Edwards et al., 2002). Previous literature has argued that consumers feel their freedom of choices are threatened when they receive intrusive advertising; thus, they respond negatively to the advertising based on Psychological Reactance Theory (Edwards et al., 2002). Even though consumers fear that they will lose their privacy (White et al., 2007), much previous research has found that personalized advertising reduces negative attitudes toward the ads since consumers believe personalized efforts are a part of trust building (Morimoto, 2012; Morimoto & Chang, 2006; Aaker, Brumbaugh, and Grier, 2000; Baek & Morimoto, 2012). Thus, this study expects that the level of perceived personalization may moderate the relationship between media trust and advertising responses such as perceived privacy concerns, ad avoidance, and purchase intention. An understanding of what drives native advertising avoidance can not only help advertising scholars develop a comprehensive theoretical framework of ad avoidance, but also help practitioners

develop native advertising strategies that reduce ad avoidance. Based on that, following additional hypotheses are proposed:

H1: There will be a two-way interaction effect between media trust and perceived personalization on perceived privacy concerns, ad avoidance, attitude toward the ad, and purchase intention. Specifically, individuals who are in the **high media trust condition** will have (a) higher perceived privacy concerns, (b) higher ad avoidance, and (c) lower purchase intention toward the product in the **low perceived personalization condition**, while controlling for the attitude toward the brand.

H2: Individuals who are in the **low media trust condition** will have (a) higher perceived privacy concerns, (b) higher ad avoidance, and (c) lower purchase intention toward the product in the **high perceived personalization condition**, while controlling for the attitude toward the brand.

CHAPTER 3: Study 1 and Study 2

OVERVIEW

This dissertation consists of two studies. The purpose of study 1 is to examine how perceived deceptiveness can influence native advertising avoidance. Study 1 also aims to investigate how such underlying processes may be different across different media and brand types. The second study will add an examination of the moderating effects of perceived personalization of the ad on privacy concerns, ad avoidance, and purchase intention. An understanding of what drives native advertising avoidance can not only help advertising scholars develop a comprehensive theoretical framework of ad avoidance that goes beyond traditional advertising, but also help practitioners develop their direct marketing tactics in a way that will decrease consumer avoidance of native advertising. Chapter 3 presents research methodologies and findings in detail.

EXPERIMENT 1 METHODS

Study Design

The objective of study 1 was to explore the implications of the relationships among perceived deceptiveness, brand trust, and media trust for native advertising persuasiveness. For this purpose, the effect of a match between these three variables was examined in experimental conditions. A 2 (brand trust: high vs. low) X 2 (media trust: high vs. low) X 2 (perceived deceptiveness: high vs. low) between-subjects factorial design was employed. The two independent variables manipulated were brand trust and media trust when faced with an example of native advertising. Four conditions were created by placing a native ad for a product with high or low brand trust on a publisher

website with high or low media trust. Types of brands were selected through pre-tests. Perceived deceptiveness was an independent variable.

Pre-Tests

Pretest 1

A series of pretests were needed to decide the actual brands and media to use to investigate the effectiveness of native advertising. Participants (n = 61) were recruited from Amazon's Mechanical Turk (MTurk), and they were paid 50 cents each. After consenting, the participants were asked to rate the brand trust of the top thirty brands that were listed in "The World's Most Valuable Brands in 2015" by *Forbes* (2015). The brands were randomly presented to the participants to decrease the possibility of order effects. Four items were adapted from Mayer and Davis (1999) and used to assess the perceived integrity of the brand, "I believe the brand is honest," "I believe the brand has a great deal of integrity," "I believe sound principles guide the brand's behavior," and "I believe the brand has a good company value." The items were measured with seven-point Likert scales from strongly disagree (1) to strongly agree (7).

The pre-test results showed that Google ranked the highest in perceived integrity, followed by Intel, Amazon, and Honda, which is shown in Table 3.1. Various industry/product categories were included in this ranking such as media, technology, car, and beverages. Among those categories, the technology category (especially popular for laptop products) seemed adequate to be used as a product category since five brands (Intel, Samsung, Microsoft, Apple, and IBM) showed different levels of perceived integrity. According to Pew Research data (Zickuhr, 2011), a laptop is one of the most

popular devices across generations, and a majority of the population (52%) now own a laptop for a variety of functions. Particularly, 70% of millennials (ages 18-34) and 61% of Gen X (ages 35-46) own a laptop. Thus, a laptop product category was used for the ad stimuli, and pre-test 2 examined perceived brand integrity by adding more brands in the laptop category.

Pre-Test 2

Participants (n = 77) were recruited from Amazon's Mechanical Turk (MTurk), and they were paid 50 cents each. After consenting, the participants were asked whether they knew what native advertising means. In the next questions, the definition and examples of native advertising were given such that "Native advertising is defined as the sponsored contents (e.g. suggested article, sponsored posts, suggested articles, sponsored ad etc.) by marketers or advertisers." And then, participants were asked to choose the media they had seen native advertising in from a list of media that are known to actively use native advertising, or to write the names of media in which they remembered seeing native advertising. They were allowed to provide multiple answers. The results were combined from social media channels (Facebook, Twitter, Instagram), search engines (Google, Yahoo), and online news publishers (*Buzz Feed, The New York Times*) as shown in Table 3.2. Consumers received native advertising most frequently from Facebook, followed by YouTube, Google, and Yahoo.

Table 3.1: Pretest 1 Mean for Brand Trust

Rank	Brands	Mean
1	Google	5.18
2	**Intel**	4.99
3	Amazon	4.98
4	Honda	4.94
5	Gillette	4.88
6	**Samsung**	4.85
7	Disney	4.85
8	Toyota	4.78
9	**Microsoft**	4.72
10	GE	4.70
11	BMW	4.67
12	Mercedes Benz	4.67
13	Cisco	4.64
14	Oracle	4.59
15	SAP	4.49
16	**Apple**	4.46
17	Visa	4.45
18	NIKE	4.42
19	Pepsi	4.41
20	LV	4.40
21	American Express	4.36
22	Budweiser	4.35
23	Coca-Cola	4.35
24	Facebook	3.95
25	Verizon	3.94
26	McDonald	3.86
27	AT&T	3.82
28	**IBM**	3.67
29	Wal-Mart	3.38
30	Marlboro	2.91

Table 3.2: Frequency of Media Consumers Read Native Ad the Most

Rank	Media	Frequency
1	Facebook	54
2	YouTube	48
3	Google	39
4	Yahoo	25
4	Twitter	25
5	*Buzz Feed*	22
6	Instagram	10
7	*The New York Times*	9
7	*Washington Post*	9
8	Pinterest	8
9	*Times*	4
9	Tumblr	4
10	CNN	2

For each media, participants were asked to rate the perceived integrity using a measure from Mayer and Davis (1999) with seven-point Likert scales from strongly disagree (1) to strongly agree (7). They rated the following items: "I believe the media is honest," "I believe the media has a great deal of integrity," "I believe sound principles guide the media's behavior," and "I believe the media has a good company value." The results of media integrity were interpreted through the mean of the averaged media trust scale shown in Table 3.2. Consumers had the highest perceived media integrity for Amazon.com, followed by Google, *the New York Times*, and *Washington Post*.

The discussion on native advertising and ethical concerns arises primarily from the sponsored contents type of native advertising, and the main argument is that native advertising should not be disguised as a news article (Brett, 2013). Thus, a "sponsored contents" type, which is one of the in-feed unit types, was appropriate to examine the

perceived deceptiveness of native advertising. Based on the pre-test 2 results, the *New York Times* (*M* = 4.66) and *BuzzFeed* (*M* = 3.70), which were shown to have the highest and lowest media integrity respectively as online publishers, were chosen for the media trust conditions.

Table 3.3: Pretest 2 Mean for Media Trust

Rank	Media	Mean
1	Google	4.71
2	***The New York Times***	4.66
3	*Washington Post*	4.58
4	*Times*	4.51
5	Yahoo	4.36
6	YouTube	4.35
7	Pinterest	4.16
8	Twitter	3.90
9	Instagram	3.83
10	Tumblr	3.78
11	Facebook	3.76
12	***BuzzFeed***	3.70
13	Snap chat	3.61

Pre-test 2 also tested participants' brand trust on laptop brands using the same scale as pretest 1. The results demonstrated that Samsung (*M* = 5.18) and Fujitsu (*M* = 4.37) showed the highest and lowest brand trust among the 14 laptop brands, as shown in Table 3.4. Thus, those two brands were chosen for the brand trust condition.

Table 3.4: Pretest 2 Mean for Brand Trust

Rank	Brand	Mean
1	Samsung	5.18
2	IBM	5.11
3	Sony	5.09
4	Intel	5.06
5	HP	5.03
6	Dell	5.02
7	Toshiba	4.91
8	Compaq	4.83
9	Asus	4.82
10	Acer	4.82
11	Windows	4.82
12	Lenovo	4.80
13	Apple	4.71
14	Fujitsu	4.58

Experimental Stimuli

Four online ads were created to manipulate media trust and brand trust: two Samsung ads and two Fujitsu ads. Each brand ads appeared on either *BuzzFeed* or *the New York Times* website, as shown in Appendix A. The ads described the newly launched laptop entitled "Samsung (Fujitsu)'s New Laptop Is a Cheaper MacBook Air Alternative." The contents (text and images) were from an actual article from *Time Magazine* (Eadicicco, 2016) and modified to fit the format of native advertising. Text indicating "paid post" was accompanied by a brand logo of either Samsung or Fujitsu. Except for the logo and brand name, other factors composing the advertisement were the same for each condition. The product description was about Samsung's newly launched Notebook 9 Spin; however, the Fujitsu ad used the same content. In the body, the ads explained some of the strengths and

weaknesses of the product in terms of design, battery life, weight, and so on. Also, two images of the product were presented.

In pre-test 3, participants (n = 32) were recruited from Amazon's Mechanical Turk (MTurk), and paid 30 cents. Participants were asked to rate their media trust for the two media. Media trust was measured by three constructs—integrity, competence, and benevolence. For each media, participants rated the integrity with seven-point Likert scales (Mayer and Davis, 1999) from strongly disagree (1) to strongly agree (7). The following items were used: "I believe the media is honest," "I believe the media has a great deal of integrity," "I believe sound principles guide the media's behavior," and "I believe the media has a good company value." Perceived competence assessed the trustworthiness of the media. Items were adopted from Mayer and Davis (1999) and Kim et al. (2004) using 7-point Likert scales (1 = strongly disagree and 7 = strongly agree). The participants rated the items such as "I feel (name of media) is very capable of meeting readers (viewers) needs," "I see no reason to doubt …," and "I can rely on …. to meet my expectations." For media trust, a single index was created by averaging the items from integrity, competence, and benevolence. The results of a paired-sample t-test indicated that the descriptions of the media and ads were different in terms of media trust (M_{NYTimes} = 4.66 vs M_{BuzzFeed} = 3.87, t = 2.75, P <.01).

In pre-test 4, participants (n = 29) were recruited from Amazon's Mechanical Turk (MTurk), and paid 30 cents. Brand trust was also measured by three constructs—integrity, competence, and benevolence. Another paired-sample t-test was conducted at .05 level to evaluate the extent to which the descriptions were considered high brand trust or low brand

trust. The results indicated that the two descriptions and stimuli were different in terms of brand trust (M_{samsung}= 5.49, $M_{Fujitsu}$ = 4.0, t = 4.44, P < .001).

Participants

Participants were recruited using Amazon's Mechanical Turk (www.MTurk.com), which is an online crowdsourcing service where anonymous online workers complete web-based tasks for small sums of money (Crump, McDonnell, & Gureckis, 2013). MTurk benefits researchers in social science by offering an integrated participant compensation system; a large and relatively diverse participant pool; a participant recruitment function; and a data collection function (Buhrmester, Kwang, & Gosling, 2011). Participants were offered $1 for the completion of an approximately 15-minute questionnaire. To be eligible for this study, participants were required to have an acceptance rate of 85% or better from previous Human Intelligence Tasks (HITs) on MTurk.

After participants were eliminated for missing data and screening questions, the final sample included 212 participants. Participants ranged in age from 20 to 68 years old (M = 38.26, SD =11.23). Just over half (58.5%) were male, and the remainder were female. Participants self-reported as white (65.1%), Asian (22.6%), African American (6.1%), Hispanic (4.7%), American Indian (0.9%), and Biracial (0.5%).

Procedure

Participants were able to access the study as a HIT in the MTurk marketplace. After accepting the HIT, participants began by clicking on the link to the online questionnaire and reading a consent from. After agreeing to the terms on the consent

form, participants were randomly assigned to one of four between subject conditions in the experiment (1)*The New York Times* – Samsung, 2)*The New York Times*- Fujitsu, 3)*BuzzFeed*- Samsung, and 4)*BuzzFeed*- Fujitsu). Participants read native advertising entitled "Samsung's (Fujitsu's) New Laptop Is a Cheaper MacBook Air Alternative." After random assignment, participants completed a questionnaire to rate perceived deceptiveness, attitude toward the brands, and ad skepticism. Demographic questions were included at the end.

Measures

Several instruments were used to assess consumers' perceived deceptiveness, brand and media trust, and advertising outcomes. The descriptive statistics and internal consistency of the full scales can be found in Table 3.5.

Independent Variables Measures

Perceived Deceptiveness

Perceived deceptiveness was assessed by whether respondents perceived that the advertising was trying to deceive them by camouflaging the sponsorship of the native advertisement and distorting other information. Responses ranged from strongly disagree (1) to strongly agree (7). A scale (α = .88 , M = 3.93, SD = 1.21) was adapted from the "deceptive message intent" scale developed by Kirmani and Zhu (2007). Of the nine items used by Kirmani and Zhu (2007), six items were modified to measure perceived deception in the context of this study. Participants reported agreement for the following statements: "The fact of sponsorship is concealed;" "Product praise is exaggerated to mislead consumers;" "Product weaknesses are not discussed." Three items dealt with

issues that could harm consumers: “Things are made up to deceive consumers in some way;” “Information is distorted to deceive consumers,” “Consumers aren’t told important information that they need to know.”

Dependent Variables Measures

Attitude toward the brand

Attitude toward the brand was defined as the explicit assessments of the brands. Three 7-point semantic differential items for the brands (α = .87, M = 5.07, SD = 1.23) were anchored by “dislike quite a lot/like quite a lot,” “unsatisfactory/satisfactory,” and “very unappealing/very appealing” (Gardner, 1985).

Ad Skepticism

Using 7-point Likert scales (1 = strongly disagree and 7 = strongly agree) (α = .97, M = 4.69, SD = 1.46), ad skepticism assessed the extent of disbelief about the informational claim of the advertising with a 9-item scale adopted from Obermiller and Spangenberg (1998). Participants rated their agreement with phrases such as “We can depend on getting the truth in this article,” “This article’s aim is to inform the consumer,” “I believe this article is informative,” “This article is generally trustworthy,” “This article is a reliable source of information about the quality and performance of products,” “This article is truth well told,” “In general, this article presents a true picture of the product being advertised,” “I feel I have been accurately informed after viewing this article,” and “This article provides consumers with essential information.” Higher scale values indicated lower skepticism and more positive responses to the ad.

Table 3.5: Descriptive Statistics and Internal Consistency of the Full Scale

Variables	Cronbach's alpha *(α)*	*M*	*SD*
Independent Variables			
Perceived Deceptiveness	.88	3.93	1.21
Dependent Variables			
Attitude toward the brand	.87	5.07	1.23
Ad Skepticism	.97	4.69	1.46

Results

Manipulation Check

To assess the efficacy of the levels of media trust and brand trust in the advertisement, participants were asked to rank their perceived trust in the media and brand. As expected, participants who were exposed to the high media trust condition (*The New York Times*) indicated that the media was more trustworthy ($M = 5.05$) than those who were exposed to the low media trust condition (*Buzz Feed*, $M = 3.92$, $t = 7.52$, $p < .001$). Also, in terms of brand trust, participants who read articles about the high trust brand (Samsung) indicated that the brand was more trustworthy ($M = 5.15$) than those in the low brand trust condition (Fujitsu, $M = 4.28$, $t = 6.78$, $p < .001$). The results showed that the manipulation of the advertisement messages was successful.

Hypotheses Testing

A multivariate analysis of variance (MANOVA) was used to analyze RQ1, investigating the interaction of three independent variables (perceived deceptiveness, media trust, and brand trust) on two dependent variables: attitude toward the brand and

advertising skepticism (Table 3.6). One of the independent variables, perceived deceptiveness, was dichotomized using a median-split procedure (M = 4.0).

The results of the MANOVA revealed that there was a significant three-way interaction effect among the three independent variables on attitude toward the brand and ad skepticism [F(2, 203) = 5.27, p <.001, η^2 = .05], as shown in Table 3.6. A main effect of perceived deceptiveness was not significant; however, significant main effects were found for perceived deceptiveness [F(2, 203) = 15.83, p <.001, η^2 = .14] and brand trust [F(2, 203) = 25.71, p <.001, η^2 = .202]. There were no significant two-way interactions.

Table 3.6: MANOVA Results for Attitude toward the Brand and Ad Skepticism

	Wilks' Lambda	F value	*η2*
Perceived Deceptiveness	.865	15.83***	.14
Brand Trust	.798	25. 71***	.20
Media Trust	.998	.20	.01
Perceived Deceptiveness * Brand Trust	.999	.12	.01
Perceived Deceptiveness * Media Trust	.996	.40	.01
Brand Trust * Media Trust	.974	2.67	.03
Perceived Deceptiveness * Brand Trust * Media Trust	.951	5.27**	.05

Note: * P < 0.05, ** P < 0.01, *** P < 0.001

Attitude toward the Brand

As a follow-up test to MANOVA, separate three-way analysis of variance (ANOVAs) were performed for each dependent variable (Table 3.7). The results revealed that individuals who were in the high brand trust and low media trust condition had a higher attitude toward the brand in the low perceived deception condition (M = 5.74) than in the

high perceived deceptiveness condition [M = 5.07, F(1, 204) = 9.40, p <.01, η^2 = .05] (See Figure 3.1 & 3.2). Findings also showed that individuals who were in the low brand trust and high media trust conditions had a higher attitude toward the brand in the low perceived deceptiveness condition (M = 4.77) than in the high perceived deceptiveness condition (M = 3.93).

Table 3.7: ANOVA Results for Attitude toward the Brand

	F value	*η2*
Perceived Deceptiveness	3.57	.02
Brand Trust	50.59***	.20
Media Trust	.04	.01
Perceived Deceptiveness * Brand Trust	.12	.01
Perceived Deceptiveness * Media Trust	.80	.01
Brand Trust * Media Trust	5.22*	.03
Perceived Deceptiveness * Brand Trust * Media Trust	9.40**	.04

Note: * P < 0.05, ** P < 0.01, *** P < 0.001

Table 3.8: Descriptive Statistics for Attitude toward the Brand

		Brand Trust (H)		Brand Trust (L)	
		Media Trust (H)	Media Trust (L)	Media Trust (H)	Media Trust (L)
Perceived Deceptiveness (H)	***M* (*SD*)**	5.77 (1.03)	5.07 (1.04)	3.93 (1.64)	4.85 (1.16)
	n	25	20	19	29
Perceived Deceptiveness (L)	***M* (*SD*)**	5.78 (.93)	5.74 (.87)	4.77 (.95)	4.48 (1.12)
	n	26	29	33	31

Figure 3.1. Attitude toward the Brand (Low Perceived Deceptiveness)

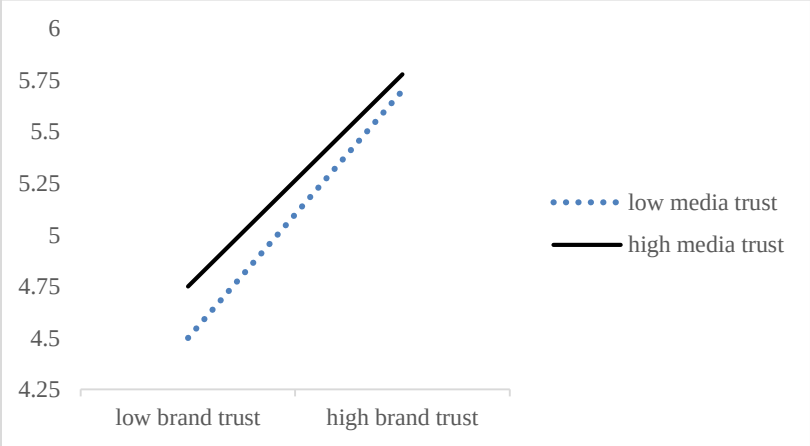
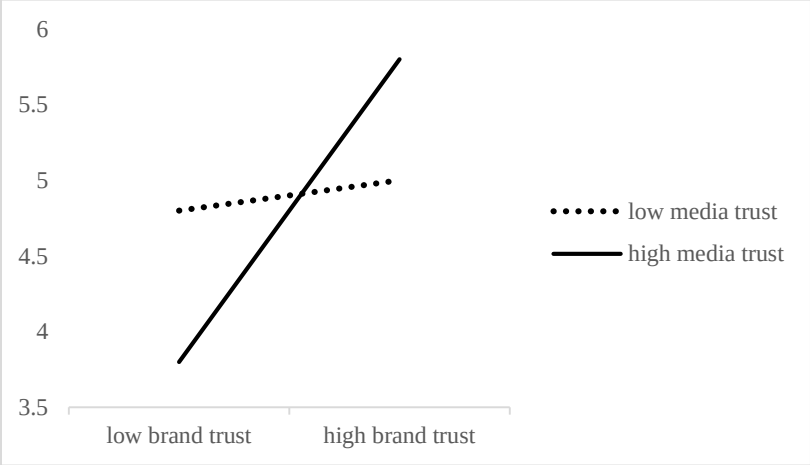


Figure 3.2. Attitude toward the Brand (High Perceived Deceptiveness)



Advertisement Skepticism

Results of a follow-up ANOVA (Table 3.9) revealed that individuals who were in high brand trust and low media trust condition showed lower ad skepticism in the low perceived deception condition (M = 5.25) than in the high perceived deceptiveness condition (M = 3. 87, F(1, 204) = 9.40, p <.05, η^2 = .19] (See Figure 3.3 & 3.4). The results

also demonstrated that individuals who were in the low brand trust and high media trust conditions revealed lower ad skepticism in the low perceived deceptiveness condition (M = 5.21) than in the high perceived deceptiveness condition (M = 3.67).

Table 3.9: ANOVA Results for Ad Skepticism

	F value	$\eta 2$
Perceived Deceptiveness	31.80***	.14
Brand Trust	1. 61	.01
Media Trust	.41	.01
Perceived Deceptiveness * Brand Trust	.53	.00
Perceived Deceptiveness * Media Trust	.03	.00
Brand Trust * Media Trust	1.182	.01
Perceived Deceptiveness * Brand Trust * Media Trust	4.02**	.02

Note: * $P < 0.05$, ** $P < 0.01$, *** $P < 0.001$

Table 3.10: Descriptive Statistics for Ad Skepticism

		Brand Trust (H)		Brand Trust (L)	
		Media Trust (H)	Media Trust (L)	Media Trust (H)	Media Trust (L)
Perceived Deceptiveness (H)	*M* (*SD*)	4.55 (1.35)	3.87 (1.55)	3.67 (1.60)	4.17 (1.70)
	n	25	20	19	29
Perceived Deceptiveness (L)	*M* (*SD*)	5.24 (1.19)	5.25 (1.11)	5.21 (1.24)	4.88 (1.27)
	n	26	29	33	31

Figure 3.3. Skepticism toward the Ad (Low Perceived Deceptiveness)

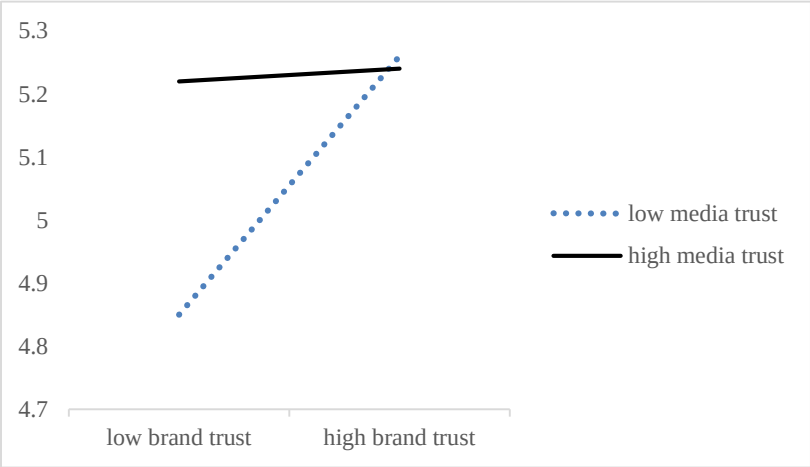
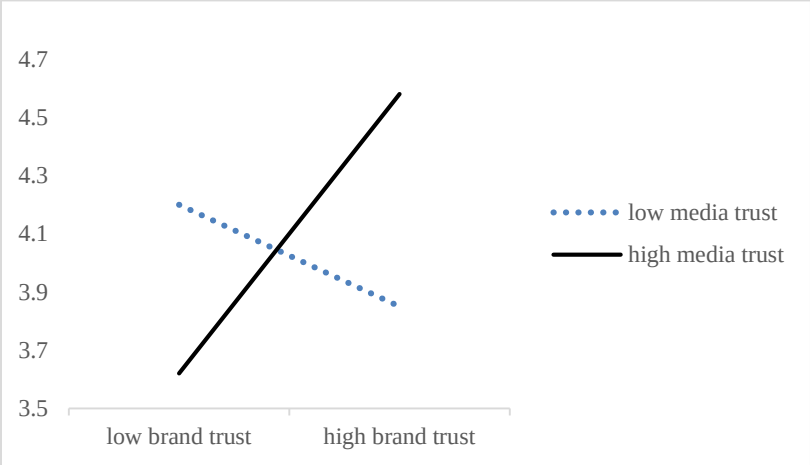


Figure 3.4. Skepticism toward the Ad (High Perceived Deceptiveness)



Discussion

Ducoffe's Web Advertising Model demonstrated that consumers' subjective evaluations of the utility or worth of online advertising is important in order to understand the underlying process of responding to it (R.H; Ducoffe & Curlo, 2000). Particularly, this model argued that consumers consider the credibility of online

advertising as crucial when they evaluate the value of it. As the prevalence of native advertising increases, investigating the effect of ethical concerns about it is critical for developing effective advertising messages. This study attempted to investigate the effect of trust-related variables and perceived deceptiveness on advertising skepticism and attitude toward the brand in the context of online publishing sites.

The findings from study 1 were noteworthy in several aspects. The findings showed significant three-way interaction effects among the three independent variables (perceived deceptiveness, brand trust, and media trust) on ad skepticism and attitude toward the brand. Specifically, when consumers were in the high brand trust condition and the low media trust condition, they had higher attitude toward the ad and lower skepticism toward the ad when they had lower perceived deceptiveness. Likewise, when consumers were in the low brand trust and the high media trust condition, they had higher attitude toward the brand and lower skepticism toward the ad when they had lower perceived deceptiveness. These findings are interesting because of the fact that consumers' low perceived deceptiveness appears to be offsetting either low brand trust or low media trust.

The findings provided practical insights as well. For example, when consumers evaluate the overall advertising claim positively (low perceived deceptiveness) and the product has high brand trust, the advertiser has a broader range of potential media since high brand trust can offset low media trust. In contrast, if brand trust is low, the advertiser must select media with high media trust, which represents a smaller selection of potential media that is likely to be more expensive. An advertiser can determine whether the target

market for its advertising is likely to have high or low trust in a given media vehicle through information provided by the media. For example, if one is advertising a "microbead-free" product that people who have a progressive political ideology (Democrats) are predisposed to appreciate, one would select a media such as *the New York Times* that those consumers are likely to trust. Likewise, a company advertising the manner in which it is addressing climate change problems through its operations would not want to advertise on the Fox News website that consumers who care about climate change (progressives and liberals) are likely not to trust. The findings were consistent with a previous assertion that native advertising uses the media's credibility by borrowing its platform (Garfield, 2003). This leads to a tentative conclusion that perceived deceptiveness plays a crucial role when consumers do not fully trust either the media or brand, and it benefits advertisers to develop their messages and choose their media channels accordingly.

Moreover, it seems that identifying that native advertising is indeed advertising can enhance the effectiveness of the advertising message by lowering skepticism. This is counter to the basic assumption of native advertising—that it is effective because it is camouflaged. Giving the impression that the ads are not disguising anything by having an obvious sponsorship mark and providing facts in the product description may help reduce perceived deceptiveness for consumers. A possible theoretical interpretation comes from the interpersonal communication literature that explains that people are more trustworthy when they disclose things that work against their own self-interest (O'Keefe, 2002). In the context of native advertising, brands that disclose that native advertising is indeed

advertising may be considered more trustworthy than brands do not identify it. The findings also show that attitude toward the brand is highly influenced by brand trust. There was a significant direct effect between brand trust and attitude toward the brand. Thus, building strong brand trust based through a two-way relationship may be fundamental in reducing consumers' reactance toward new digital advertising tactics.

It is interesting to note that when the levels of trust were the same for the brand and media (e.g. high brand-high media trust, low brand-low media trust), skepticism toward the ad was lower for consumers with low perceived deceptiveness (See Table 3.10). This indicated that perceived deceptiveness highly influences ad skepticism. However, in terms of attitude toward the brand, perceived deceptiveness did not have much effect when consumers had the same trust levels for the media and brand (See Table 3.8). Specifically, consumers who had both high media trust and high brand trust did not show much difference in attitude toward the brand depending on the level of perceived deceptiveness though consumers with low perceived deceptiveness showed a slightly higher attitude toward the brand. In the low brand trust and low media trust condition, consumers who had higher perceived deceptiveness even showed higher attitude toward the brand, which may prompt the need for further examination in future studies.

Study 1 was somewhat exploratory due to a lack of previous studies in this area. This study only investigated the attitude toward the brand and ad skepticism, not an actual behavioral intention such as ad avoidance or purchase intention. As the literature indicates, a relationship between ad skepticism and ad avoidance could occur; thus, future studies should investigate actual behavioral response toward the native advertising.

Another limitation of this study is that it focused on a single product category (laptops) and two brands (Samsung and Fujitsu) and ignored the possible moderating effect of brand or product involvement. Employing only the sponsored content type of native advertising is another limitation. Thus, the findings may not be generalizable to other types of native advertising. Future studies may extend this study by incorporating more product categories and brand involvement. Also, utilizing other native advertising types such as the in-feed type on social media may be interesting, especially since the in-feed type is the most common type of native advertising. In addition, privacy concerns could be investigated in relation to the personalization of native advertising.

EXPERIMENTAL 2 METHODS

Overview

The purpose of study 2 is to examine the key factors that can influence native advertising avoidance. Study 1 employed the sponsored contents type of native advertising and assessed the role of perceived deceptiveness, brand trust, and media trust in influencing attitude toward the brand and ad skepticism. Even though online news publishers provide contextually relevant native advertising to readers, the characteristics of personalization and privacy concerns may be relatively low compared to other native advertising types placed in social media. Thus, study 2 aims to investigate how perceived personalization influences consumers' privacy concerns, advertising avoidance, and product purchase intention in a social media context. Previous literature argues that consumers feel their freedom of choice is threatened when they receive intrusive advertising; thus, they respond negatively to advertising based on Psychological

Reactance Theory (Edwards et al., 2002). Even though consumers have a fear of being identified (White et al., 2007), many previous research studies have supported the finding that personalized advertising reduces negative attitudes toward ads since consumers believe personalized efforts are a part of trust building (Morimoto, 2012; Morimoto & Chang, 2006; Aaker, Brumbaugh, and Grier, 2000; Baek & Morimoto, 2012). An understanding of what drives native advertising avoidance can not only help advertising scholars develop a comprehensive theoretical framework of ad avoidance, but also help practitioners develop native advertising strategies that reduce ad avoidance.

Study Design

A 2 (media trust: high vs. low) X 2 (perceived personalization: high vs. low) between-subjects factorial design was employed. Two conditions of media trust were primed as high (*The New York Times*) and low (*BuzzFeed*). While study 1 employed the sponsored content type of native advertising, study 2 utilized the in-feed promotion type. Since Facebook actively employs the in-feed promotion type as well as provides highly personalized content, study 2 created a native ad that was appropriate for Facebook. Since many online publishers have increased their in-feed unit types of native advertising on social media such as Facebook and Instagram, the results can provide implications for both advertisers and online publishers. Perceived personalization was measured as an independent variable. Attitude toward the brand was used as a covariate to control for the possible impact of prior beliefs.

Experimental Stimuli

Two online ads for Samsung were created for the experiment. A tablet was chosen as the product category because of active usage worldwide. Forty-two percent of American adults own a tablet computer (Pew, 2014), and more than one billion people used a tablet in 2015 globally. Tablets use is expected to reach 1.43 billion by 2018 (eMarketers, 2015). Tablets tend to be used even more than televisions or smartphones for media and entertainment purposes (Flurry, 2012), so using tablets as the product category seemed appropriate. The ads described the newly launched tablet, "Designed to be thin and light, the Galaxy TabPro S is a 2-In-1 that's ready for anything, anywhere. smsn.us/TabProS," with the images of a Galaxy TabPro S, as shown in Appendix B. The content of the ad (text and images) was adopted from a recent Samsung Facebook post and slightly modified to be in the same format as a Facebook native ad (i.e. in-feed promotion type). The ads were created by adding a "sponsored" mark and a section for like, comment, and share. The two ads placed in either *BuzzFeed* or *The New York Times* were exactly the same, except for two media publishers' logos.

With the native ad, instructional copy was used to prime high and low media trust to manipulate successfully the two conditions in the social media context. For the low media trust condition, the description indicated the following: "*BuzzFeed is an online platform mostly for entertainment or commercial information and is the least trusted media by recent Pew research*." This copy was developed based on the previous literature indicating that consumers give lower credibility ratings to media delivering entertainment or commercial information than to media providing news information (Metzger et al., 2003). For the high media trust condition, the following copy was used: "*The New York*

Times is an internationally influential daily newspaper and is the most trusted news media by recent Pew research." This condition emphasized *The New York Times* as highly trusted media to convey news information.

Actual perceived personalization was measured instead of being manipulated. However, the following brief scenario was provided to help consumers understand the characteristics and mechanism of in-feed promotion type of native advertising on Facebook. "*Imagine that you recently searched for Samsung's Galaxy TabPro S with a search engine. Today, when you logged on to your Facebook account, sponsored advertising from (BuzzFeed or The New York Times based on a random assignment) appeared on your feed*."

Pretest

Participants ($n = 31$) were recruited from Amazon's Mechanical Turk (MTurk), and paid 30 cents. Media trust was measured for the purposes of a manipulation check with the same scale from study 1. A single index was created by averaging the items from integrity, competence, and benevolence. The results of a paired-sample t-test indicated that the two descriptions were different in terms of perceived integrity ($M_{\text{nytimes}} = 4.40$ vs $M_{\text{buzzfeed}} = 3.20$, $t = 3.18$, $P < .01$).

Participants

Participants ($n = 119$) were recruited from MTurk and were offered $1.50 for the completion of an approximately 15-minute questionnaire. To be eligible for this study, participants were required to have an acceptance rate of 85% or better from previous

Human Intelligence Tasks (HITs) on MTurk, and successfully completed the manipulation questions to be included in the final data set.

Participants were between the ages of 20 to 70 years old (M = 37.33, SD =11.86). Just over half (51.3%) were female and the remainder were male. Participants reported themselves as white (79.8%), Asian (10.9%), African American (5.9%), American Indian (2.5%), and Hispanic (0.8%). Education levels included those with some college (37%), vocational/technical school (2 years, 36.1%), high school diplomas (11.8%), bachelor's degree (8.4%), master's degree (0.8%), and professional degree (0.8%).

Procedure

After agreeing to the terms on the consent form, participants were randomly assigned to one of two conditions; high media trust (*The New York Times*) and low media trust (*BuzzFeed*). They were asked to read the same brief scenario indicating that "*Imagine that you recently searched for Samsung's Galaxy TabPro S with a search engine. Today, when you logged on to your Facebook account, sponsored advertising from (BuzzFeed or The New York Times) appeared on your feed*." And, the native ad with accompanied copy based on their assignment were given. After random assignment, participants completed a questionnaire to rate perceived personalization, perceived privacy concern, attitude toward the ad, ad avoidance, and purchase intention. Perceived media trust and two screening questions were provided for manipulation check purposes. Demographic questions were included at the end.

Measures

Independent Variables Measures

Perceived Personalization

Perceived personalization was defined as providing customized information as a format of recommendation (Mulvenna, Anand, & Büchner, 2000) and was assessed with five 7-point Likert-scale items (Srinvasan, Anderson, and Ponnavolu, 2002) (α = .94, M = 3.57, SD = 1.45). The items were slightly modified in the context of native advertising and participants rated their agreement with the following phrases: "This personalized advertising matches my needs," "I think that this personalized advertising enables me to purchase products that are tailor-made for me," "Overall, this personalized advertising is tailored to my situation," "This personalized advertising makes me feel that I am a unique customer," and "I believe that this personalized advertising is customized to my needs."

Dependent Variables Measures

Perceived Privacy Concerns

Privacy concerns were derived from Dolnicar and Jordaan (2007), and were measured with 7-point Likert scales (α = .91, M = 5.41, SD = 1.27) from strongly disagree (1) to strongly agree (7). Participants expressed their agreement with six items such as "I feel uncomfortable when information is shared without permission," "I am concerned about misuse of personal information," "It bothers me to receive too much advertising material of no interest," "I am afraid that information may not be safe while stored," "I believe that personal information is often misused," and "I think companies share information without permission."

Ad Avoidance

Ad avoidance was assessed using 7-point Likert scales items from strongly disagree (1) to strongly agree (7) (α = .75, *M* = 4.90, *SD* = 1.57). Participants reported their agreement for the following phrases: "I intentionally ignore any advertising," "I hate any advertising," "It would be better if there were no advertising," "I ignore advertising immediately without viewing," and "I have asked marketers to take me off their lists" (Cho & Cheon, 2004; Elliott & Speck, 1998).

Purchase Intention

Purchase intention was measured using four 7-point Likert scales (α = .94, *M* = 2.91, *SD* = 1.58) from strongly disagree (1) to strongly agree (7) (Mathur, 1998). The participants rated items such as "I definitely intend to buy the product," "I would absolutely consider buying the product," "I definitely expect to buy the product," and "I absolutely plan to buy the product."

Covariates Measures

Attitude toward the Brand

Attitude toward the brand (Samsung) was assessed with semantic differential scale items (α = .97, *M* = 5.39, *SD* = 1.26) (Gardner, 1985). Participants rated their agreement with three items anchored by "dislike quite a lot /like quite a lot, unsatisfactory/ satisfactory, and very unappealing/appearing with end-points labeled "1" to "7."

Table 3.11: Descriptive Statistics and Internal Consistency of the Full Scale

Variables	Cronbach's alpha *(α)*	*M*	*SD*
Independent Variables			
Perceived Personalization	.94	3.57	1.45
Dependent Variables			
Perceived Privacy Concerns	.91	5.41	1.27
Ad Avoidance	.75	4.90	1.57
Purchase Intention	.94	2.91	1.58
Covariate			
Attitude toward the brand	.97	5.39	1.26

Results

Manipulation Check

Participants who were exposed to the high media trust (*The New York Times*) condition indicated that the media was more trustworthy (M = 3.99) than those who were exposed to the low media trust condition (*Buzz Feed*, M = 3.12, t = 3.64, p <.001). The results showed that the manipulation of the advertisement messages was successful.

Hypotheses Testing

H1 and H2 predicted that the effects of media trust on advertising outcomes would be moderated by perceived personalization. To test the proposed hypotheses, a series of two-way multivariate analysis of covariance (MANCOVA) was carried out on three dependent variables: perceived privacy concerns, ad avoidance, and purchase intention, while controlling for the effects of the attitude toward the brand (Table 3.13). One of the independent variables, perceived personalization, was dichotomized using a median-split procedure (M = 3.8).

The MANCOVA results revealed the significant two-way interactions between perceived personalization and media trust on three dependent variables [F(3, 112) = 6.15, p <.001, η^2 = .14], as shown in Table 3.11. Significant main effects of media trust [F(3, 112) = 4.58, p <.01, η^2 = .11] and perceived personalization [F(3, 112) = 7.58, p <.001, η^2 = .17] were found on the three dependent variables.

Table 3.12: MANCOVA Results for Perceived Privacy Concern, Ad Avoidance, and Purchase Intention

	Wilks' Lambda	F value	*η2*
Attitude toward the Brand	.95	2.05	.05
Perceived Personalization	.83	7.58***	.17
Media Trust	.89	4.58**	.11
Perceived Personalization * Media Trust	.86	6.15***	.14

Note: * P < 0.05, ** P < 0.01, *** P < 0.001

Perceived Privacy Concerns

To specifically test the hypotheses, follow-up, two-way analysis of covariance (ANCOVAs) were run on each dependent variable (Table 3.14). After controlling for the effects of the covariate (attitude toward the brand, Samsung), the results demonstrated significant interaction effects of the two factors on perceived privacy concerns [F(1, 114) = 18.11, p <.001, η^2 = .14]. The results also showed two significant main effect of media trust, F(1, 114) = 4.33, p <.05, η^2 = .04, and perceived personalization, [F(1, 114) = 7.19, p <.01, η^2 = .06], while controlling for attitude toward the brand.

Follow-up pairwise comparison results (Table 3.15), based on covariate adjusted means (Bonferroni's), demonstrated that individuals who were in the high media trust condition showed higher perceived privacy concerns in the low perceived personalization condition (M = 5.99) than in the high perceived personalization condition (M = 4.42), after controlling for attitude toward the brand (See Figure 3.5). Thus, H1a was supported. In contrast, individuals who were in the low media trust condition revealed higher perceived privacy concerns in the high perceived personalization condition (M = 5.81) than low perceived personalization condition (M = 5.51), while controlling for attitude toward the brand, F(1, 114) = 18.11, p <.001, η^2 = .14 (see Figure 3.5). The results were consistent with the predictions, confirming H2a.

Table 3.13: ANCOVA Results for Perceived Privacy Concern

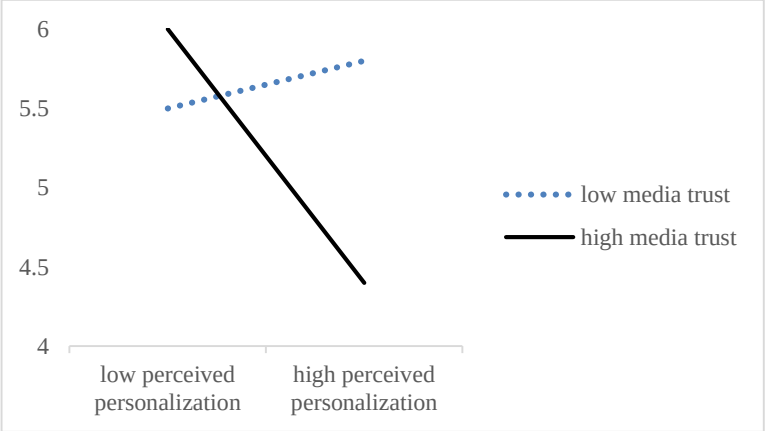
	F value	*η2*
Attitude toward the Brand	.11	.00
Perceived Personalization	7.19**	.06
Media Trust	4.33**	.04
Perceived Personalization * Media Trust	18.11***	.14

Note: * P < 0.05, ** P < 0.01, *** P < 0.001

Table 3.14: Descriptive Statistics for Perceived Privacy Concerns

	Media Trust (H)	Media Trust (L)	Media Trust (H)	Media Trust (L)
	Raw Means (SD)	Raw Means (SD)	Adjusted Means (SD)	Adjusted Means (SD)
Perceived Personalization (H)	4.44 (1.49)	5.82 (.83)	4.42 (.22)	5.81 (.28)
Perceived Personalization (L)	5.98 (.86)	5.50 (1.14)	5.99 (.20)	5.51 (.19)
N	63	56	63	56

Figure 3.5. Perceived Privacy Concerns as a Function of Media Trust and Perceived Personalization



Ad Avoidance

Examination of H1b and H2b considered the interaction effects of perceived personalization and media trust on advertising avoidance. The results indicated that, while holding constant the effects of attitude toward the brand, there was a significant interaction effect on attitude toward the ad, $F(1, 114) = 4.40$, $p < .05$, $\eta^2 = .04$ (Table

3.16). There was no significant main effect of media trust; however, a significant main effect of perceived personalization on ad avoidance was found, F(1, 114) = 10.62, p <.05, η^2 = .09.

Results of follow-up pairwise comparisons revealed (Table 3.17) that consumers who were in the high media trust condition showed higher ad avoidance in the low perceived personalization condition (M = 5.52) than in the high perceived personalization condition (M = 3.97), while accounting for the effects of attitude toward the brand (See Figure 3.6). Thus, H1b was supported. In addition, consumers who were in low media trust condition reported higher ad avoidance in the high perceived personalization condition (M = 5.15) than those who were in the low perceived personalization condition (M = 4.76), while controlling for attitude toward the brand, F (1, 114) = 5.38, p <.05, η^2 = .05. Thus, H2b was also supported.

Table 3.15: ANCOVA Results for Advertising Avoidance

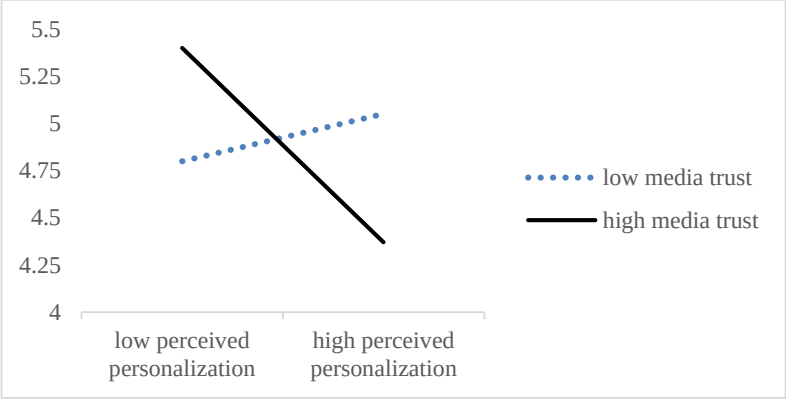
	F value	*η2*
Attitude toward the Brand	2.14	.02
Perceived Personalization	10.62***	.09
Media Trust	.56	.01
Perceived Personalization * Media Trust	4.40**	.04

Note: * P < 0.05, ** P < 0.01, *** P < 0.001

Table 3.16: Descriptive Statistics for Advertising Avoidance

	Media Trust (H)	Media Trust (L)	Media Trust (H)	Media Trust (L)
	Raw Means (SD)	Raw Means (SD)	Adjusted Means	Adjusted Means
Perceived Personalization (H)	3.84 (1.73)	4.69 (1.61)	3.97 (.28)	4.76 (.35)
Perceived Personalization (L)	5.59 (1.08)	5.22 (1.37)	5.52 (.25)	5.15 (.23)
N	63	56	63	56

Figure 3.6. Advertising Avoidance as a Function of Media Trust and Perceived Personalization



Purchase Intention

Results of a two-way ANCOVA (Table 3.18) demonstrated significant interaction effects of perceived personalization and media trust on purchase intention, $F(1, 114) = 9.12$, $p < .05$, $\eta^2 = .05$. Moreover, there were two significant main effects of perceived personalization, $F(1, 114) = 21.73$, $p < .001$, $\eta^2 = .18$, and media trust, $F(1, 114)$

= 11.31, p <.001, η^2 = .09, on purchase intention, while accounting for the effect of attitude toward the brand.

To test H1c and H2c, follow-up pairwise comparisons were conducted (Table 3.19), and the results demonstrated that consumers who were in the high media trust condition showed lower purchase intention in the low perceived personalization condition (M = 2.48) than in the high perceived personalization condition (M = 4.29), while controlling for the effects of attitude toward the brand. Thus, H1c was also supported, F(1, 114) = 5.69, p <.05, η^2 = .05 (See Figure 3.7). Also, consumers who were in low media trust condition showed that higher purchase intention in the high perceived personalization condition (M = 2.90) than those who were in the low perceived personalization condition (M = 2.24), while controlling for attitude toward the brand. The results were not consistent with the predictions; thus, H2c was not supported.

Table 3.17: ANCOVA Results for Purchase Intention

	F value	*η2*
Attitude toward the Brand	2.14	.02
Perceived Personalization	10.62***	.09
Media Trust	.56	.01
Perceived Personalization * Media Trust	4.40**	.04

Note: * P < 0.05, ** P < 0.01, *** P < 0.001

Table 3.18: Descriptive Statistics for Purchase Intention

	Media Trust (H)	Media Trust (L)	Media Trust (H)	Media Trust (L)
	Raw Means (SD)	Raw Means (SD)	Adjusted Means	Adjusted Means
Perceived Personalization (H)	4.46 (1.47)	2.97 (1.46)	4.29 (.25)	2.90 (.31)
Perceived Personalization (L)	2.39 (1.22)	2.15 (1.09)	2.48 (.22)	2.24 (.21)
N	63	56	63	56

Figure 3.7. Purchase Intention as a Function of Media Trust and Perceived Personalization

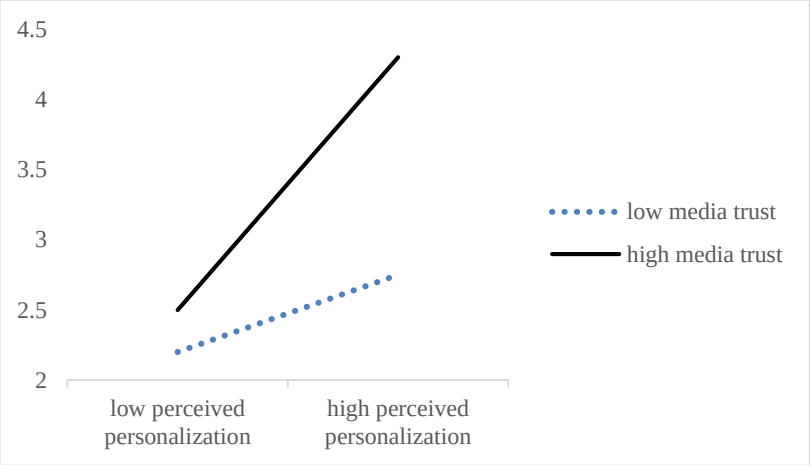


Table 3.19: Summarized Results of Hypotheses Testing For Study 2

Hypotheses	Dependent Variable	Direction predicted	Results
H1: Media Trust (H), Perceived Personalization (L)	(a) Perceived Privacy Concern	+	supported
	(b) Ad Avoidance	+	supported
	(c) Purchase Intention	-	supported
H2: Media Trust (L), Perceived Personalization (H)	(a) Perceived Privacy Concern	+	supported
	(b) Ad Avoidance	+	supported
	(c) Purchase Intention	-	rejected

Discussion

This study extended the findings of study 1 by examining perceived personalization in the social media context and its relationship with media trust as it pertains to perceived privacy concerns, ad avoidance, and purchase intention.

Several aspects of the findings were notable. A significant interaction effect of perceived personalization and brand trust was found on consumers' attitude and behavior toward native advertising, while controlling for the effect of attitude toward the brand. Consumers who read the native ad from *The New York Times* on Facebook generated a higher level of perceived privacy concerns, higher levels of ad avoidance, and lower purchase intention when they felt that the native advertising was not highly personalized. This finding is consistent with the results from prior studies showing that personalized content reduces negative attitudes toward the ad and ad avoidance because consumers appreciate the personalized efforts by advertisers (Morimoto, 2012; Morimoto & Chang, 2006, Baek & Morimoto, 2012). However, in contrast, consumers who were exposed to the native ad from *BuzzFeed* demonstrated an opposite reaction in that they revealed

higher privacy concerns, higher ad avoidance, and lower purchase intention when they perceived the ad as highly customized to their needs and interest. This finding contradicts previous research and demonstrates that when the native ad comes from media with low trust (*BuzzFeed*), consumers react negatively to the personalized ad. This indicates that when it comes to low trust media, consumers tend to avoid advertising because they are worried about their privacy and feel that their personal information is threatened. However, consumers reacted favorably to the personalized ads from *The New York Times*. Thus, this leads to a tentative conclusion that the level of personalization needs to be different depending on the type of media and consumers' level of trust in it.

In terms of purchase intention, the findings provided some interesting results. When consumers read a native ad from *The New York Times,* they showed a higher level of purchase intention (M = 4.29) when they felt that the advertising was customized. However, when they perceived it as non-personalized advertising, their purchase intention was dramatically lower (M = 2.48). Interestingly, in terms of purchase intention, consumers who were exposed to the native ad from *BuzzFeed* revealed higher purchase intention when they perceived the ad as highly personalized. However, the mean difference of purchase intention was very low for both high (M = 2.90) and low perceived personalization (M = 2.24) conditions. Further investigation is required since the mean difference was very slight and could possibly depend on the brand or product category. It can be concluded that providing personalized advertising in high trust media seems like the best way for a brand to increase sales.

This study only controlled for the attitude toward the brand, not for the construct of the brand as a whole such as brand trust as was investigated in study 1. Since brand trust is a desirable means for transmitting information and influencing the attitude and behavior of the receiver (Yannopoulou, Koronis, & Elliott, 2011), particularly in a decision making process with risks or uncertainty, investigating how brand trust influences privacy concerns would be interesting. Future studies may examine how different brand trust related variables (brand knowledge, familiarity, and brand trust) influence consumers' purchase intention depending on the level of consumers' perceived privacy concerns.

The results for study 2 were clearer than for study 1, possibly due to the simpler study design focusing on the effects of two factors. Despite these findings, there were a number of potential issues that may limit the generalizability of these results. First, the proposed interaction effects were investigated by priming media trust. To improve the external validity of the findings from study 2, further studies need to measure perceived media trust. Second, the study measured perceived personalization based on how participants interpreted the given simple scenario. Future studies may use a non-experimental approach to test personalization effects of native ads on ad avoidance in a more natural way. Third, study 2 did not fully explain the relationships among all possible dependent variables. For example, this study did not show how ad skepticism or attitude toward the brand could influence ad avoidance. Also, this study ignored the possible impact of the product involvement or attitude toward Facebook.

CHAPTER 4: General Discussion

Native advertising has become a promising form of online marketing that can seamlessly appear in a particular media without interfering much with consumers' behavior. With the increased frequency and growing potential of using native advertising, ethical concerns related to its deceptiveness and privacy invasion have received attention. Compared to relatively intrusive banner ads or pop-ups, the identity of a native ad is often camouflaged, and it is relatively low in intrusiveness. As such, consumers may perceive native advertising as deceptive. The deceptiveness may come from when they feel that the sponsorship misleads them or from when their desired behavior is interfered with in a particular media. Questions of whether this deceptiveness really influences consumers' ad and brand attitudes and behavior served as a starting point of this study. Consumers' privacy concerns while reading personalized advertising in social media is another potential ethical issue, and this study examined whether native advertising prompts consistently positive results from consumers when the ads are personalized ads, as found in previous literature. To address these questions, this study proposed and conducted two experimental studies to understand the antecedents and consequences of perceived deceptiveness, trust, and perceived personalization on online advertising in the context of native ads.

The results of the two studies revealed many significant relationships among the variables of interest. The findings from study 1 provided evidence that perceived deceptiveness moderates the effects of trust in the media or in the brand. That is, among those who had high media trust and low brand trust, ad skepticism was greater for those

who perceived high deceptiveness than for those who experienced low deceptiveness. Also, consumers who had low media trust and high brand trust showed a lower attitude toward the brand and high skepticism in high perceived deceptiveness. A possible theoretical underpinning of this relationship may be a halo effect when positive feelings in either high brand (or media) trust cause low media trust or brand trust to be viewed positively. Another possible interpretation comes from the trust transfer literature. Cognitive process of trust transfer indicated that trust can be transferred from one trusted source to another entity (e.g. a person, group, or organization) when the trustor has no direct experience (Kim et al., 2010, Stewart, 2003). Based on this, high trust in the media may be transferred to the brand if the media is a trusted source. The findings also provide theoretical implications for the ad skepticism and trust literature. While past research argued that consumers' disbelief toward an information claim in online advertising prompts higher skepticism (Obermiller and Spangenberg, 1998), the findings from study 1 revealed that media trust and brand trust are important constructs that influence in consumers' skepticism toward native advertising. Institutional trust in the form of media trust and brand trust seems to be an effective mechanism to reduce complexity when consumers cope with uncertainty—in this case, the deceptiveness of a native ad. While past literature on trust argues that trust helps consumers to continue to process an ad with limited information, this research demonstrates that media trust and brand trust seem to help consumers to process advertising when their perceived deceptiveness was high.

This study also provided theoretical contributions to understanding Psychological Reactance Theory and literature on personalization and ad avoidance by investigating the

relationship between media trust and perceived personalization. Study 2 extended the realm of ad avoidance and personalization ad literature (Baek & Morimoto, 2012) by looking into native advertising avoidance in terms of both an affective factor (perceived personalization) and a cognitive factor (media trust). Findings from study 2 were consistent with previous studies in that personalized advertising tends to reduce negative attitudes toward the advertising and prompt lower privacy concerns, lower ad avoidance, and higher purchase intention. The findings demonstrated that behavioral targeting can be a very effective tool; however, taking media trust into consideration is also important. In other words, perceived personalization and media trust are keenly related and influence perceived privacy concerns. A notable finding is that consumers do not seem to feel their freedom of choice is threatened (Edwards et al., 2002) when highly customized native advertising appears in high trust media. Likewise the ad avoidance literature emphasizes the importance of understanding consumers' beliefs about the object (ad); however, the findings from study 2 demonstrated that consumers' beliefs are not limited to the advertising, but also include their beliefs about the media and brand overall.

These findings are in line with the concept of permission marketing by Seth Godin (Godin, 1999), in which marketing information is delivered only when consumers' consent to receive it. Godin discussed a permission marketing framework with five levels: situational permission, brand trust, personal relationship, points permission, and intravenous permission (Godin, 1999). In detail, situational trust refers to consumers permitting brands to contact them by providing their personal information. Brand trust refers to when consumers permit brands to fulfill their needs continuously. Personal

relationship means that consumers allow the brands' marketing activity to reach them due to their personal relationships with the brands. Points permission indicates that consumers not only receive the product and services but also allow the marketers to collect their personal information. Lastly, intravenous permission is defined as the level when consumers totally rely on the brands. These levels are not necessarily sequential, but the business aims to achieve the higher levels since they decreases their marketing costs (Godin, 1999). Findings demonstrated that employing high media trust may help to achieve higher levels of permission framework and possibly save the company's marketing money.

MANAGERIAL IMPLICATIONS

Advertisers can use the findings of this study to determine the appropriate media platforms for the products and to create strategic native advertising messages. When determining which online publishing sites or social media platforms to use, advertisers and brands must take into account whether consumers have high or low trust in the media. Evaluating media trust seems like a fundamental way to reduce ad avoidance among consumers and increase purchase intention assuming that the ad contents are highly personalized. Likewise, developing strong brand equity and trust seems like a fundamental way to appeal to consumers, build relationships, and increase opportunities in many ways. Brands will have a broader range of media choices if they are high in trust; thus, they can reduce their costs for buying media and reduce their chances of choosing media that is not appropriate. From a managerial perspective, if brands have not built strong trust, relying on the media's trust seems to be a strategic option.

Likewise, marketers' fear that consumers will avoid their native ads if they are identified as advertising seems unfounded. Consumers appear to prefer to be informed that they are marketed to, and if they are informed, they are willing to accept personalized advertising. As such, transparency may be a key to persuading audiences as suggested in the previous research on online advertising (Drumwright & Murphy, 2009). Providing native advertising with a more obvious ad sponsorship mark appears to lead to a more positive ad and brand attitudes and more favorable behavior from consumers. Even though they know that they are targeted to, consumers welcome the fact that marketers are offering the personalized content that they are looking for assuming that the ads are coming from high trust media. The findings provide advertisers with some useful guidelines as to how to create native advertising. The study suggests that disclosing a sponsorship mark and logo that are more obvious may be helpful, and at the same time, the contents should be carefully created based on the target's needs and interests.

Additionally publishers do not seem to be sacrificing media trust much by accepting native advertising and lending their platforms to brands. Even though consumers had slightly lower perceived trust after reading native advertising on the online publishing site, it likely to be offset by the increased traffic that native advertising brings to their websites and by the potential revenues from native advertising. In contrast, using native ads on social media sites (in-feed unit) produced relatively lower rating of media trust after consumers read the native ad, particularly for *The New York Times*. That may be because consumers were not aware that *The New York Times* was utilizing native

advertising methods, and if they perceive it as deceptive, their trust may decrease. Moreover, since native advertising in social media is created based on targeting methods, trust levels are highly influenced based on their perceived privacy concerns. If online publishers are really focusing on maintaining their integrity, native advertising on their own websites may be a better option than social media; however, future research is warranted.

LIMITAIONS AND FUTURE RESEARCH

This study was the first to attempt to test trust variables and ethical concerns empirically in the context of native advertising. Due to limited previous empirical studies research, there are several limitations. First of all, this study manipulated media trust and brand trust as part of an experiment, and only considered two media and two brands. Second, since this study utilized experimental methods, the concept of personalization advertising was not fully executed. The core concept of native advertising is that it provides contextually targeted advertising; however, this study provided a scenario and consumers answered based on their interpretations. Thus, the results may not be generalizable. Future studies may approach this topic in a more natural way by tracking consumers' online browsing behavior in a laboratory experimental environment to understand better the relationship between consumers' perceived personalization and privacy concerns while monitoring ad and brand attitude and behavior.

Also, this study may not have considered the affective aspects of native advertising fully. Previous literature on online advertising and ad skepticism has argued that ad irritation influences ad skepticism in the context of pop-ups. Baek & Morimoto

(2012) investigated potential antecedents of personalized advertising avoidance in the context of personalized media, and their findings supported the mediating role of ad skepticism in influencing the causal relationships between ad avoidance and its affective antecedents (perceived personalization, privacy concerns, and ad irritation). However, this study did not investigate the role of ad skepticism with respect to perceived personalization and ad avoidance. The findings also indicated that personalized advertising tends to diminish the negative effects of skepticism, which is consistent with previous findings (Aaker, Brumbaugh, and Grier, 2000). There is also the possibility that ad skepticism mediates the relationship between perceived personalization and ad avoidance by reducing consumers' levels of ad skepticism in native advertising text. Future studies need to examine and develop a theoretical model that can explain the relationships among the variables of interest.

Also, this study did not investigate the relationship between brand trust and perceived personalization on privacy concerns and ad avoidance. The Psychological Model of Trust indicates that authentic brand trust can only be developed in conditions of high perceived risk. In e-commerce situations, trusting parties' risk-taking behavior can be seen when they are vulnerable. Even though native advertising is not highly related to monetized situations, privacy concerns can be seen as a risky situation for today's consumers because of sensitivity regarding their personal information. Future studies should test the role of personalized advertising and brand trust on perceived privacy concerns, ad avoidance, and purchase intention.

This study suggests that it would be helpful to analyze native ads for compliance with the FTC guidelines using a content analysis method. A research study focused on analyzing native ad types, sponsorship identification, and compliance with the FTC guidelines such as using suggested language and the location of logos would be interesting. Also, interviews with the creators of native ads to see if they are aware of and understand the FTC guidelines would be helpful in future research. These two qualitative studies would provide understanding regarding the actual usage of native advertising in terms of FTC guidelines and highlight practitioners' suggestions for better utilizing native advertising.

In conclusion, the forms of native advertising will continue to evolve as the media industry evolves. Native advertising will also continue to raise important issues related to both the effectiveness and the ethics of digital advertising. Understanding consumers' ethical concerns about native advertising and providing the contents what they want based on their needs is core to the success of native advertising. The findings from this study suggest that it is in advertisers' and the media's best interests to have FTC regulations regarding clearly identifying the sponsor of native advertising.

Appendix A: Manipulation Stimuli (Study 1)

HIGH MEDIA TRUST AND LOW BRAND TRUST CONDITION

SECTIONS HOME SEARCH The New York Times SUBSCRIBE NOW LOG IN

PAID POST

T BrandStudio FUJITSU

Fujitsu's New Laptop Is a Cheaper MacBook Air Alternative

Lisa Eadicicco @lisaeadicicco | Jan. 29, 2016

It's one of the best Windows laptops out there

The good: Light and slim design, good performance, beautiful screen
The bad: Battery life could be longer, keys a little shallow
Who should buy it: Those in the market for a flexible, high-end Windows laptop
The bottom line: Fujitsu's Notebook 9 Spin is an attractive, portable laptop with a great screen that can rival the MacBook Air, but its battery life is shorter than we'd like

The tech industry has been predicting the demise of the laptop for years. Yet the plummeting PC market hasn't discouraged companies from releasing new laptops that are slimmer, more powerful, and better looking than their predecessors.

One such computer manufacturer is Fujitsu, a company that's more widely known for its line of Kyoex smartphones and tablets, TVs, and home appliances. But Fujitsu also has a line of premium laptops.

Among the latest additions to Fujitsu's laptob family is the $1,300 Notebook 9 Spin, a slick metal Windows 10 laptop that can fold in both directions, allowing it to be used as both a laptop and a tablet.

The Notebook 9 Spin feels as premium as a MacBook Air, but with the flexibility of a Windows laptop-tablet hybrid device. It's a gorgeous, powerful device for those who are willing to spend the money, but it comes with a few limitations. Here's what we think about Fujitsu's new labtop.

LOW MEDIA TRUST AND LOW BRAND TRUST CONDITION

BuzzFeed

News Buzz Life Quizzes Videos More Get Our App!

TECH

Fujitsu's New Laptop Is a Cheaper MacBook Air Alternative

Lisa Eadicicco @lisaeadicicco | Jan. 29, 2016

FUJITSU Brand Publisher

It's one of the best Windows laptops out there

The good: Light and slim design, good performance, beautiful screen
The bad: Battery life could be longer, keys a little shallow
Who should buy it: Those in the market for a flexible, high-end Windows laptop
The bottom line: Fujitsu's Notebook 9 Spin is an attractive, portable laptop with a great screen that can rival the MacBook Air, but its battery life is shorter than we'd like

The tech industry has been predicting the demise of the laptop for years. Yet the plummeting PC market hasn't discouraged companies from releasing new laptops that are slimmer, more powerful, and better looking than their predecessors.

One such computer manufacturer is Fujitsu, a company that's more widely known for its line of Kyoex smartphones and tablets, TVs, and home appliances. But Fujitsu also has a line of premium laptops.

Among the latest additions to Fujitsu's laptob family is the $1,300 Notebook 9 Spin, a slick metal Windows 10 laptop that can fold in both directions, allowing it to be used as both a laptop and a tablet.

The Notebook 9 Spin feels as premium as a MacBook Air, but with the flexibility of a Windows laptop-tablet hybrid device. It's a gorgeous, powerful device for those who are willing to spend the money, but it comes with a few limitations. Here's what we think about Fujitsu's new labtop.

HIGH MEDIA TRUST AND HIGH BRAND TRUST CONDITION

SECTIONS HOME SEARCH The New York Times SUBSCRIBE NOW LOG IN

PAID POST

T BrandStudio SAMSUNG

Samsung's New Laptop Is a Cheaper MacBook Air Alternative

Lisa Eadicicco @lisaeadicicco | Jan. 29, 2016

It's one of the best Windows laptops out there

The good: Light and slim design, good performance, beautiful screen
The bad: Battery life could be longer, keys a little shallow
Who should buy it: Those in the market for a flexible, high-end Windows laptop
The bottom line: Samsung's Notebook 9 Spin is an attractive, portable laptop with a great screen that can rival the MacBook Air, but its battery life is shorter than we'd like

The tech industry has been predicting the demise of the laptop for years. Yet the plummeting PC market hasn't discouraged companies from releasing new laptops that are slimmer, more powerful, and better looking than their predecessors.

One such computer manufacturer is Samsung, a company that's more widely known for its line of Galaxy smartphones and tablets, TVs, and home appliances. But Samsung also has a line of premium laptops.

Among the latest additions to Samsung's laptop family is the $1,300 Notebook 9 Spin, a slick metal Windows 10 laptop that can fold in both directions, allowing it to be used as both a laptop and a tablet.

The Notebook 9 Spin feels as premium as a MacBook Air, but with the flexibility of a Windows laptop-tablet hybrid device. It's a gorgeous, powerful device for those who are willing to spend the money, but it comes with a few limitations. Here's what we think about Samsung's new laptop.

LOW MEDIA TRUST AND HIGH BRAND TRUST CONDITION

BuzzFeed

News Buzz Life Quizzes Videos More Get Our App!

TECH

Samsung's New Laptop Is a Cheaper MacBook Air Alternative

Lisa Eadicicco @lisaeadicicco | Jan. 29, 2016

SAMSUNG Brand Publisher

It's one of the best Windows laptops out there

The good: Light and slim design, good performance, beautiful screen
The bad: Battery life could be longer, keys a little shallow
Who should buy it: Those in the market for a flexible, high-end Windows laptop
The bottom line: Samsung's Notebook 9 Spin is an attractive, portable laptop with a great screen that can rival the MacBook Air, but its battery life is shorter than we'd like

The tech industry has been predicting the demise of the laptop for years. Yet the plummeting PC market hasn't discouraged companies from releasing new laptops that are slimmer, more powerful, and better looking than their predecessors.

One such computer manufacturer is Samsung, a company that's more widely known for its line of Galaxy smartphones and tablets, TVs, and home appliances. But Samsung also has a line of premium laptops.

Among the latest additions to Samsung's laptop family is the $1,300 Notebook 9 Spin, a slick metal Windows 10 laptop that can fold in both directions, allowing it to be used as both a laptop and a tablet.

The Notebook 9 Spin feels as premium as a MacBook Air, but with the flexibility of a Windows laptop-tablet hybrid device. It's a gorgeous, powerful device for those who are willing to spend the money, but it comes with a few limitations. Here's what we think about Samsung's new laptop.

Appendix B: Manipulation Stimuli (Study 2)

HIGH MEDIA TRUST CONDITION

LOW MEDIA TRUST CONDITION

References

Aaker, D. A. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. New York, Toronto: Free Press.

Aaker, D. A., & Bruzzone, D. E. (1985). Causes of irritation in advertising. *Journal of Marketing, 49*(2), 47-57.

Aaker, J. L., Brumbaugh, A. M., & Grier, S. A. (2000). Nontarget markets and viewer distinctiveness: The impact of target marketing on advertising attitudes. *Journal of Consumer Psychology, 9*(3), 127-140. doi:10.1207/S15327663JCP0903_1.

Baek, T. H., & Morimoto, M. (2012). Stay Away From Me. *Journal of Advertising, 41*(1), 59-76. doi: 10.2753/JOA0091-3367410105

Barwise, P., & Strong, C. (2002). Permission-based mobile advertising. *Journal of Interactive Marketing, 16*(1), 14-24. doi: http://dx.doi.org/10.1002/dir.10000

Beene, R. (2014, September 22). Golf takes zany ride in VW native advertising. *Automotive News, 89*.

Baier, A. C. (1986). Trust and Antitrust. *Ethics*. 96, 231–260.

Bennet, S. C. (2011). Regulating online behavior advertising. *John Marshall Law Review*, 44, 899.

Bercovici, J. (2013). Study Shows Native Ads Outperform Banners...Mostly. *Forbes*.

Brehm, J. W. (1966). *A Theory of Psychological Reactance*. New York: Academic Press.

Brehm, S. S., & Brehm, J. W. (1981). *Psychologial Reactance: A theory of freedom and control.* New York: Academic Press

Brett, L. (2013). Publishers and marketers must meet ethical standards in native advertising, *AdAge*. Retrieved from http://adage.com/article/guest-columnists/native-advertising-raises-ethics-issues-pubs-marketers/242073/.

Buhrmester, M., Kwang, T., & Gosling, S. D. (2011). Amazon's Mechanical Turk: A new source of inexpensive, yet high-quality, data? *Perspectives on Psychological Science, 6*(1), 3-5. doi: 10.1177/1745691610393980.

Campbell, Margaret C., & Kirmani, A. (2000). Consumers' use of persuasion knowledge: The effects of accessibility and cognitive capacity on perceptions of an influence agent. *Journal of Consumer Research, 27*(1), 69-83. doi: 10.1086/314309.

Canning, L., & Hanmer-Lloyd, S. (2007). Trust in buyer-seller relationships: The challenge of environmental (green) adaptation. *European Journal of Marketing, 41*(9/10), 1073-1095. doi:10.1108/03090560710773354.

Carroll, A., Barnes, S. J., Scornavacca, E., & Fletcher, K. (2007). Consumer perceptions and attitudes towards SMS advertising: recent evidence from New Zealand. *International Journal of Advertising, 26*(1), 79-98. doi: 10.1080/02650487.2007.11072997.

Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty. *Journal of Marketing, 65*(2), 81-93. doi: 10.1509/jmkg.65.2.81.18255.

Cho, C.-H., & Cheon, H. J. (2004). Why Do People Avoid Advertising on the Internet? *Journal of Advertising, 33*(4), 89-97.

Choi, S. M., & Rifon, N. J. (2002). Actecedents and consequences of Web advertising credibility: A study of consumer response to banner ads. *Journal of Interactive Advertising, 3*(1), 12-24.

Choi, Y. K., Hwang, J.-S., & McMillan, S. J. (2008). Gearing up for mobile advertising: A cross-cultural examination of key factors that drive mobile messages home to consumers. *Psychology and Marketing, 25*(8), 756-768. doi: 10.1002/mar.20237.

Crump, M. J. C., McDonnell, J. V., & Gureckis, T. M. (2013). Evaluating Amazon's Mechanical Turk as a Tool for Experimental Behavioral Research. *PLoS ONE, 8*(3), e57410. doi: 10.1371/journal.pone.0057410.

Cunningham, P. H. (1999). *Ethics of Advertising.* London Sage.

Dawar, N., & Pillutla, M. M. (2000). Impact of product-harm crises on brand equity: The moderating role of consumer expectations. *Journal of Marketing Research, 37*(2), 215-226. doi:10.1509/jmkr.37.2.215.18729

Deutsch, M. (1973). The Resolution of Conflict: Constructive and Destructive Processes. New Haven, CN: Yale University Press.

Deziel, M. (2014). Women inmates: why the male model doesn't work. *The New York Times,* Retrieved from http://paidpost.nytimes.com/netflix/women-inmates- separate-but-not-equal.html.

Dolnicar, S., & Jordaan, Y. (2007). A market-oriented approach to responsibly managing information privacy concerns in direct marketing *Journal of Advertising, 36*(2), 123-149.

Drumwright, M. E., & Murphy, P. E. (2009). The Current State of Advertising Ethics: Industry and Academic Perspectives. *Journal of Advertising, 38*(1), 83-108. doi: 10.2753/JOA0091-3367380106

Ducoffe, R. H. (1995). How consumers assess the value of advertising. *Journal of Current Issues and Research in Advertising, 17*(1), 138-147.

Ducoffe, R. H. (1996). How consumers assess the value of advertising *Journal of Advertising Research, 17*(1), 21-35.

Ducoffe, R. H., & Curlo, E. (2000). Advertising value and advertising processing. *Journal of Marketing Communications, 6*(4), 247-262. doi: 10.1080/135272600750036364.

Dunn, M. H. (1988). Trust and Political Agency. In Gambetta, D. (ed.). Trust: Making and Breaking Cooperative Relations. Blackwell, New York, pp.73-93.

Dumenco, S. (2014, September 1). Here's what else is wrong with native advertising. *Advertising Age, 85,* 0035.

Eadicicco, L. (2016, Jan. 29). Samsung's New Laptop Is a Cheaper MacBook Air Alternative. *Time*. Retrieved from http://time.com/4198615/samsung-notebook-9-spin-review/.

Edwards, S. M., Li, H., & Lee, J.-H. (2002). Forced exposure and psychological reactance: antecedents and consequences of the perceived intrusiveness of pop-up ads. *Journal of Advertising, 31*(3), 83-95.

Elliott, R., & Yannopoulou, N. (2007). The nature of trust in brands: a psychosocial model. *European Journal of Marketing, 41*(9/10), 988-998. doi: 10.1108/03090560710773309.

Fishbein, M., & Ajzen, I. (1975). *Belief, attitude, intention, and behavior: An introduction to theory and research*. Reading, Mass: Addison-Wesley Pub. Co.

eMarketers. (2015). Tablet users to surpass 1 billion worldwide in 2015. *eMarketers.* Retrieved from http://www.emarketer.com/Article/Tablet-Users-Surpass-1-Billion-Worldwide-2015/1011806

Fair, L. (2013). FTC staff to search engines: Differentiate ads from natural results. Federal Trade Commission. Retrived from https://www.ftc.gov/news-events/blogs/business-blog/2013/06/ftc-staff-search-engines-differentiate-ads-natural-results.

Flanagin, A. J., & Metzger, M. J. (2000). Perceptions of Internet information credibility. *Journalism and Mass Communication Quarterly, 77*(3), 515-540. doi: 10.1177/107769900007700304

Flurry. (2012). Consumer behaviour insights: Smartphone vs tablet. *Flurry Analytics.* Retrieved from http://www.keepitusable.com/blog/?p=600.

Forbes. (2015). The World's Most Valuable Brands. *Forbes.* Retrieved from http://www.forbes.com/powerful-brands/list/

Friestad, M., & Wright, P. (1994). The Persuasion Knowledge Model: How People Cope with Persuasion Attempts. *Journal of Consumer Research, 21*(1), 1-31. doi: 10.2307/2489738

Gardner, M. P. (1985). Does attitude toward the ad affect brand attitude under a brand evaluation set? *Journal of Consumers Behavior, 10*(2), 45-61.

Garfield, B. (2003). *And Now a Few Words from Me: Advertising's Leading Critic Lays Down the Law, Once and for All*. New York: McGraw-Hill.

Gavilan, D., Avello, M., & Abril, C. (2014). The mediating role of mental imagery in mobile advertising. *International Journal of Information Management, 34*(4), 457-464. doi: http://dx.doi.org/10.1016/j.ijinfomgt.2014.04.004

Godin, S. (1999). *Permission marketing: Turning strangers into friends, and friends into customers*. New York: Simon & Schuster.

Ha, L. (1996). Advertising clutter in consumer magazines: dimensions and effects. *Journal of Advertising Research, 36*(4), 76.

Han, Xiaoyun, Kwortnik Jr., R. J. and Wang, C. (2008). Service loyalty - An integrative model and examination across service contexts. *Journal of Service Research*, 11(1), 22-42.

Hart, K. (2008, March 10). Advertising sent to cellphones opens new front in war on spam. *Washington Post*. A1.

Hiscock, J. (2001). Most trusted brands. *Marketing Letters*, 32-33.

IAB. (2013). The native advertising playbook: six native ad categories, six marketplace considerations, and IAB recommended disclosure principles.

IAB. (2014a). Critical to success of in-feed sponsored content are brand familiarity, trust and subject matter authority, as well as relevance.

IAB. (2014b). Getting sponsored content right: The consumer view.

Ives, N. (2013). The Atlantic Apologizes for 'Screw Up' on Scientology Advertorial. *Advertising Age*. Retrieved from http://adage.com/article/media/atlantic-pulls-advertorial-promoting-scientology/239185/.

Jarvenpaa, S. L., Tractinsky, N., & Saarinen, L. (1999). Consumer trust in an internet store: A cross-cultural validation. *Journal of Computer-Mediated Communication*,*5*(2) doi:10.1111/j.1083-6101.1999.tb00337.x.

Johnson, T. J., & Kaye, B. K. (2004). Wag the blog: How reliance on traditional media and the Internet influence credibility perceptions of Weblogs among blog users. *Journalism and Mass Communication Quarterly, 81*(3), 622-642. doi: 10.1177/107769900408100310.

Keen P, Ballance C *et al*. (1999) *Electronic commerce relationships: Trust by design*. Englewood Cliffs, NJ: Prentice-Hall.

Kern, R. (2001). *S.U.R.E.-fire Direct Response Marketing : Generating Business-to-business Sales Leads for Bottom-line Success*. New York: McGraw-Hall.

Kim, P. H., Ferrin, D. L., Cooper, C. D., & Dirks, K. T. (2004). Removing the shadow of suspicion: The effects of apology versus denial for repairing competence- versus integrity-based trust violations. *Journal of Applied Psychology*, 89, 104–118.

Kim, Y. J., & Han, J. (2014). Why smartphone advertising attracts customers: A model of Web advertising, flow, and personalization. *Computers in Human Behavior, 33*, 256-269. doi: http://dx.doi.org/10.1016/j.chb.2014.01.015

Kirmani, A., & Zhu, R. (2007). Vigilant against Manipulation: The Effect of Regulatory Focus on the Use of Persuasion Knowledge. *Journal of Marketing Research, 44*(4), 688-701. doi: 10.2307/30162512.

Kohring, M., & Matthes, J. (2007). Trust in news media: Development and validation of a multidimensional scale. *Communication Research, 34*(2), 231-252. doi:10.1177/0093650206298071.

Knobloch-Westerwick, S., & Kleinman, S. B. (2012;2011;). Preelection selective exposure: Confirmation bias versus informational utility. *Communication Research, 39*(2), 170-193. doi:10.1177/0093650211400597.

Knowles, E. S., & Linn, J. A. (2004). *Resistance and Persuasion* Mahwah, NJ: Erlbaum.

Krugman, H. E. (1983). Television program interest and commercial interruption. *Journal of Advertising Research, 23*(1).

Labrien, D. (2016). Optmize ROI with these native advertising tips. Retrieved from Tech.co http://tech.co/make-top-native-advertising-tips-2016-03.

Lankton, N., McKnight, D. H., & Thatcher, J. B. (2012). The moderating effects of privacy restrictiveness and experience on trusting beliefs and habit: An empirical test of intention to continue using a social networking website. *Engineering Management, IEEE Transactions on, 59*(4), 654-665. doi: 10.1109/TEM.2011.2179048.

Lankton, N., McKnight, D. H., & Tripp, J. (2015). Technology, Humanness, and Trust: Rethinking Trust in Technology. *Journal of the Association for Information Systems, 16*(10), 880-918.

Lee, D.-J., Ahn, J.-H., & Bang, Y. (2011). Managing consumer privacy concerns in personalization: A Strategic anlaysis of privacy protection *MIS Quarterly, 35*(2), 423-A428.

Lee, Y. W., Strong, D. M., Kahn, B. K., & Wang, R. Y. (2002). AIMQ: a methodology for information quality assessment. *Information & Management, 40*(2), 133-146. doi: 10.1016/S0378-7206(02)00043-5

Lewicki, R. J., McAllister, D. J., & Bies, R. J. (1998). Trust and Distrust: New Relationships and Realities. *The Academy of Management Review, 23*(3), 438-458.

Lieb, R., Szymanski, J., & Etlinger, S. (2013). Defining and Mapping the Native Advertising Landscape: Altimeter.

Luhmann, N. (1979). *Trust and Power*. Wiley: Chichester.

Luhmann, N. (1988). *Familiarity, confidence, trust: Problems and alternatives*. New York: Basil Blackwell.

MacInnis, D. J., Moorman, C., & Jaworski, B. J. (1991). Enhancing and measuring consumers' motivation, opportunity. *Journal of Marketing, 55*(4), 32.

MacKenzie, S. B., & Lutz, R. J. (1989). An Empirical Examination of the Structural Antecedents of Attitude toward the Ad in an Advertising Pretesting Context. *Journal of Marketing, 53*(2), 48-65. doi: 10.2307/1251413.

Mathur, A. (1998). Incorporating choice into an attitudinal framework: cross-cultural extension and additional findings. *Journal of International Consumers Marketing, 10*(4), 93-110.

Matthes, J., & Wonneberger, A. (2014). The Skeptical Green Consumer Revisited: Testing the Relationship Between Green Consumerism and Skepticism Toward Advertising. *Journal of Advertising, 43*(2), 115-127. doi: 10.1080/00913367.2013.834804.

Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integration model of organizational trust. *Academy of Management. the Academy of Management Review, 20*(3), 709.

McKnight, D. H., & Chervany, N. (2001). *While trust is cool and collected, distrust is fiery and frenzied: A model of distrust concepts.* Paper presented at the Americas Conference on Information Systems (AMCIS) 2001 Proceedings.

McKnight, D. H., Choudhury, V., & Kacmar, C. (2002). Developing and validating trust measures for e-commerce: An integrative typology. *Information Systems Research,13*(3), 334-359. doi:10.1287/isre.13.3.334.81

McKnight, H., Kacmar, C., & Choudhury, V. (2004). Dispositional Trust and Distrust Distinctions in Predicting High- and Low-Risk Internet Expert Advice Site Perceptions. *e-Service Journal, 3*(2), 35-58. doi: 10.2979/esj.2004.3.2.35.

McQuail, D. (2005). *McQuail's mass communication theory* (5th ed.). London: SAGE Publications.

Metzger, M. J., & Flanagin, A. J. (2013). Credibility and Trust of Information in Online Environments: The Use of Cognitive Heuristics. *Journal of Pragmatics: An Interdisciplinary Journal of Language Studies, 59*, 210. doi: 10.1016/j.pragma.2013.07.012.

Mittal, B. (1990). The relative roles of brand beliefs and attitude toward the ad as mediators of brand attitude: A second look. *Journal of Marketing Research, 27*(2), 209-219.

Moore, D. J., Harris, W. D., & Chen, H. C. (1995). Affect intensity: An individual difference response to advertising appeals. *Journal of Consumer Research, 22*(2), 154-164. doi:10.1086/209442.

Morimoto, M., & Chang, S. (2009). Western and asian models in japanese fashion magazine ads: The relationship with brand origins and international versus domestic magazines. *Journal of International Consumer Marketing,21*(3), 173-187. doi:10.1080/08961530802202701.

Moses, L. (2013, May 1). Online Video Ads Have Higher Impact Than TV Ads, *AdWeek*. Retrieved from http://www.adweek.com/news/advertising-branding/online-video-ads-have-higher-impact-tv-ads-148982.

Mulvenna, M. D., Anand, S. S., & Büchner, A. G. (2000). Personalization on the Net using Web mining: introduction. *Commun. ACM, 43*(8), 122-125. doi: 10.1145/345124.345165.

Nasco, S. A., & Bruner, G. C. (2008). Comparing consumer responses to advertising and non-advertising mobile communications. *Psychology and Marketing, 25*(8), 821-837. doi: 10.1002/mar.20241

Nelson, P. (1974). *The Economic Value of Advertising*. New York: New York University Press.

Obermiller, C., Spangenberg, E., & MacLachlan, D. L. (2005). Ad Skepticism: The Consequences of Disbelief. *Journal of Advertising, 34*(3), 7-17.

Obermiller, C., & Spangenberg, E. R. (1998). Development of a Scale to Measure Consumer Skepticism Toward Advertising. *Journal of Consumer Psychology, 7*(2), 159-186. doi: http://dx.doi.org/10.1207/s15327663jcp0702_03.

Ohanian, R. (1990). Construction and Validation of a Scale to Measure Celebrity Endorsers' Perceived Expertise, Trustworthiness, and Attractiveness. *Journal of Advertising, 19*(3), 39-52. doi: 10.2307/4188769.

Okazaki, S., Akihiro, K., & Manoru, S. (2007). How mobile advertising works: The role of trust in improving attitudes and recall. *Journal of Advertising Research, 47*, 165-178.

O'Keefe, D. J., 1950. (2002). *Persuasion: Theory & research* (2nd ed.). Thousand Oaks, CA: Sage Publications.

Pew. (2014). Mobile Technology Fact Sheet. Retrieved March 17, 2016, from Pew Research Center http://www.pewinternet.org/fact-sheets/mobile-technology-fact-sheet/.

Ponkivar, A. (2014-2015). Ever-Blurred Lines: Why Native Advertising Should Not Be Subject to Federal Regulation. *North Carolina Law Review, 93*(4), 1187-[viii].

Pulizzi, J. (2015). Native advertising is not content marketing Retrieved Mar 28, 2016, from Content Marketing Institute http://contentmarketinginstitute.com/2015/08/native-advertising-content-marketing/.

Ring, A., Shriber, M., & Horton, R. L. (1980). Some effects of perceived risk on consumer information processing. *Academy of Marketing Science. Journal, 8*(3), 255.

Rotter, J. B. (1971). Generalized Expectancies for interpersonal trust. *American Psychologist.* 26 (5), 443-452.

Rousseau, D. M., Sitkin, S. B., Burt, R. S., & Camerer, C. (1998). Introduction to special topic forum: Not so different after all: A cross-discipline view of trust. *The Academy of Management Review, 23*(3), 393-404.

Rubin, A. M. (2009). Uses-and-gratification perspective on media effects. In *Media effects: Advances in theory and research*. Edited by Jennings Bryant and Mary Beth Oliver, 165–184. New York: Routledge**.**

Sablemna, M., Shoenberger, H., & Thorson, E. (2013). Consumer attitutudes toward relevant online behavioral advertising: crucial evidence in the data privacy debates. *Media Law Recource Center* (1).

Scanzoni, J. (1979). Social exchange and behavioral Interdependence. In Burgess, R. L. and Huston, T. L. (Eds.), Social exchange in developing relationships, New York, NY: Academic Press, 61-98.

Schudson, M. (1984). Advertising, the uneasy persuasion: Its dubious impact on American society. New York: Basic Books.

Schmitt, R. B. (2001, February 15.). Lawyers flood web, but many ads fail to tell whole truth. *The Wall Street Journal*.

Sharethrough. (2014). Native Advertising Insights: Research, Infographics, and Resources from http://www.sharethrough.com/nativeadvertising/.

Shinha. I (2000). Cost transparency: the net's real threat to prices and brands. *Harvard Business Review.* March –April, 43-50.

Simonson, I. (2005). Determinants of Customers' Responses to Customized Offers: Conceptual Framework and Research Propositions. *Journal of Marketing, 69*(1), 32-45.

Sitkin, S. B., & Roth, N. L. (1993). Explaining the Limited Effectiveness of Legalistic "Remedies" for Trust/ Distrust. *Organization Science, 4*(3), 367-392.

Soh, H., Reid, L. N., & King, K. W. (2007). Trust in Different Advertising MediA. *Journalism and Mass Communication Quarterly, 84*(3), 455.

Speck, P. S., & Elliott, M. T. (1997). Predictors of Advertising Avoidance in Print and Broadcast Media. *Journal of Advertising, 26*(3), 61-76.

Srinivasan, S. S., Anderson, R., & Ponnavolu, K. (2002). Customer loyalty in e-commerce: an exploration of its antecedents and consequences. *Journal of Retailing, 78*(1), 41-50. doi: http://dx.doi.org/10.1016/S0022-4359(01)00065-3

Steigrad, A. (2013, December 5). Native Advertising: The Pros And Cons. *WWD, 206,* 1.

Tam, K. Y., & Ho, S. Y. (2005). Web personalization as a persuasion strategy: An Elaboration Likelihood Model perspective. *Information Systems Research, 16*(3), 271-291.

Taylor, C. R. (2009). Editorial: The six principles of digital advertising. *International Journal of Advertising, 28*(3), 411-418. doi: 10.2501/S0265048709200679

Tsfati, Y., & Ariely, G. (2014). Individual and Contextual Correlates of Trust in Media Across 44 Countries. *Communication Research, 41*(6), 760-782.

Tsfati, Y., & Cappella, J. N. (2005). Why Do People Watch News They Do Not Trust? The Need for Cognition as a Moderator in the Association Between News Media Skepticism and Exposure. *Media Psychology, 7*(3), 251-271. doi: 10.1207/S1532785XMEP0703_2

Vesanen, J. (2007). What is personalization? A conceptual framework. *European Journal of Marketing, 41*(5/6), 409-418. doi: 10.1108/03090560710737534.

Ward, M.R. & Lee, M.J. (2000). Internet shopping, consumer search and product branding. *Journal of Product and Brand Management*, 9(1), 6-18.

Wasserman, T. (2012). What Is 'native advertising'? depends who you ask. *Mashable*. Retrieved from http://mashable.com/2012/09/25/native-advertising//#qGM6OK7euqqc.

White, T. B., Zahay, D. L., Thorbjørnsen, H., & Shavitt, S. (2007). Getting too personal: Reactance to highly personalized email solicitations. *Marketing Letters, 19*(1), 39-50. doi: 10.1007/s11002-007-9027-9.

Worchel, P. (1979). Trust and distrust. *The social psychology of intergroup relations, 174*, 187.

Yannopoulou, N., Koronis, E., & Elliott, R. (2011). Media amplification of a brand crisis and its affect on brand trust. *Journal of Marketing Management, 27*(5), 530-546. doi: 10.1080/0267257X.2010.498141.

Xie, Y., & Peng, S. (2009). How to repair customer trust after negative publicity: The roles of competence, integrity, benevolence, and forgiveness. *Psychology and Marketing, 26*(7), 572-589. doi:10.1002/mar.20289.

Zickuhr, K. (2011). Generations and their gadgets. Retrieved Mar 22, 2016, from PEW Research Center http://www.pewinternet.org/2011/02/03/generations-and-their-gadgets/.