Into the Uncanny Valley of Advertising: Millennials’ Perception and Coping Behaviour towards Personalized Native Ads on Social Media

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Master’s Thesis in Business Administration

Title: Into the Uncanny Valley of Advertising: Millennials Perception of Personalized Native Ads on Social Media

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Key Words: Personalized Native Ads, Personalization, Native Advertising, Social Media Advertising, Persuasion Knowledge, Persuasion Knowledge Model, Ad Coping.

**Background:** Digital technology replaces disruptive banner advertising with tailored marketing messages hidden in the form of personalized native ads. On social media, these ads are not only customized based on consumers’ interest and online behaviour, they are also strategically placed in order to blend in with authentic content. Personalized native advertising exerts its persuasion not only in its relevance to consumers’ interest, but in its non-interruptive and covert characteristic as well. On top of that, the underlying data collection to generate these ads triggers privacy concerns from consumers.

**Purpose:** Given that personalization and nativeness are often examine separately, this study explores two effects in combination. This study explores how millennials age 19-39 understand, perceive and respond to the persuasion attempts in social media’s personalized native advertising. The understanding and perception of data collection, and GDPR is also within the ambition of this study.

**Method:** Adopting a qualitative method, this study collects empirical data through semi-structured interview. Millennials within the age range of 19-39 who reside in Sweden are selected for the interviews.
**Conclusion:** It appears that most millennials are receptive to the personalized native advertising on social media. They showed high persuasion knowledge and thus, are self-confident in recognizing persuasion attempts, despite its covert nature. The millennials in this study expressed various reactions to the persuasion attempts, but most engage in personalized native advertising they encounter on social media if they can enjoy benefits from it. On the other hand, a small amount of millennials perceive such persuasion attempts to be manipulative and deceptive, and some actively engage in effective and behavioural ad avoidance.
1. Introduction

This chapter is intended to introduce readers to the relevant background and current situation of personalized native advertising on social media. Consisted in this section is also the problem statement, the purpose and the research questions this study aim to answer.

1.1. Background

The plummeting click-through rate of generic banner ads has lead advertisers to the realization that the effectiveness of one-size-fits all of mass advertising is fading (Bleier & Eisenbeiss, 2015). This calls for advertisers to utilize new technologies in order to enhance consumers’ engagement with ads. Digital technologies and various data techniques pave the way for the growth of personalized ads, which is leveraged on the collection and analysis of consumers data to tailor advertisers to specifically to each consumer. Additionally, as social media continues to integrate in people’s lives and dominates the way they consume media, platforms such as Facebook, Youtube and Instagram are recognized as new opportunities for advertisers to reach consumers (Boateng & Okoe, 2015). The prevalence of social media as well as its wealth in data harnesses the growth of personalized ads on social platforms such as Instagram, Facebook, Twitter, etc. These personalized ads take on a different appearance when they are displayed on social media tweets, thus are often referred to as personalized native ads. While most generations have presence on social media, the most native cohort that grew up through the dawn of social media is the millennials, thus, they tend to be knowledgeable in social media advertisements (Mangold & Smith, 2012, Bilgihan, 2015).

The collection of users’ data is inevitable in order to facilitate personalization as well as avoiding evasive banner ads. However, such data collection often prompts privacy concerns from consumers. From information such as name and email address, advertisers can uncover and compile a substantial amount of personal info such as social media browsing preference, demographic information, online shopping behaviour, etc (Stein, 2011 as cited in Jai, Burns & King, 2013). As
personalized ads become prevalent among advertisers, it amplifies the uneasiness and lost of control over their own privacy some consumers feel (Jai, Burns & King, 2013; Ham & Nelson, 2016). Therefore, the continuous evolutions of technologies that harness personalization necessitate laws and regulations to be up to date and protect consumers from privacy intrusion. In order to address consumers’ privacy concerns, the General Data Protection Regulation (GDPR) was recently implemented as of May, 2018 (Laybats & Davies, 2018; Burgess, 2019). The aim of GDPR is to give consumers more control over what data would be collected, as well as for consumers to have easier access to the data collected from them. Furthermore, the GDPR reinforces more security from organizations and advertisers to hold accountability over consumers’ data, and to be transparent about why peoples’ data are collected and processed (Burgess, 2019).

The implementation of the GDPR could perhaps imply that data collection for advertising, while instigates privacy concerns, does attribute positively to the consumers’ online experience. Several studies conducted on consumers’ behaviour towards personalized ads in traditional media found that consumers are aware of the usefulness of personalization (Aguirre, Roggeveen, Grewal & Wetzels, 2016; Tran, 2017; Jung & Heo, 2019). Specifically, when asked about the usefulness of personalized ads, 48% of Marshall (2014) study stated “Advertising that is tailored to my needs is helpful because I can find the right products and services more quickly”. Tran (2017) also finds that consumers tend to interact with personalized ads more, considering the content of such ads to have more credibility.

Given the ambivalent of consumers’ attitude towards the privacy intrusion and usefulness of personalized ads, Aguirre, Roggeveen, Grewal and Wetzels (2016) invite more studies to explore the personalization-privacy paradox of personalized ads on digital media. While previous studies attempt to explore consumers’ perception of personalized ads on traditional media (Baek and Morimoto, 2012; Marshall, 2014; Tran, 2017; Jung & Heo, 2019), the nativeness of social media advertising is rather neglected. Until to the recent study conducted by Youn and Kim
(2019), which examines the perception of young Facebook users towards native ads on Facebook. The study explores how young millennials between the ages of 19-29 perceive the way native advertising conceal itself on Facebook. However, this study does not take in discussion the personalization as well a millennials understanding of data collection. This leaves an opportunity for researches such as this study to explore the perception of millennials towards the combination of personalization and nativeness of social media advertising, hence, personalized native ads.

1.2. Problem Statement

Personalized ads on traditional media and websites receive the attention of a considerable amount of scholars (Baek & Morimoto, 2012; Ho & Bodoff, 2014; Bleier & Eisenbeiss, 2015; Jung & Heo, 2019). However, there is a lack of researches conducted to understand consumers’ perspectives of personalized native ads on social media. Especially, since personalized native ads tend to assimilate into consumers’ original content, it could challenge consumers to recognize its commercial intention. Therefore, it is of importance to understand how consumers perceive and cope with the covert and personalized characteristics exerted as persuasion attempts in this type of ads.

Personalized native ads necessitates data collection, therefore, they are subjected to continuous impacts in terms of rules and regulations. The implementation of GDPR was officiated in May, 2018, meaning that studies on consumers’ perspectives in regards to GDPR is rather scarce. This proposes a compelling need to gain insights on consumers’ understanding towards GDPR, as well as whether it changes consumers’ perspective on personalized native ads. Additionally, there is consensus that millennials are the first natives in the digital world (Mangold & Smith, 2012; Leung, 2013). This is the generation that grow up in parallel with the development of technologies and subsequently, are fully immersed in technology driven platforms such as social media (Duffett, 2015). Due to Millennials’ expertise as well as nativeness in digital environments, they become the driving force in online
shopping; thus, instigate researches regarding their behaviour towards digital online ads (Kassaye & Hutto, 2016). While there is a plethora of studies on millennials’ behaviour, studies on this generational cohort with the focus on personalized native ads is sparse. Furthermore, the consensus that millennials are digitally proficient intrigues the author to explore how this generation perceive and understand personalized native ads that proliferate social media as well as how comprehensive millennials are in terms of changes in data collection regulations.

1.3. **Purpose**

This study aims to extend the understanding on millennials’ perception on personalized native ads in the context of social media and how they cope with the persuasion attempts concealed in such ads. Moreover, this study seeks to explore Millennials’ understanding and awareness of recent changes in regulations regarding personalization such as GDPR.

1.4. **Research questions**

This study aims to fulfill the purpose by researching the outlined questions:

RQ1: How do Millennials perceive persuasion attempts in personalized native ads on social media?

RQ3: How do Millennials’ cope with persuasion attempts in personalized native ads on social media?

RQ3: What are millennials’ understanding of data protection regulation GDPR in regards to personalized native ads?
1.5. **Scope**

Given that the GDPR is restricted to countries belonging to the European Union, the participants chosen for this study are those who reside in the EU, particularly Sweden.

1.6. **Definitions of Key terms**

*Personalized Native Ads*: in this study, refers to the social media ads that appears on consumers feeds through the tracking of consumers behaviour and activities such as like, comment, follow, etc. On top of that, these ads tend to blend seamlessly into surrounding authentic consumers’ content.

*Authentic Content*: content from consumers including no commercial intents/messages

2. Frame of Reference

This section is dedicated to provide an overview of existing literature as well as outlining previous theories that are going to guide this study. The characteristics of personalized native ads and millenials are explained; follow by a review of literature pertaining to the persuasion knowledge model. Previous findings regarding native ads and persuasion knowledge is outlined and reviewed at the end of this section.

2.1. Personalized Native Advertising

2.1.1. Personal Data collection

Millions of consumers partaking in digital interactions and activities open doors to the era of Big Data that we live in today. Online shopping, online communication as well as social media usage generate an unfathomable amount of data that can only be deciphered and analyzed by the continuous advancement of digital technologies (Starker, 2006; Hofacker, Malthouse & Sultan, 2016). In order to raise brand awareness and promote their products/services, brands and advertisers are compelled to find strategies that deepen their understanding of consumers' behaviour. The stream of data that flows throughout daily life becomes immensely valuable to advertisers, as it paints somewhat a clear image of who the consumers are as well as their interests; thus creating opportunities for advertisers to reach consumers (Shaw, 2014). This stream of data consists of just about anything, “from consumer information, user web activity, and other personal information about individual Internet users” (Starker, 2006, p.330).

According to Starker (2006), online activities that consumers partake in, generate digital footprints which comprise of the likes and comments that consumers leave on social media, online retailers, websites that consumers navigate through, search terms etc. These digital footprints generate data that can be tracked, accumulated and analyzed by data brokers as well as data intermediaries, and eventually be sold
to demanding clients such as advertisers (Starker, 2006; Bergemann & Bonatti, 2015). The key to unlock access to these precious data is cookies. Cookies is perhaps the most common and well-known tool for collecting data and tracking consumers online browsing activities (Bergemann & Bonatti, 2015; Mo, 2015). Cookies, in the digital context, refers to the small files that are placed into the users’ computer, when they visit, for instance, a website for the first time. Data brokers, through partnered websites, use the cookies downloaded into the users’ computers in order to mine data such as website preference, social media profiles, shopping carts, etc. When a user visits a website, the cookies that this specific website places in this user’s computer is referred to as “first-party cookies”, while cookies that are given to users from the website’s partners are identified as “third-party cookies” (Starker, 2006). Essentially, when cookies are presented in the users’ computers, any actions users take during a browsing session would be recorded by the websites they visit (Bergemann & Bonatti, 2015). Additionally, cookies assist browsers to save passwords to various online accounts, such as social media, online retail sites, emails, etc. Furthermore, cookies are constantly updated to match the most current browsing history of the users, therefore, the use of cookies enable data brokers to provide advertisers with the most up to date data about specific users. Such specific and detailed data collection is highly requested by advertisers as it facilitates personalization tailored to each consumer’s profile.

2.1.2. Personalized Native Advertising Characteristics

As the vast majority of the world possesses social media presence, brands and advertisers recognize the need to be present where consumers spend the most of their time on. With millions of social media users generating an astounding amount of data, platforms such as Facebook, Instagram, Twitter create tremendous opportunities for advertisers to get a closer look at consumers’ activities, behaviour and preferences (Wang & Huang, 2017). Data including consumers’ likes, comments, locations, demographics, interests, etc. on social media help advertisers to match relevant advertisers to the specific consumers’ profiles (Baglione & Tucci, 2018). Data collection as well as the tracking of users’ cookies serves as the basis for
personalized native advertising. The data that includes consumers’ preference, interests, etc. collected by data brokers and data intermediaries are then sold to advertisers, who then use such data to create ads that can be highly tailored and detailed based on the how consumers’ behave online (Starker, 2006). For instance, when a consumer search for flights and click on a link generated by a search engine, this activity is recorded by the the website’s cookies. As the browsing session progresses, this user might find that the ads they see will potentially relates to flight tickets and travel trips. This example reflects a common occurrence throughout consumers’ online experience; their online activities are analyzed and their information is recorded in order to generate highly personalized ads (Buryan, 2018).

Apart from personalization, personalized native advertising on social media usually assimilates into its surrounding as well as authentic consumers content. These ads bears little discrepancy to consumers’ content, with the only distinguish factor of the “ad/suggested/ recommendation/promoted/sponsored” disclosure (Jung, & Heo, 2019). For instance, scrolling through an Instagram feed, users might come across a tweet with the “Promoted” or “Sponsored” icon on top. Although such content is still an Instagram post, it holds advertising values as well as commercial intention and is paid by advertisers. Personalized native advertising is conceptualized to minimize the disruption consumers might feel while scrolling through social media feeds (Lee, Kim & Ham, 2016; Jung, & Heo, 2019). Furthermore, personalized native advertising on social media are highly tailored in accordance to consumers behaviour data, thus making the personalization process of such ads more covert and nearly-indistinguishable from consumers’ content.

2.2. Millennials and Social Media Advertising

Born in between 1980 and 2000, millennials become the first generation to grow up in a technology and media-saturated world (Moreno. M, Lafuente.F.L., Fernando. A & Moreno,M. S. , 2017). Being digital natives, millennials are not as receptive and
influenced by traditional media marketing; however, they are heavily fixated on social media (Friedman, 2017). In comparison to previous generations, millennial consumers show more trust to social media advertising (Burstein, 2017). Millennial consumers exhibit different attitudes to advertising, and thus, making brands revise their marketing strategies. Millennials immersion in social media compels brands to recognize that one of the main touchpoints to communicate to millennials is through social platforms such as Facebook, Instagram and Pinterest. Millennials technology-savviness as well as their immense purchasing power, making them interesting and appealing to advertisers (Mangold & Smith, 2012). Millennials often rely on social media advertising in order to discover and learn products that they would be interested in using. Over 31% of 219 millennial respondents report they have made purchases as a result of browsing social media feeds (Shaoolian, 2018), while 71% admit that they are more likely to buy from brands they see on social media (Friedman, 2017).

Conversely, there are contrasting findings related to millennials social media obsession. King (2018) finds an emerging trend of millennials displaying aversion and abandon tendency towards social media, citing being privacy concern and being swamped by copious amount of advertisements to be a few of the reasons. While complete abandonment of millennials is only found in a small number of respondents, the majority reports that they have considered to stop using or have temporarily taken a break from using social media (King, 2018). Although, the tendency to take stay away from social media is exhibited by a small number of millennials, it should be taken in consideration since it could have implications of millennial’s engagement with social media advertising,

2.3. **Persuasion Knowledge Model and Personalized Native Ads**

The combination of high relevancy to consumers’ interest and covert amplifies the persuasion attempts in personalized native advertising. Prior researches have examined advertising, specifically, personalized ads and native ads through
Persuasion Knowledge Model (PKM). However, studies that combine both characteristics of social media advertising have been scarce.

In recent years, a few researches have been done to understand different aspects of native ads in relation to the PKM (Wojdynski & Evans, 2015; Lee, Kim, & Ham, 2016; Jung & Heo, 2019 and Youn & Kim, 2019). Previous studies that apply PKM to understand consumers' perception of native ads focus on the disclosure of ads and whether such disclosure affect consumers' respond (Lee, Kim & Ham, 2016, Wojdynski, 2016 and Jung & Heo, 2019).

However, findings regarding PKM and native ads have also been fluctuant. The non-intrusiveness feature of native ads lowers the alertness of high PK consumers, which is explained by the notion that the PK is the level of confidence of consumers when coping with persuasion attempts (Lee, Kim & Ham, 2016). However, consumers with low knowledge towards persuasion respond negatively to native ads after identifying such ads from consumers content (Jung & Heo, 2019). Therefore, the covertness and “disguise” of native ads still holds persuasive power over consumers with less knowledge or pay less attention to distinguish ads vs non-ads contents, however, this persuasion is perceived in negative lights.

The fluctuation in findings in researches on native ads and the PKM suggests further examination from future studies. It is also important to note that, the recent study conducted by Youn and Kim (2019), quite similar to this study, explores PK of young millennials (19-29) towards native ads, however, the social media aspect of Youn and Kim (2019) is restricted to Facebook, and the personalization as well as millennials’ awareness towards data collection and GDPR is not examined. Aside from Youn and Kim (2019) study, a considerable focus on examining children’s recognition of persuasion attempts in traditional media can be found (Wright, Friestad & Boush, 2005; Rozendaal, Lapierre, van Reijmersdal & Buijzen, 2011). Therefore, this leaves a gap in understanding personalized native ads on social media in terms of age groups, such as millennials, given the prevalent notion that
this is the age group with substantial experience advertising on social media (Moreno, et al, 2017).

2.4. Persuasion Knowledge Model

Digital advertising strategies such as personalized native ads are employed as an attempt to persuade consumers in order to sway their purchasing behaviours and decision (Henrie & Taylor, 2009). The persuasion attempt in personalized native ads is hidden in its seamlessness as well as its relevance to consumers’ interest, and “sandwich” among consumers’ content. Various of existing researches defines persuasion as attempts to change people’s attitudes towards a subject through different means of communication (Fishbein & Ajzen, 1975, as cited in Jaccard, 1981; Perloff, 2003). However, how consumers cope with such persuasion is notably explored and systematized by Friestad and Wright (1994). Friestad and Wright (1994) originally developed the of Persuasion Knowledge Model (PKM) to deeply understand why and how consumers develop persuasion knowledge towards marketing attempts, as well as how persuasion knowledge is applied in different situations. The model stems from the consensus that, consumers are constantly being exposed to advertisers’ persuasion attempts, therefore, consumers develop personal knowledge in order to cope with such persuasion (Friestad & Wright, 1994). In order for consumers to develop coping behaviour, they need to realize that they are being exposed to ads (Henrie & Taylor, 2009; Jung, & Heo, 2019). Additionally, the realization that advertisers intent to sell products/services as well as promoting positive brand attitudes is also important in activating consumers’ persuasion knowledge (Moses, & Baldwin, 2005).

The PKM examined three components that attribute to the activation of consumers’ coping behaviour towards persuasion attempts: Topic Knowledge, Persuasion Knowledge (PK) and Agent knowledge. Consumers’ beliefs about advertisers’ characteristics, competencies and goals are referred to as agent knowledge. Topic knowledge is defined as beliefs regarding products and/or services, whereas,
persuasion knowledge triggers consumers’ ability to realize, evaluate, interpret and remember persuasion attempts exerted by advertisers (Friestad and Wright, 1994). The main focus of this paper is on persuasion knowledge and topic knowledge, since the objective is regardless of how consumers perceive the agent of persuasion attempts (advertisers). Furthermore, topic knowledge in this study encompasses consumers, specifically millennial knowledge about topics related to data collection as well as ad recognition that relates to personalized native ads.

Despite the prevalent of PKM in research towards advertising, there has not been a standardized assessment scale for this model (Campbell and Kirmani, 2008; Ham, Nelson & Das, 2015). Furthermore, Ham, Nelson and Das (2015) point out that while quantitative method is popular in the discussion on PKM, there is only a handful of researches that adopt qualitative methods. Recently, Boerman, van Reijmersdal, Rozendaal and Dima (2018) attempted to develop a standardized scale to measure consumers’ PK towards sponsored content, which consists of six conceptual components:

1. **Recognition of sponsored content**: ability to distinguish sponsored content from authentic users content with no commercial intention. Boerman et al (2018) suggest that recognition of persuasion attempt is crucial to activating PK

2. **Understanding of the selling and persuasive intent of sponsored content**: knowledge and recognition that the sponsored content attempts to exert commercial intention on consumers, influencing them to make purchases.

3. **Recognition of the commercial source of sponsored content**: understanding the monetary exchange in order for sponsored ads to appear on users media

4. **Understanding of the persuasive tactics in sponsored content**: realizing that sponsored content appear to look authentic in order to conceal the persuasive attempts to influence consumers emotionally

5. **Understanding of the economic model of sponsored content**: acknowledge that media content would not be free of charge without brands paying to display ads in the media. “Subtle brand placements may activate understanding of
the economic model of sponsored content among people with professional experience with advertising, whereas for people who lack this experience, subtle placements do not elicit this knowledge” (Boerman et al, 2018, p. 692).

6. **Self-reflective awareness of the effectiveness of sponsored content**: how consumers perceive the effectiveness of sponsored ads on self as well as others (Boerman et al, 2018).

**2.4.1. Persuasion Knowledge**

Regular exposure to marketing and advertising tactics lead consumers to develop knowledge to face the persuasion attempts projected by advertisers. Such PK enable consumer to identify and interpret commercial intents, and thus, apply different coping tactics and reactions. In other words, PK refers to consumer recognition of motives, intents and tactics used by the persuasion agent such as advertisers (Ham, 2016). Carlson, Bearden and Hardesty (2007) propose that consumer PK in the PKM model should be examined subjectively and objectively, and these distinctive types of knowledge affect consumer in their own ways. Subjective PK refers to the self-assessed perception and what an individual think they know about how persuasion works, whereas, objective persuasion knowledge is the accurate information stored in the individual long-term memory (Carlson, et al., 2007).

On the other hand, Rozendaal, Lapierre, van Reijmersdal and Buijzen (2011) suggest that PK consists of two dimensions: cognitive PK and attitudinal PK. Cognitive PK encompasses people’s ability to recognize and understand persuasive attempts in advertising. Attitudinal PK comprises of the critical (dislike or skepticism) feelings towards the trustworthiness and honesty in persuasion tactics (Rozendaal, et al, 2011). The study also finds that high cognitive PK is not parallel to critical response ie. retrieving PK to critically analyze and react when exposed to persuasion attempts. In other words, consumers with either subjective and objective knowledge towards PK, might not analyze the persuasive ads with what they know. However, with attitudinal PK is more successful in affecting the reaction of consumers to persuasion since they are less dependent on retrieving existing
knowledge about advertising but stem from the intrinsic feelings triggered in consumers (Rozendaal, et al., 2011).

When being overly persuaded by commercial intention, consumers tend to instigate negative perception towards the advertisers (Henrie & Taylor, 2009). Once commercial intention is recognized, PK motivates consumers to process the persuasion attempts critically, and thus, develop skepticism and avoidance from consumers. Additionally, covert advertising tactics such as sponsored content and native advertising, in which, commercial intention might not be as visible to consumers, triggers a sense of being manipulated by advertisers from consumers (Boerman, van Reijmersdal & Neijens, 2012). In situations where people feel as if they are being persuaded to make a purchase, especially, when such persuasion attempts is inconspicuous, it might lead to resistance and opposing actions towards the advertising’s persuasion (Sagarin, Cialdini, Rice, & Serna, 2004 and Wei et al., 2008; as cited Boerman et al, 2012).

Conversely, several researches argue that PK does not necessarily activate opposition from consumers. In consumers with high level or knowledge and confidence, they are able to assess the harm and benefits of the ads, even with the awareness that there is persuasion attempt instilled in the ads. For instance, Kirmani and Campbell (2004) find that when consumers perceive commercial intentions as a mean to achieve their goal (i.e to be more knowledgeable about a certain field, product, service, etc.), they react positively to persuasion attempts. As opposed to the line of thought that persuasion knowledge motivates consumers to appeal to the intention of advertisements, Ham and Nelson, (2016) suggest that, when consumers are confident about their understanding of advertisements, they process that ads through evaluating the benefit and risks of the ads, instead of immediate skepticism.

2.4.2. Topic Knowledge
People have different comprehension on how persuasion works, in order to cope with advertising tactics, especially since persuasion attempts in digital advertisements are getting more and more complex due to technological advancement. Consumers’ level of understanding of how these advertising tactic works might relate to the activation of PK, as in, in order to effectively cope with persuasion attempts hidden in ads, consumers need to possess a certain understanding of how such ads work (Ham, 2016). However, consumer knowledge as well as awareness of how personalized ads are delivered is limited and the amount of consumers who understand the implications of personalized ads is also scarce (McDonald & Cranor, 2009). According to Samat, Acquisti and Babcock (2017), behavioural targeting, including personalized ads are concepts not well understood by consumers, and the process of data collection to serve the purpose of personalized ads are usually covert from consumers.

Furthermore, consumers are usually briefly reminded about cookies when visiting a website, but are not thoroughly aware of what functions such cookies carry out as well as what type of data would be collected from them. Only 7% of people actually read the terms and conditions when websites notify them about the data collections and the use of cookies (Smithers, 2011) Researchers find that consumers do enjoy the benefits of targeted ads (Marshall, 2014; Yu & Jung, 2016), yet, many of them hold inaccurate and insufficient knowledge about how these targeted ads are matching to their online experience. Besides, McDonald and Cranor (2009) study indicates that the majority of consumers are unable to identify and distinguish types of online advertisements that are shown to them during their online browsing experience. The ambivalent of consumers’ perception towards targeted advertising stems from the limited understanding of the rather complicated technology behind data collection and cookies (Ham, 2016).
2.5. Coping behaviour

2.5.1. Ad Avoidance

Consumers coping tactics, as described in the Persuasion Knowledge Model (PKM), are beliefs developed about the emotional or physical actions that they could take in order to process and manage the effects of persuasion attempts (Friestad & Wright, 1994). For instance, one’s emotional response to an ad could be heavily influenced by the message shown in the ads. Contrarily, one might be confident in their capacity to manage their own perception and reasoning about the ad’s message. There are many ways consumers could cope with persuasion attempts, from accepting to resisting, depending on whether consumers’ formed beliefs are positive or negative, respectively (Ham, 2017; Ham & Nelson, 2016).

In regards to consumers’ resistance to advertisements, ad avoidance is a coping behaviour of consumers that encompasses deliberately refrain from engaging with ads shown through Internet browsing (Cho & Cheon, 2004). Cho and Cheon (2004) identify three types of ad avoidance: cognitive, affective, and behavioural. While there has not been a research that directly study these ad avoidance behaviour in application on personalized native ads, Ham (2017) associate them with online behavioural targeting. The study finds that cognitive ad avoidance manifests in intentional ignoring tailored advertising messages, whereas, affective ad avoidance involve active disliking of personalized ads. Blocking, opting out of ads are considered behavioural ad avoidance (Ham, 2016).

Several researches examined consumers’ avoidance in conjunction to covert nature of native ads. In native ads where the line between ads and consumers content, consumers might miss the add disclosure label completely and unable to distinguish ads from surrounding content. Once finding out that a content is an ad, it could heighten consumers’ perception that native ads are deceptive and thus, result in resistance (Wojdynski, 2016). This finding further illustrates Boerman et al (2012) study, which finds that consumers have critical attitude towards persuasion.
attempts that are hidden in seemingly “non-commercial” content as they may feel manipulated. In contrast, Chan, Lowe and Petrovici (2016) examine the effect of ad placement and the activation of persuasion knowledge (PK) in consumer. The study finds that less prominent advertisements are less processed cognitively by consumers than in prominent advertisements, thus resulting in lower level of scrutiny from consumers and lower their PK.

Prior researches account this resistance from consumers on the perceived privacy intrusion of personalized ads (Baek & Morimoto, 2012). Privacy concern is identified as consumers’ apprehension towards the potential risks of invading their right to prevent disclosure of their personal information (Baek and Morimoto, 2012). Previous studies indicate that high relevance in advertisements to consumers’ interests and online behaviour mitigates the perceived intrusiveness of consumers’ privacy. When confronted with highly personalized ads, consumers tend to react with concern and agitation, thus might hold negative perception to those ads (Youn, 2009; Jai, Burns & King, 2013). However, such privacy concern oftentimes emerged from fear of privacy invasion rather than actual knowledge of cookies and data collection, and therefore, consumers with less knowledge tend to be more proactive in protecting their online privacy (Smit, Van Noort & Voorveld, 2014).

2.5.2. Ad Acceptance

As discussed previously, resistance to ad is not the only coping behaviour of consumers when they are exposed to persuasion attempts. Ham and Nelson (2016) propose that, before deciding how to cope with persuasion attempts, consumers tend to assess the harm and benefits of such persuasion. While perceived risk associated with personalized native ads are usually related to privacy as well as the concerns about being deceived and manipulated (Wojdynsky, 2016), the benefits of these ads have not been neglected in previous literature. Kirmani and Campbell (2004) suggest that consumers are able to analyze the persuasion attempts, or even seek them out, if they perceive that there are relevant information and benefits.
provided by the persuasive ads. Furthermore, consumers who infer that the advertising messages are beneficial to achieve their goals, they are more likely to accept and engage in those messages (Kirmani & Campbell, 2004). Similar to consumers exertion of self-efficacy in situations with perceived risks of privacy intrusion, consumers with high self-efficacy or PK, can also perceive benefits of persuasion attempts well (Kirmani & Campbell, 2004; Ham, 2016).

2.6. GDPR and Consumers’ Awareness

Twenty-three years after the former data collection legislation established in 1995, the GDPR was officially implemented within the EU as of May 2018 (Greengard, 2018). The regulation is not only established to strengthens consumers’ rights to protecting their data, but it also holds companies accountable for the security of consumers’ data. The GDPR imposes heavy penalties and fees on companies that fail to comply, and misuse of consumers’ data (Hopping, Jones, Afifi-Sabet & Curtis, 2019). Under the GDPR, consumers have the rights to access the data that companies hold and store from them, as well as demand such data to be corrected and removed from companies’ data storage. On top of that, consumers have the right to appeal to any unwanted processing of personal data for marketing purposes ("What are my rights?, 2019). Companies are also obliged to request consents from consumers, and without the permission, they are compelled to remove consumers data from their system (Greengard, 2018). Despite the enormous changes and the utter control given to consumers through the GDPR, a recent study compiling volume of consumers content that mention GDPR indicates the low consumers awareness of what GDPR means (Cooke, 2018).
3. Method

In this chapter, the study’s choice of research philosophy, approach and method is discussed. The outline of the data collection as well as data analysis process is also included in this chapter.

3.1. Research Philosophy

The system of beliefs and assumptions that necessitated the development of knowledge is referred to as research philosophy (Saunders, Lewis, & Thornhill, 2016). Two contrasting views of the nature of knowledge (epistemology) that stipulate how researches should be conducted: Positivism and Social Constructionism (Interpretivism), which are often debatable among social scientists (Easterby-Smith, Thorpe & Jackson, 2015). It is also recognized that it is rather uncommon for a researcher to subscribe exclusively to one philosophical standpoint (Easterby-Smith, et al 2015). Interpretivism emphasizes the meanings that humans generate due to the complexity of human interactions, experiences, cultural backgrounds and contexts (Saunders, et.al, 2016). The purpose of interpretivism is to gain and generate new interpretations of social contexts, in order to preserve the richness embedded in the difference in how people experience realities (Saunders et al, 2016). On the other hand, positivism make objective observation of the world, in which social reality is external.

The focus on human complexity and the purpose of understanding and making sense of the the perception and experience of people that contains in interpretivism, leads this study to lean towards this philosophy. Specifically, since the purpose of this study is to interpret and gain new understandings on millennials’ perception of the personalization in native ads on Social media. Furthermore, interpretivism studies the participants’ lived experience as well as how they perceive and interpret those experiences. Easterby-Smith et al (2015) also discussed the connection between epistemology and ontology, which is refers to the nature of reality and existence. There are two views inherent to two opposite polars within ontology: Realism and Nominalism; which correspond to the two extreme opposing
epistemologies: strong positivism and strong interpretivism. In between realism and nominalism, are the more flexible views, which are internal realism and relativism. As argued by Easterby-Smith et al (2015), that there is overlappings the weaker positions of positivism and interpretivism, it should be recognized that this study accept the existence of an subjective knowledge, however, it also takes into consideration of the meanings generated by people in their daily life.

3.2. Scientific Research Approach

Taking into the consideration the amount of interesting discussion towards persuasion knowledge and advertising, this study leans towards a deductive reasoning approach. When adopting the deductive approach, researchers initiate with established theories and generalizations, which then are tested whether such theories apply to specific nuances (Hyde, 2000). Previous theories and discussions will be examined with the empirical data, to explore whether they apply to the current study. The literature review guides the study by providing a substantial understanding of the current knowledge, and also provided a structured, upon which, the interviews is based on. This study also has elements of inductive reasoning, as it will allow the author to uncover meanings and interpretations of the data as well as possibly strengthen previous theories. As discussed extensively in the academia, that typically, qualitative studies usually take on an inductive reasoning approach, while quantitative studies are generally approached with deductive (Easterby-Smith, Thorpe & Jackson, 2015; Saunders, et.al, 2016). However, it is argued by Hyde (2000) that in practice, this dichotomy is not always applicable in practice. Furthermore, it is common both inductive and deductive to be utilized in a research: a researcher might discover new patterns emerged from the data, then verifying such patterns deductively (Patton, 1991, as cited in Hyde, 2000; Sekaran & Bougie, 2016).
3.3. Research Method

The choice of research method in this study is qualitative. Qualitative methods are applied when researchers aim to understand the meanings that people extract from their experiences, which requires researchers to explore deeply and in detail how people construe and understand specific subjects (Schindler & Cooper, 2013). Furthermore, qualitative method is characterized as non-numeric, interactive and interpretive, which enables researchers to understand why and how people view and experience the world differently through words as opposed to statistical numbers (Schindler & Cooper, 2013; Easterby-Smith, Thorpe & Jackson, 2015). With the purpose and interest of this study is to explore in-depth the perspectives and experience of millennials’ with personalization in native ads and GDPR, the characteristics of qualitative method makes it relevant to this study.

In selecting an appropriate research method, both quantitative and qualitative methods were evaluated. A quantitative would have been adopted, if this study’s aim was to test hypotheses, explain relationships between variables and deduct generalization from numerical data (Saunders, et.al, 2016). On the other hand, the interaction between the researcher and participants in a qualitative method could provide detailed description of millennials’ view and thus, generate deeper understanding of the participants’ perception and perspectives.

3.4. Data Collection
3.4.1. Types of Data

The data collected and explored in this study consist of both primary data and secondary data. Secondary data refers to data collected previously for other purposes; while at the same time bears some relevance to the current study. Data compiled and collected by the author for the purpose of a particular study is considered primary (Easterby-Smith, et.al, 2015; Saunders, et.al 2016). In this study, the use of primary data is key in order to explore the topic at hand, with the additional incorporation of secondary data. Primary data is predominant in this
study since the process of gathering primary data is tailored so that it is able to collect data that is appropriate to the study's purpose. The primary data in this study is collected through a series of semi-structured interviews with Millennials, which would be elaborated in section 3.4.4.

3.4.2. Literature search

The secondary data presented in this paper, specifically in chapter 2 “Literature Review” consists of academic articles that touch on relevant topics to this study. Jönköping University's library portal Primo as well as Google Scholar are the primary sources to gather secondary data used in this paper. Both of these engines served the purpose of finding appropriate data, while Google Scholar was also utilized in order for the author to examine the validity as well as the number of times an article is cited. Articles found were examined digitally, while a few of the books cited were obtained physically through Jönköping University's library. The keywords used when searching for relevant literature, as well as a summary of the secondary data search can be is available in Table 1.

Table 1: Summary of Literature Research

<table>
<thead>
<tr>
<th>Key Words Examples</th>
<th>Literature Search</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personalization, Persuasion, Persuasion Knowledge, Native ads, Personalized ads, Personalized Ads Privacy, Social Media ads, Native ads on Social Media, etc.</td>
<td></td>
</tr>
</tbody>
</table>

| Search Sources | Jönköping University's library, Primo, Google Scholar, Google |

| Criteria | Articles should be peered-reviewed and/or match at least of the keyword used for the search. |
3.4.3. Sampling

As mentioned previously, the primary data in this study was collected through the qualitative method of conducting semi-structured interviews. Prior to the interviews, sampling was utilized in order to meet the time and resource restriction of the author, given that it would be impractical to use the entire population (Saunders, et.al, 2016). Regarding the purpose of this study, which specifically identifies millennials as the population in focus. Furthermore, this study aims to touch on millennials’ perspectives of GDPR, which are regulations that are valid only within the confinement of the EU. Given the age group as well as geographical restriction of the population that this study targets, total randomization, which serves, as the foundation for probability sampling would have been unsuitable. Therefore, non-probability sampling was adopted to select the population for this study. Specifically, the study preceded with purposive sampling, which is a non-probability sampling technique that allow researchers to rely on their judgment in order answer the research questions and fulfill the study’s purpose (Saunders, et.al, 2016).

Millennials, ages between 19-39, who reside in the Sweden and are under GDPR protection were chosen to be interviewed in this study. On the other hand, this study puts no requirements on the occupation, nationality or gender of the millennial interviewees, which diversifies the data collected. The ultimate goal of qualitative data collection is until data saturation is achieved, however, Saunders, et.al (2016) provide a guidance for the minimum sample size for various types of study; in which, it is stated that 5-25 participants would suffice the minimum sample size for semi-structured interviews. For this study, interviews were conducted with 20 millennials. The index of the participants can be found in table 2.
### Table 2: Participants Index

<table>
<thead>
<tr>
<th>Number</th>
<th>Name</th>
<th>Age</th>
<th>Occupation</th>
<th>Duration</th>
<th>Setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Emma</td>
<td>27</td>
<td>Student</td>
<td>40:05</td>
<td>Skype</td>
</tr>
<tr>
<td>2</td>
<td>Ana</td>
<td>24</td>
<td>Student and Intern</td>
<td>35:30</td>
<td>Face to Face</td>
</tr>
<tr>
<td>3</td>
<td>Alice</td>
<td>23</td>
<td>Student and intern</td>
<td>30:20</td>
<td>Face to Face</td>
</tr>
<tr>
<td>4</td>
<td>John</td>
<td>28</td>
<td>IT Assistant</td>
<td>26:49</td>
<td>Skype</td>
</tr>
<tr>
<td>5</td>
<td>Emelie</td>
<td>19</td>
<td>Highschool Student</td>
<td>21:30</td>
<td>Face to Face</td>
</tr>
<tr>
<td>6</td>
<td>Jennifer</td>
<td>35</td>
<td>Student and Accountant</td>
<td>40:23</td>
<td>Skype</td>
</tr>
<tr>
<td>7</td>
<td>Sophie</td>
<td>24</td>
<td>Student and part time employee</td>
<td>45:02</td>
<td>Face to Face</td>
</tr>
<tr>
<td>8</td>
<td>Linnea</td>
<td>18</td>
<td>High School Student</td>
<td>23:45</td>
<td>Skype</td>
</tr>
<tr>
<td>9</td>
<td>August</td>
<td>18</td>
<td>High School Student</td>
<td>22:27</td>
<td>Skype</td>
</tr>
<tr>
<td>10</td>
<td>Ralph</td>
<td>24</td>
<td>IT consultant/Entrepreneur</td>
<td>30:19</td>
<td>Face to Face</td>
</tr>
<tr>
<td>11</td>
<td>Maxwell</td>
<td>30</td>
<td>Store Manager</td>
<td>33:58</td>
<td>Face to Face</td>
</tr>
<tr>
<td>12</td>
<td>Alex</td>
<td>26</td>
<td>Sales Advisor</td>
<td>24:15</td>
<td>Skype</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>13</td>
<td>Celia</td>
<td>19</td>
<td>High School Student</td>
<td>34:23</td>
<td>Skype</td>
</tr>
<tr>
<td>14</td>
<td>Paulina</td>
<td>20</td>
<td>Part time employee</td>
<td>27:05</td>
<td>Skype</td>
</tr>
<tr>
<td>15</td>
<td>Mabel</td>
<td>21</td>
<td>Sale Advisor</td>
<td>25:43</td>
<td>Skype</td>
</tr>
<tr>
<td>16</td>
<td>Axel</td>
<td>29</td>
<td>Student</td>
<td>25:03</td>
<td>Skype</td>
</tr>
<tr>
<td>17</td>
<td>Miriam</td>
<td>18</td>
<td>High School Student</td>
<td>21:30</td>
<td>Skype</td>
</tr>
<tr>
<td>18</td>
<td>Carolina</td>
<td>22</td>
<td>Student</td>
<td>35:05</td>
<td>Skype</td>
</tr>
<tr>
<td>19</td>
<td>Dylan</td>
<td>25</td>
<td>Intern</td>
<td>33:32</td>
<td>Skype</td>
</tr>
<tr>
<td>20</td>
<td>Amanda</td>
<td>26</td>
<td>Teacher</td>
<td>26:02</td>
<td>Skype</td>
</tr>
</tbody>
</table>

### 3.4.4. Interview Design

The chosen method of data collection for this study is to conduct interviews. While taking other qualitative methods such as focus groups into consideration, the author finds that, participants might influence each other’s answers to in order to appear knowledgeable, which could potentially affect the authenticity of the study. One-on-one interview would encourage participants to freely express and expand their opinions extensively, which ideally fits the purpose of this study. Furthermore, the form of interviews conducted is semi-structured, which allow for a more informal, relaxed conversation between the interviewer and interviewees. Semi-structured interviews also give the author the opportunity to probe when necessary and ask additional questions, in case an interesting response needs more elaboration from the interviewee, thus, increase the richness in the empirical data (Saunders, et al. 2016). The interview questions are constructed with explicit reference to Boerman, et al. (2018) assessment scale of Persuasion Knowledge. While the interview
structure did not strictly adhere to Boerman, et al. (2018) scale, several questions were adapted to the qualitative nature of this study.

Participants were contacted and provided a brief explanation of the study’s objective. This was done to prepare the participants in order for them to familiarize themselves with the topic, and potentially generate more cohesive answers. Interviews were conducted on Skype or face-to-face, in settings with privacy to enhance the comfort of participants, and avoid situations where participants feel that others judge their opinions. Prior to the start of each interviews, participants were reassure that their identity would be confidential for the entirety of this research, and only their empirical contribution would be considered in the study without disclosing their identity. Aside from ethical reasons, guaranteed anonymity established in the beginning of the interview minimize social pressure and could help participants provide authentic answers since they were now more relaxed about the interview process (Saunders, et al. 2016).

Once the participants were briefed on the study’s objective as well as the terms used in the interviews, general demographic questions regarding age, occupation and education level of the participants were asked. Then participants were introduced to hypothetical situations regarding the different features of personalized native ads. The interview also includes two questions to gauge participants understanding of the commercial source of social media in relation to personalized native ads, which were reconstructed from Boerman, et al. (2018). The study dedicated the last portion of the interview to understand consumers’ perspective of privacy and data collection. However, since the interviews were semi-constructed, the conversations were not as linear as the interview were designed, but there were questions that were omitted or rearrange due to the participants answers. Additionally, the duration of the interviews was not restricted from the authors’ end, thus, the interviews’ lengths spans from approximately 25-45 minutes, depending on the enthusiasm of the participants, or additional questions asked. The guide for the semi-structured interviews could be found in Appendix 1.
3.5. Data Analysis

In preparation for data analysis, all the interviews conducted for this study are recorded, which enabled the author to carefully transcribe the interviews’ conversation. The transcribed interviews is useful for the research in terms of presenting the verbal data in a visual and textual form, which in turns, enables the author to subsequently code and identify thematic similarities in different interview respondents. Additionally, responses that are highly relevant to the research questions are time-stamped in convenience to the data analysis process. Once the familiarization with the data is achieved, thematic analysis was employed in order to interpret and gain deeper meanings from the data collected.

Thematic analysis, which essentially is a method that aims to identify and extract pattern (themes) in qualitative data, is considered to be fundamental to qualitative data analysis (Braun & Clarke, 2006). Prior to identifying themes, it is vital to researches that employ thematic analysis to carefully code qualitative data with similar meanings into categories. Coding reduces the transcribed data in to short phrases that convey and summaries the meaning of the respondents’ statements (Easterby-Smith, Thorpe & Jackson, 2015). It is also important to mention that, the first step of analysis were to categorize participants in accordance to their level of awareness and understanding of GDPR.

Subsequently, once coding was accomplished, potential themes derived from existing codes were searched for and identified. At this stage, the goal was to understand how the code generated in the coding stage might fit together into an overarching theme that summarizes the similar meanings that multiple codes may entail. The coding and identifying themes process during this study was not performed in a linear progression timeline, but there was regular refining and testing of which codings were to be used as well as which themes were to be determined by certain themes. However, the flexibility of the thematic analysis allows researchers to follow their judgement in determining themes and patterns.
from the carefully transcribed data (Braun & Clarke, 2006). During the coding process, participant responses are first categorized based on their level of awareness towards GDPR, thus, participants are divided to “Participants with GDPR Awareness” and “Participants without GDPR Awareness”. Themes defined through the coding process as “General Knowledge of Personalized Native Ads”, “General Knowledge of Data Collection”, “Perception of Personalized Native Ads”, “Perception of Data Collection”, “Coping Behaviour” and “Understanding and Perception on GDPR”. Additionally, participants’ responses to reveal their understanding of the economic model of social media and advertising, are grouped under “General Knowledge of Personalized Native Ads”.

3.6. Quality of Research

The chosen research method of conducting semi-structured interviews as well as other qualitative methods, poses a lack of standardization as well as the inevitable biases that might unconsciously occur during the interviews (Saunders, et.al, 2016). Semi-structured interviews are generally conversational as well as allows for a high level of interactivity between the interviewers and the respondents, thus; such interactions could generate personal interference on the result of the study. However, in order to overcome and refrain from personal biases to enhance this study’s credibility, participants in this study are informed of relevant information regarding the topic of the study. Participants are provided with the explanation of technical terms such as “personalized native ads”. In order to ensure trust, the participants are thoroughly informed on the purpose of the interview as well as what information from them this study is interested in. According to Saunder et al., (2016), participant bias could occur in situations, in which, the interview is conducted in an open environment, where participants might feel insecure about others overhearing their responses. This could potentially resulted in the participants alter their answer and opinions into what they consider to be seen as knowledgeable or socially acceptable. In order to eliminate such error, this study’s interviews were conducted with more privately through Skype or face to face, to
ensure the participants confidence. Participants were also informed that their anonymity and privacy are not vulnerable and that the study is committed to only use their responses without full disclosure of their identity. This was done as a way to establish trust as well as boost the respondents’ confidence, which would encourage them to express complete and unbiased opinions.

In terms of reliability, which is the extent to which this study could be replicated and generate similar results, would not be realistic to be applied on qualitative researches, since the fundamental assumption of this type of research is flexibility and complexity (Saunders, et.al, 2016). However, the design of the interview, which is partially based on the model of persuasion knowledge, is feasible, to be repeated in future researches.

4. Empirical Data

This chapter presents participants’ responses from the data collection. The empirical findings is outlined first in the group of Participants with GDPR Awareness, follows by the counter group of Participants without GDPR Awareness.

4.1. Participants with awareness towards GDPR

4.1.1. General Knowledge on personalized native ads.

When asked about personalized ads, participants show moderate understanding of what these ads are. While all participants were not able to define native ads, they all confirmed that they have encountered this type of ads before after the interviewer explained the concept.

“I know that there’s an algorithm for these personalized ads but I don’t know how it works exactly. Also, I think they know not just the exact pair of shoes you look at, but the exact same time view those shoes as well”. (Sophie)
“I know that they track my behaviour and what I do on the Internet to give me these ads.” Emma

“I think there’s an underlying software that helps these companies see what I’m doing online. I guess there’s an intermediary that connects the social media platforms to the actual shopping sites” Dylan.

When asked how ads appear on social media, most participants elaborated that brands, companies, and influencers pay a to have their content displayed on their social media feeds.

“Brands and companies pay Instagram, I think. And then Instagram work their magic to deliver the advertisements to us.” Ralph

“It seems like the brands pay to have their ads on social media. I think influencers pay to get more exposure through sponsored content too” Maxwell

Participants were also asked if they could often distinguish personalized native ads from authentic content. All participants shared that they could almost always tell if something is an ad.

“Definitely. It’s not that hard to tell when something is an ad. On Instagram Stories for example, almost after every stories is followed by an ad stories” Ana

“I can always tell something is an ad or not, no matter how well it blends in. They [personalized native ads] usually have a tiny disclosure in the corner somewhere saying ‘sponsored content’ or “ad’. Even without those, I can tell they’re trying sell me something because it’s usually from someone I don’t follow and the product placement is pretty obvious ” Axel
“Usually, I’m scrolling through my feeds quite rapidly, and I see a post, I’d be like ‘oh, interesting, who posted this?’ and I click on it and it’s an ad.” Sophie

“I always know if something is sponsored or an ad. It’s always someone holding a product or something.” Emma

When asked about the purpose of personalized native ads, most participants responded with “to sell more”. Some participants also believed that the point is for consumers to not recognize and distinguish ads from regular content.

“To appear more credible, I think. If people see someone with high followings talking about a product, they might be interested too.” Ana

4.1.2. Understanding of Data Collection

When asked about what participants believed is being recorded of them when they are online, the most common response was “everything”. Most participants listed their demographic information such as age and gender, email addresses as well as location

“They [companies] probably even have a profile of me that includes my interests, my age, my gender, my friends and followers. And what’s even more disturbing is that, when I used to work for a startup, we were even able to trace the users’ cursors when they’re on our website.” Sophie.

“Everything. I mean I can see what an user is looking at on my website and how long they have a window opened for. And this obviously applies to me too.” Ralph

In regards to cookies, all participants state that they usually just accept website cookies, and that they are not aware of any other options, as well as what would happen if they did not accept the cookies. When asked if they could explain what cookies are, one participant expressed their believes that cookies are related to “big
data, serves a purpose for business intelligence” (Ralph). Similarly, most participants juxtaposed cookies with tracking of their information, but the extent to how cookies serves this function, is not well understood by participants. Generally, participants indicated that they are not too concerned with understanding what cookies are as well as how they work.

4.1.3. Perception of Personalized Native Ads

Within the group of participants that exhibit some level of knowledge on GDPR, there is slight variation among their responses in regards to how they feel about personalized native ads. A particular respondent felt that personalization in ads reminded them that their online experience is always under surveillance. Some participants also indicated that they would like to decide on their purchases without additional persuasion from ads and that if they already know what they want, then the tracking of their information to give them personalized ads is “annoying”.

“I feel annoyed by cookies and tracking. I think if I wanted to buy the product, I already would have or intend to without the targeted ads.” Axel.

“To me, it’s such a cheap tactic trying to manipulate me. Like when I mindlessly scroll through my Facebook and Instagram feeds, sometimes, I wouldn’t be able to tell which are ads or not. So I think they use that to put the products in my mind.” Maxwell

On the other end of the spectrum, some participants expressed a certain level of fascination and interest towards native ads.

“I mean they’re just there and I always know it’s an ad. I’d rather have these [personalized native ads] because sometimes they’re interesting to me. Plus, I like that although they’re trying to sell me something, at least it’s subtle and entertaining in stead of those “buy buy buy “ ads.” Dylan
“I don’t feel much about it. I’m more amazed how we can use data to create more business” Ralph.

“I think these ads [personalized native ads] are fine, actually. It happens so much, sometimes, I don’t even notice it. Which is a good thing, because I’m not being disturbed by irrelevant ads. Sometimes it feels a little creepy or maybe goes too far, like if they track my microphone. But as a future marketer, I think these [personalized native ads], are great for me to understand consumers if they’re practiced ethically.” Emma

Some participants showed favourable opinions towards how personalized native ads are coherent with other content on their feeds and expressed that sometimes they do not consider native ads as advertisements, which makes them feel less interrupted when they scroll through their feeds. A participant also favours personalized native ads not only because they blend in well with surrounding content, but also due to the fact that she is not intruded by ads that show her something that is out of her comfort zone.

“To be honest, I would say that I like these ads [personalized native ads] a lot more than those banner ads that scream at your face forcing you to buy things. Sometimes, they don’t seem like ads, maybe that’s the point. But I like that and click on them if they’re entertaining to me.” Sophie

“I like that they show something that is relevant to me and my interest. I remember back in the days when these ads weren’t a thing, I would get really inappropriate ads that I would never be interested in” Ana

Participants also added that personalized native ads do hold some value to them because they conveniently provide them with knowledge about products, as well as remind them to finalize their planned purchases:
“I usually don’t buy things compulsively on the Internet, so these ads don't work on my in that regard. But they reminds me that I need to make a purchase of something that I’ve been planning to buy.” Jennifer

Participants also showed some hesitation when asked if they would still use social media if they were charged in order to get an ad-free experience, even those who have negative association with personalized native ads. Most participants would not pay for the ad-free experience, and some state that even if ads are not avoidable and they are a part of the online experience, social media included

“I don’t really know. I don’t think so. I don’t think the ads bother me so much that I would pay to have them removed. Also the ads are free, I’m not charged until I make the purchase. So at the end of the day, it’s up to me anyway and I’m not obliged to buy everything the ads show me” Emma.

A participant also reflected that making a one-time payment to social media for an ad-free experience would not suffice and not many people would be willing to spend money to use social media if it was a subscription model either.

“I don’t think that a one time purchase of the apps would be enough. I think it would have to be a subscription thing, but that would mean that not a lot of people would be open to that. I wouldn’t, at least” Ralph

4.1.4. Perception on Data Collection

Regarding data collection to generate personalized native ads, the most repeated words were “disturbing”, “upset”, “creepy” and “annoyed”. However, while some negative opinions were expressed towards data collection, some participants showed acceptance towards this practice, explaining, “that's the system we’re living in right now” (Jennifer). This perception is shared with a few other participants as well; they perceive that data collection is an integrated part of everyday life and that “society has moved past the point where collecting less data is possible” (Sophie).
One participant believed that “it’s almost necessary in this day and age” (Emma), although it might trigger uncomfortable feelings towards consumers, participants accept that data collection is unavoidable.

“I think it’s creepy if they cross a certain line. I would say that it’s okay to collect my email address, likes and interests and so on, but recording my conversations and text messages is definitely too much.” Ana.

“It’s a difficult topic to me. As a consumer, it’s definitely very disturbing. I think I’m Ok with companies that track my interest, because that gives me a smooth convenient experience online. However, it’s scary if they collect more than that, and I know that they do.” Dylan.

4.1.5. Understanding and Perception of GDPR

Participants showed some level of understanding towards GDPR related to their work, school as well as in their daily Internet usage.

“I heard about it [GDPR] in a work meeting and I was in charge of reaching out to my clients to get their consent on whether or not I could keep and process their information” Jennifer

“Last May when I was interning, there was so much talk about the GDPR. And basically, we had to delete all user’s info if they request us to do so. I didn’t work directly with it [GDPR] but we had some people dedicated to abide to it.” Sophie

The same participant were also asked if her behaviour as a consumer also changed after GDPR, to which, she stated that she received the same emails she sent out to
her clients, which is to approve or deny companies of processing her data. However, she paid little attention to them as a consumer in contrast to when she was at work.

Another participant shared that she learned about the GDPR:

“A guest lecture at my school mentioned the GDPR so I looked it up. I think it’s for companies to be more transparent about what data they collect from us, but I can’t confirm what it does exactly” Ana

Most participants have favourable regards towards the implementation of GDPR, explaining that it is a positive step towards the future:

“Honestly, the Internet age is so new and it’s growing so fast. There’s no law protecting individuals from privacy intrusions, and I think that’s why the GDPR is so great because it’s a step towards transparency.” Ralph

Participants notice no changes after the implantation of GDPR and thus, did not change their online behaviour.

“No I don’t think so. Maybe when I go to websites in the US, I can’t get access to them. That’s it.” Ana

“I think it’s a great thing actually. It means that companies have to be more transparent and responsible when they store our data. But it’s only in Europe though so the US still probably has our data ” Sophie

However, one participant showed skepticism towards this regulation, believing that despite GDPR being a beneficial implementation, “most of the damage is already done” (Axel). He insisted that his data has already been collected, and will continue to be so, regulation such as GDPR does not stop this practice but it creates transparency.
4.1.6. Coping Behaviour

Two participants expressed a level of interest in these ads, citing that they add value to their lives, would sometimes click on the ads.

“I click on them when I find them entertaining and I want to find out the price of the product” Sophie

“They introduce me to new products and brands sometimes, and most of the times, they’re pretty spot on because they know what I like.” Emma

Some participants shared that they would sometimes browse in incognito mode to avoid the personalized ads however, most participants ignore and scroll pass such ads.

“I just ignore them. I don’t know if there’s anything I can do towards them anyway. Besides, I don’t think they’re that harmful. And personally, I believe this is the new way of communication. Before social media, we were watching TV and we’d get ads on there. But now it’s shifting to social media, so brands have to shift with us to get in touch with us this way.” Jennifer

Two participants within this group shared that they actively block and report when they see personalized native ads.

“I can’t remember how many companies I’ve blocked on Twitter. Every time I see an ad, I block it” Axel

“If I’m feeling some type of way, I’ll block and report every ad I see. But sometimes I let it slide.” Maxwell
4.2. Respondents without awareness towards GDPR
4.2.1. General Knowledge on personalized native ads.

Participants who are not aware of GDPR are familiar with the terms
“personalization” and “personalized ads”. However, when asked about native ads, no
participants claim to have heard about this type of ads, which they then were
briefed about. Participants claimed to have encounter personalized native ads
before, just not the term. Participants within this group believed that personalized
native ads are generated through the tracking of their Google searches, among other
online behaviour, such as browsing and shopping online.

“To an extend, yes. I know that if I’m Googling something, I’d see ads for the
products I Googled on my Instagram and Facebook. Sometimes I see them on
Snapchat too. Same thing with Amazon.” Emelie

Most participants show some understanding of personalized native advertising and
explained their personal encounter with them.

“I usually go on Twitter and I’d get ads for things I’ve been browsing. For instance, I
was looking at a language course on Google awhile back, and I’d get Twitter ads for
language center soon after. So I don’t really know how Twitter knows what I do, but
it makes me a little anxious.” Miriam.

Most participants also show a sufficient level of understanding of the economic
implication personalized native ads have on their social media experience
Participants responded that social media are free to them due to the fact that brands
and companies pay social media platforms to have their ads appear.

“From what I understand, these companies and brands pay to have their ads appear
on social media.” Mabel
“Instagram, Facebook and so on, they get their revenue through advertisements. So that’s why it’s free for us to use” Alice

Participants were asked whether they could often distinguish personalized native ads from authentic content.

“If it’s an ad it usually has a clickable pop up in the caption of the video/image. Sometimes when I don’t pay attention, I misinterpret those ads to be posts.” Paulina

“It’s pretty obvious to me which is an ad, which isn’t, even those influencer posts that pop up on my feeds. It’s either the tiny “Sponsored” and “Ad” that tells me, but just the way it is presented, I can just tell” Alice

All participants recognize the purpose of personalized native ads:

“To influence people to buy the things you were looking for/things with similar style and obviously to increase sales.” Paulina

“Well, since the ads are so subtle, I think that makes people think they’re more authentic, which encourages people to click on it more” Carolina

“Definitely [the purpose is] to convince people to buy more. Especially, young people since they’re the ones on social media the most” Linnea

4.2.2. General Knowledge of Data Collection

The majority of participants did not know what cookies are. While most do recall that they have to accept cookies when visiting websites, but they expressed that they were never interested in finding out what cookies are and what they do. Only one participant among this group responded that:
“I think cookies are those things that collect your data, like how you’re using your browser and all that” Carolina

When asked what information they think is being recorded of them, most participants responded with “everything”. Their social media activities are also believed to be tracked and analyzed, as explained by some participants:

“They track what I like, what I search for on Instagram, and all the tags that I put on my posts. Because I know they suggest posts that are among the tags I used.” Alex

“My search history, my age, gender, my location and the websites I’ve been on. They just know it all.” John

4.2.3. Perception on Data Collection

When asked about their opinions are on having their data collected to create native ads personalized to them, the most used response was “indifferent”, with the exception of one participant.

“I don’t really care that my data is collected. And I don’t know how to prevent from being analysed either. I think most of these things are too technical for an average person. I’m only concerned if it’s my medical information, but I don’t even buy those things online so I’m really indifferent” Amanda

“I’m pretty indifferent about it. I mean I’m not the only one being tracked, everyone is.” Carolina

“I don’t really mind. I think that it’s impossible to not have your data tracked as long as you’re on the Internet. It is very intrusive but at the same time, that’s the way things operate in this day and age. I enjoy these social media ads, when they’re subtle, since I don’t feel interrupted and plus, I get new info on new products” Alex
Some participants showed some mild discomfort towards data collection:

“I guess some data is understandable that they want to collect and pretty harmless. But it’s still slightly uncomfortable to me as I assume that such data collection is sort of invasive to my privacy.” Paulina

“As long as everything is clear to me, like what they record, why they’re recording that. So to a certain extent, I think it’s acceptable, like my likes, my interests and so on, because that does feel useful. Other than that, like the searches I type into Google, I’m not comfortable with that being tracked.” Emelie

One participant expressed that the practice of data collection is unethical:

“It’s like a form of surveillance and it scares me. Especially, I find it so fishy that it’s practiced by corporations trying to get to know me to sell me more things.” John

4.2.4. Perception of Personalized Native Ads

When asked about how they feel and think about personalized native ads, common words used by participants are “uncomfortable”, “intrusive”, “invasion of privacy” and “Annoyed”.

Some participants who showed indifference towards these ads explained that, since they always can distinguish between ads and authentic content, these personalized native ads are no different than any type of ads for them. Furthermore, participants who recognize beneficial values, do not feel bothered by personalized native ads “if something is interesting to me, it doesn’t matter if it’s an ad or not” (Carolina). A participant explained her indifference towards personalized ads on her belief that “the ads are just there, I’m the one deciding what to do” (Alice).

Personalized native ads blending seamless into social media feeds was something that some participants perceive as positive as well. Another participants also
disclose that since the personalized native ads are catered to her interest, and the way the ads blend in makes her feel as though these ads are more “friendly” (Emelie). These participants recognize that their information is being recorded and analyzed in order to generate these ads, however, they do not indicate any resistance.

“Come to think of it, I think that it annoys me more when my feed is being interrupted by intrusive and irrelevant ads. So I kinda like when ads are similar to what I usually like and interested in” Miriam

“I think it affects me and causes me to buy more than I would otherwise. But I don’t really mind that, I think that my data is being recorded for one thing or another, it’s just how it is.” Linnea

However, other participants feel “used” and “manipulated” since they feel as though these ads blend in too well into their feeds, and thus, clicking on these ads to find out that they are not content shared by their friends or people they follow triggers negative feelings from them.

“I don’t think it’s [native ads] a good thing. I makes me feel used, because these companies profit without my consent and knowledge. I think that they really need to disclose more clearly that a content is an ad” Celia.

A participant admitted on clicking on personalized native ads before, due to the fact that he could not distinguish it as an ad. However, he shared that, “since I couldn’t tell it was an ad, it made me more upset because I felt cheated” (August). Another participant exhibit negative impression of personalized native ads as well:

“The way these ads are, how much they try to persuade me just really repulses me. It makes me want to browse everything in private mode” John.
All participants, except for one who has considered quitting social media, would not pay for an ad-free experience on social media.

“No, because I use social media everyday and that would mean that I have to pay a lot of money. The ads are just there, they don’t do anything to me so I’d rather have them than pay to use Instagram” Paulina

“I would not pay. I mean social media is such a big part of my life and it’s been free since forever. Even if the ads annoy and creep me out I’d rather have them than to pay.” Celia

4.2.5. Coping Behaviour

Only one out of twelve participants within the group without GDPR awareness, actively use software to block ads as well as his information being tracked:

“I use a VPN so my location isn’t tracked. I also have ad blockers on my browser so I don’t have to see ads. But on mobile, I’m not sure what I can do to block the ads on my social media but if there was an easy way, I’d definitely do it” John

The majority of participants share that they do not do anything toward the personalized native ads they see on social media. One particular participant also believes that it is out of her technology efficacy to know how to completely stop these ads.

“I usually just ignore them. Sometimes I do look it up like the webpage and products in the ads. If I’m interested, I’d look for reviews too” Linnea

“I wish I knew more about this stuff, but honestly, I think it’s too technical for an average person to know how to block ads. And it’s even harder to not have your
information tracked I think. Besides, I don't really care because so far I don't think these ads have done anything harmful to me” Amanda

In regards to data tracking, two responded that they switch to incognito mode sometimes, believing that this prevents their data from being collected.

4.2.6. Understanding of GDPR

While participants in this group have not heard of the GDPR, they were asked if they were aware of any regulation towards data collection, most participants are oblivious:

“I don’t think there’s any law regulating data collection right. Is there? I mean I know that they're required to ask me if they could use my cookies, but that’s pretty much it.” John

A summary of participants’ responses can be found in Appendix 2.
5. Analysis

The empirical findings presented in previous chapters are analyzed. Interpretations and relevant discussion presented in the literature review is also included in this chapter.

5.1. General Knowledge on personalized native ads

Given that personalized native ads are persuasion attempts, it is of important to understand participants’ persuasion knowledge (PK) through their knowledge towards such ads. The participants in both groups appear to be knowledgeable about personalized ads on social media works. A few participants even offered deeper insights on how the real time process of tracking consumers’ behaviour to generate personalized advertising due to their professional experience related to such type of advertising. While participants within both groups with and without awareness to GDPR were confident in sharing their understanding as well as encounters with personalized ads on social media, no participants have heard of native advertising. After being briefed about what personalized native ads entail, all participants were confident that they have encounter such types of ads on social media before, but were not aware of the term “personalized native ads” or “native ads”. The results illustrates previous studies, which find that consumers are generally unable to distinguish between different types of ads, as well as hold insufficient knowledge about how advertisements are delivered to them (McDonald & Cranor, 2009; Smithers, 2011).

In terms of the understanding of the economic model of personalized native ads, all participants was aware that social media platforms charge companies and brands in order to display and deliver personalized native ads to consumers. All participants understand that social media platforms such as Instagram, Facebook and Twitter are free to download as they drive their revenue from advertising. As suggested by Boerman et al (2018) that knowledge about the economic exchange between social media and personalized native ads would not elicit in people with less professional experience in advertising. However, the outcome of this study shows that
participants, pinpointed the economic model of personalized native advertising on social media, regardless of their professional experience with advertising.

The results imply that participants are confident in distinguishing personalized native ads from authentic contents on social media, most of the time. Some participants shared that there are instances where they are mindlessly and rapidly scrolling through their social media feeds, and misunderstood ads as regular authentic content. Most oftentimes, ad disclosure is the indicator that facilitates participants’ recognition of ad content. Additionally, the results suggest that participants’ daily encounter and processing of ads on social media aid them in distinguishing commercial content from authentic ones. However, the hidden commercial intention can sometimes be looked over by participants when they are not paying full attention.

All participants in the study recognize the commercial intention as well as the persuasion tactic employed in personalized native ads, and therefore, their PK is activated when they encounter and recognize these ads as established by previous literature (Friestad & Wright, 1994; Moses, & Baldwin, 2005). Participants are also aware of the nature of personalized native ads and account the subtlety and relevancy of these ads to be the attempts to persuade people to buy more, or encourage more engagement from consumers to such ads. Some participants believed that personalized native ads influence their minds without their conscious awareness, since the commercial intent is so subtle.

5.2. Understanding of Data Collection

The empirical findings suggest that participants’ understanding of data collection is mostly rooted in their daily experience online and their own subjective observation. For instance, a participant noted that he received ads that are adapted to his locations, thus realizing that social media platforms that he used track his location data. Generally, participants from both groups showed similar belief that all of their data is being stored and tracked by advertisers. Most participants named data such
as “likes”, “follows”, what they view, email addresses, etc. as the typical data being tracked of them. However, some participants in the group with GDPR awareness were more ready to make the connection between the personalized native ads they see on social media and data collection. Several participants within this group also has some hands-on experience with data collection and revealed that they were astonished by how detailed it could get. On the other hand, some participants who are not aware of the GDPR, notice that their Google searches are somehow connected to the personalized native ads they receive on social media.

In terms of browser cookies, most participants expressed that they always accept them despite not knowing what cookies are as well as cookies’ functionality. Interestingly, participants also shared that they were oblivious as to what would happen if they did not accept cookies. The findings illustrate that participant from both groups hold somewhat similar level of understanding of cookies, even those with experience in advertising and business. Only a few participants made the connection that cookies is related to tracking of their online activities. Despite the preexisting notion that millennial is digitally savvy (Moreno. M et al, 2017), the results indicate that millennial participants are not proactive in understanding the technicality of their online experience.

The results discovered in this study also confirm prior research, in which, the finding points out that terms and condition regarding data collection and cookies is rarely peruse by consumers (Smit, Van Noort & Voorveld, 2014). It was also explored by Smit et al (2014) that consumers’ understanding of personalized ads outperforms their knowledge towards data collection practices. This is further strengthens by the results of this study, since participants demonstrated somewhat sufficient knowledge about what personalized ads are but are oblivious to cookies. The author postulates that this is due to participants’ high frequency on social media, thus, they are able to observe what kind of data is being collected from them. Therefore, the knowledge they have about personalized native ads is rooted in subjective observation and personal experience but the technicality of how their
data is tracked and how these ads are delivered to them seemed to be neglected by participants.

5.3. **Perception on Data Collection**

Ambivalent patterns emerged from participants when probed about their perception towards data collection. Some participants in both groups were unanimous in voicing their aversion towards data collection. However, the results also illustrate that the level of discomfort fluctuates between participants. Most participants in the group with GDPR awareness expressed their perception towards data collection with negative wordings such as “creepy” and “disturbing”. A contrast in participants perception is also detected, in which, participants recognize the enhancement of their online experience leveraged by data collection, however, they felt as though companies tend to cross the lines and collect more than acceptable. Several participants justified data collection, as they deemed it to be an integral part that is necessitated by this digitally driven society and “it has passed the point where collecting less data is possible” (Sophie). Furthermore, some participants in this group also expressed their perception through a third-person perspective; meaning that they empathized data collection could be seen as disturbing to others. Yet, for them, as long as a boundary is drawn as to what is acceptable to collect then the practice is admissible to them. Given that these participants have or are aspired to work within marketing, their opinions could be expressed through the lenses of their marketing perspectives.

As previously examined by (Smit et al, 2014), it is indicated that consumers who are less informed on data collection, have the tendency to act upon their fear of online privacy intrusion. In contrast, the findings in this study observe mild discomfort to indifference in most participants with no awareness to the GDPR. Due to their understanding that data collection affects everyone not solely themselves, they are less concerned about having their data analyzed and tracked. There is also a sense of acceptance towards data collection among participants within this group, which is
rationalized by the benefits they derived from having data that considered harmless collected. There is a consistency in perceptions’ from both groups, expressing that data collection is unavoidable. However, transparency from companies as well as drawing a limit to what should be analysed is suggested by participants to minimize their discomfort towards privacy intrusion.

5.4. Perception of Persuasion Attempts in Personalized Native Ads

Given the results, ambiguity continues to be the theme in participants’ perception on personalized native ads. There is aversion detected from participants towards the privacy intrusion that they recognize. Furthermore, the persuasion in personalized native ads are recognize by a few participants as overly exerted, leading them to feel as if they lose control over their purchasing decision. Five out of twenty participants shared that the persuasion in personalized native ads is manipulative and deceptive, since they perceive these ads to be “hidden” in inconspicuous manners, with the sole purpose of selling things to them as well as registering the products in their mind unconsciously.

However, the majority of the other participants indicated indifference or appreciation towards personalized native ads. A repeated pattern from these participants is that, they much prefer personalized native ads to banner and interruptive ads. Moreover, they derived benefits from these ads. For instance, some participants perceive personalized native ads to be more coherent with their feeds, and they see them as entertaining since they are personalized to their interests. Other participants appreciated personalized native ads because they are not disturbed by advertisements that might be offensive to them or disrupt their social media feeds. One particular participant also shared that these ads reminded her to finalize purchases that she had been planning for. Participants who exhibited indifference towards personalized native ads shared that they are the one in control of their decisions, and the mere appearance of these ads on their social media feeds
does not bother them. In contrast to previous researches, which find that the covertness of native ads could activate negative reactions from consumers (Sagarin, Cialdini, Rice, & Serna, 2004; Boerman, van Reijmersdal, and Neijens, 2012; Wojdynski, 2016), the findings in this study show that only five out of twenty participants felt manipulated and overwhelmed by personalized native ads. Additionally, as seen in the results, some participants shared that they have misinterpreted ads as authentic posts before when they do not pay attention. However, only two participants exhibited frustration when engaging personalized native ads by mistake. Although, the number is not substantial, it is undeniable that the relevancy and covertness of personalized native ads somewhat impede participants recognition of commercial intent, whether it incites negative feelings or not.

Moreover, given that the persuasion in personalized native ads is not prominent on participants' social media feeds, they do not trigger strong reaction and processing of ads messages, as discussed in Chan, Lowe and Petrovici (2016). The seamlessness as well as relevancy of personalized native ads lowers the critical response from participants, since the commercial message is more subtle. Therefore, while participants do not exhibit negative perception towards personalized native ads, their PK is less activated, especially in instances when they are not paying full attention to their social media feeds.

On the other hand, the majority of participants indicated that they recognize the persuasion in personalized native advertising, but are not repulsed by them. Therefore, their Persuasion Knowledge (PK) is activated but did not result in skepticism. With this observation, this study strengthens previous researches, which argue that, individuals who have high confidence in controlling their attention, might be more open to activate their own reasoning when confronted with persuasive advertising (Friestad and Wright, 1994). Furthermore, PK is not necessarily resulted in opposition from consumers; yet, consumers tend to assess the benefits and risks of the persuasion attempts before reacting to it (Kirmani &
As seen in the results of this study, participants perceive that the risks of these personalized native ads are within their control. Besides, they recognized more benefits from these ads in contrast to traditional interrupting advertising, and thus their PK activation resulted in a positive perception of personalized native ads.

When proposing a hypothetical situation, in which participants would be charged a fee to use social media platforms in order to have an ad-free experience, most participants are opposed to this idea. Furthermore, any negativity towards personalized native ads is discounted when asked if they would pay for social media, for instance, in the case of Celia. Some participants also explained advertisements are not avoidable since they are a part of the online experience, social media included. Only one out of the total of twenty participants expressed his plan on quitting social media due to his concern of privacy intrusion as well as losing his control over consumption of social media (John). The results suggest that the benefits from personalized native ads outweigh the participants’ perceived privacy risks. This could be due to participants’ confidence in activating their PK to assess the risks and harms of the ads or participants undermine the magnitude of data collection and its privacy intrusion.

5.5. **Coping Behaviour**

Only three participants in this study exhibited effective and behavioural ad avoidance by blocking and report advertisers on social media. Ad blockers are also these participants’ strategies to avoid ads on desktop. A participant without awareness of GDPR uses VPN in order for advertisers to not be able to track his location. The effective ad avoidance behaviour could be linked to attitudinal PK of these participants. As examined by Rozendaal, et al (2011) as well as Boerman et al (2012), the critical feelings individuals have when perceiving content as manipulative is the individuals’ attitudinal PK. When attitudinal PK is activated, it is
effective in triggering individuals to take actions against persuasion attempts such as blocking them as seen in the participants in this study.

On the other hand, the rest of the participants avoid personalized native ads by simply ignoring them. However, they also expressed that they would engage with such ads on their social media by clicking on them to find out the price and other information of the products or simply because they enjoy the advertisements. Since participants regard personalized native ads an unavoidable part of social media and they are in control of what they see as well as their action, they perceive the mere appearance of these ads to be benign, which explains why consumers ignore persuasion attempts if they do not hold values to them. Participants’ PK is activated since they are aware of the persuasion attempts in these personalized native ads. However, when participants believe that the personalized native ads are beneficial to them, they would actively seek out the information in the ads instead of avoiding them, similar to the findings in by Kirmani and Campbell (2004) and Ham (2016).

5.6. Understanding and Perception of GDPR

The majority of participants within the group with GDPR awareness have academic or work experience within business and marketing. Hence, the results indicate that participants are more aware and knowledgeable towards data collection regulations such as the GDPR if they more experienced in fields that necessitates data collection.

Participants from the counter group disclosed that they were not aware of any regulations regarding the tracking and collecting of their data. One particular participant shared her behaviour as a professional as well as a consumer. She is aware of GDPR through work and understood the basic concepts of what GDPR does. However, she shared that, in her daily life as a consumer, she pays little attention to the emails companies send her regarding the storing of her data. Furthermore, with the number of participants without understanding of GDPR surpassing the counter group, this finding suggest that participants are not well
informed about data collection regulations as well as exercising their rights when confronted with the storing and analyzing of their data. Most participants disclosed no changes in behaviour when after GDPR is implemented. However, given that the GDPR is a newly updated regulation, it is understandable that it would take some time for consumers to familiarize themselves.

Participants who showed some level of understanding towards GDPR are generally receptive of this regulation. They believe that the GDPR is a positive forward a safer online environment for consumers regarding their data. Participants also appreciate that the new regulations hold companies more accountable for their practices of tracking, analyzing and storing of consumers’ data.
6. Conclusion

Research questions presented in chapter 1 is addressed in this chapter. Here, the study aims to answer the research questions based on the empirical data as well as the aforementioned analysis. Conclusive remarks for the study are also included in this chapter.

6.1.1. RQ1: How do millennials perceive persuasion attempts in personalized native ads on social media?

When examining the findings, it appears that millennials have ambivalent perceptions towards personalized native advertising on social media. While most of the millennials in this study appear to not perceive the persuasion attempts in personalized native ads in a negative light. It is also important to take into consideration the millennials who exhibit strong opposition towards such ads. The majority of the millennials in this study are confident in their ability detect the persuasion attempts in personalized native ads on their social media feeds. They perceive them as harmless in terms of affecting their decision to engage or not with the ads as well as the products promoted. However, the admission of some millennials to misinterpreting personalized native ads on social media also needs to be addressed. A small number of millennials reacted negatively when engaged in these ads by mistake, felt manipulated and deceived.

The self-assurance in distinguishing personalized native ads from authentic content detected in most of the millennials could be relatively linked to the nativeness this age group has in the digital world. Furthermore, growing up surrounded by technology and social media could equip and familiarize millennials with different types of digital advertising (Moreno et al., 2017). As seen in the results, most millennials in this study displayed general knowledge about how personalized native ads work on social media, and they show understanding of the economic model of social media in relation to advertising. With this knowledge, their Persuasion Knowledge (PK) is activated when detecting commercial intention in personalized native advertising. However, this PK activation does not result in
perceived deception in most of the millennials in this study given the inconspicuous nature of personalized native advertising, perhaps due to confidence in processing persuasion attempts. Additionally, the acceptance that ads are not avoidable as long as social media platforms are free to use is also detected in the findings of this study, which could perhaps explained the benign perceptions most millennials have towards such social media advertising.

6.1.2. RQ3: How do millennials cope with persuasion attempts in personalized native ads on social media?

Millennials within this study showed different patterns of coping behaviour when encounter the persuasion attempts in personalized native ads. A few participants with critical attitudinal PK, approach these ads with stern actions such as installing ad blockers as well as report and block advertisers on social media. They associate personalized native advertising with privacy intrusion and surveillance of their online activities, and thus, do what they believe to minimize their data being analyzed to avoid receiving personalized ads. The majority of millennials in this study engage in a risk-benefit assessment, through which, they decide to click on the ads if they find that they can extract benefits from them. Otherwise, they continue to scroll through their feeds and ignore the personalized native ads they see.

6.1.3. RQ3: What are millennials’ understanding and perception of data collection as well as the GDPR in relation to personalized native ads?

This study observes contrasting patterns between millennials perception and understanding of data collection and personalized native advertising. As elaborated previously in RQ1, most of the millennials in this study show indifference or approval towards personalized native advertising. However, the fundamental process to deliver these advertisements, which is data collection, triggers somewhat negative feelings from millennials. They perceive this practice as intrusive and
detrimental to their online privacy. Some participants also expressed their frustration with not being able to opt out of data collection. Yet, a sense of acceptance towards data collection is also observed in a substantial portion of the millennials in this study. They equate data collection to a phenomenon that everyone experiences, and thus, their perceived harm is minimized. Moreover, they accept that data collection has always prevailed; it just takes on a different appearance on social media. However, the millennials in this study also expressed a demand for more transparency as well as a boundary to the amount and type of data being collected from them. They believe that there are some data could be tracked and analysed to leverage their online experience, while others are out of line for companies to store.

Millennials’ understanding of data collection and GDPR is observed to be scattered in this study. The findings show that most participants with marketing and business background are those who are aware and somewhat knowledgeable about the GDPR. These millennials generally perceive GDPR as a significant move towards strengthening the privacy protection of consumers as well as hold companies more accountable to the security of consumers’ data. The number of millennials with GDPR awareness outweighs those without, by a small number. Given that the GDPR is newly implemented, this could perhaps be understandable. However, participants expressing a demand for more rights in terms of data collection as mentioned, could perhaps shows that the millennials in this study does not actively seek out to be informed about what they can do to protect their data. When examining the results, it appears that most millennials in this study seem to take their data protection lightly, despite their expressed concerns. Furthermore, even in those who are aware of the GDPR, there is still a lack of in-depth understanding of what the regulation means for them, since there was no changes in behaviour after the GDPR is implemented. It appears that, the lack of knowledge about their own data protection rights is one of the reasons that millennials in this study maintain their uneasiness towards privacy intrusion.
7. Discussion

This following chapter outlines the contribution of this study to theory as well as its managerial implications. Limitations in this study are also briefly described, complemented with suggestion for future researches.

7.1. Contributions to Theory

It is not the intention of the author to expound new theories, however, this study presents extensive insights using Persuasion Knowledge (PK) in examining millennials’ perception towards personalized native ads. The findings in this study reinforce previous theories, in terms of the ad avoidance as well as the PKM model. Furthermore, the study also emphasizes the privacy-personalization paradox discussed by Aguirre, Roggeveen, Grewal and Wetzel (2016), and finds that millennials are concerned about their privacy but not enough to completely avoid social media ads. Millennials are also knowledgeable in the economic exchange between ads and social media platforms, which somewhat enables them to have a “friendlier” perception of personalized native advertising.

In contrast to prior findings, which suggest that native advertising and personalization triggers negative perception as well as avoidance from consumers, this study finds that, while there are some perceived manipulation and deceptiveness detected in a small number of participants; most millennials are receptive towards personalized native advertising and accept them as part of the social media experience. This study also signals that the majority of millennials recognizes the persuasion attempt in personalized native ads, and thus engages their PK to assess the risk-benefit assessment. Millennials are confident in defining the covertness, seamlessness as well as the relevancy as the persuasion tactics of personalized native ads. The activation of millennials’ PK, whether it be cognitive or attitudinal, enable them to select a coping mechanism when encountering personalized native advertising.
Given the limited size study’s sample, the diversity of the participants’ occupational backgrounds is restricted. However, the study observes a relationship between participants’ professional experience and their knowledge on data protection regulations such as the GDPR. Finally, the study sees a contrast between consumers’ privacy concerns and their passive behaviour when it comes to understanding and exercising their rights to protect their data.

7.2. Managerial implications

The findings of this study are applicable in managerial environments. Given that the millennials participated in this study find benefits to personalized native advertising, they also demand more transparency from advertisers on social media platforms. Consumers should be informed of what data is being analyzed and stored from them as well as their rights to data protection according to the GDPR. For instance, the fact that consumers can request for their data to be erased is not well aware by consumers and should be clearly communicated. Therefore, informing and educating consumers their rights could potentially lead to more trust and ease their fear of privacy intrusion. Furthermore, businesses should understand what data consumers are comfortable with sharing, and what is considered to be irrational to consumers. Thus, in order to balance the personalization-privacy paradox, a boundary should be established in order to not overwhelm consumers with uncanny advertising on social media. Businesses could also leverage on developing technology to utilize the data consumers are comfortable with sharing to still ensure personalization. Given that some participants in this study engaged in personalized native advertisements by mistake, there could be clearer advertisement disclosure.
7.3. Limitation and future research

Apart from millennials’ perception towards persuasion attempts in personalized native advertising, the ambition of this study is also to provide insights on how young consumers perceive and understand the GDPR. This limits the geographical scope of this study to Europe and specifically, Sweden. However, future studies could be conducted in other countries under the regulation of GDPR, since there might be discrepancies in how consumers value and concern about their online privacy in different cultures. The study also attempted to understand millennials’ perception across social media platforms in general. Perhaps, future studies could compare millennials’ perception towards persuasion attempts in personalized native advertising on multiple social media platforms, to examine whether their perception differs. Given that this study aims to gain extensive insights from millennials, hence the qualitative approach. Future studies could additionally conduct quantitative study to add to the richness of the results. Finally, some third-person perspective were detected when interviewing the participants, this suggests an incorporation of the theory of third-person effect in studying personalized native ads. It would be interesting to understand how consumers perceive the effect of persuasion in personalized native ads on others. The author hopes to have provided an insightful read for scholars as well as managers in related field and looks forward to seeing future studies pursuing personalized native advertising as suggested above.
8. Reference


King, J. (2018). Are Young Adults Growing Tired of Constant Social Connectivity?. Retrieved from https://www.emarketer.com/content/is-gen-z-growing-tired-of-constant-social-connectivity


Appendix 1: Interview Questions

**Study Objective:** How do millennials perceive/cope with persuasion attempts in personalized native ads on social media.

Explanation of personalized native advertising.

**General:**
Age?
What is your current occupation?
How much time do you spend on social media a day?
Do you spend a lot of time shopping/browsing online?

**Situation 1:** Let's say you have been browsing on your usual online retailer for a new pair of shoes. You decided to not make a purchase yet. After a while, you went on your social media feeds (Instagram, Facebook, Twitter, etc.), and the style of shoes, or even the exact pair of shoes you have been looking at showed up on your social media feed.

How do you feel about this? What do you think?

Does it occur a lot to you? What do you know about personalized advertising?

Does social media ads persuade you to make purchases?

What do you think is the purpose of these personalization and native ads?

What do you appreciate and what do you dislike about it personalized advertising that show up on your social media?
Situation 2: You were scrolling through your social media feed, and there was a post that really caught your interest. And you clicked on it, only to find out that it was an ad. However, this ad blended into your feeds, as in, it was similar to content of people you follow. How do you feel about this?

Are you able to tell social media ads apart from your friends’ content? If so, what feature (s) of the content makes you recognize that it is an ad?

Have you ever clicked on a post and realized that it was an ad? This applies to Insta, FB, Snapchat, etc., stories as well?

How do you feel about contents similar to yours but has advertising values?

What do you think is the purpose of these personalization and native ads?

When identifying an ad on social media, what actions do you take towards such ads?

Recognition of the commercial source of social media

How do you think these ads appear on your social media feeds?

Who do you think pay for the ads to appear on your social media ads?

Why do you think these apps are free?

Knowledge about Privacy

What kind of data do you think is being recorded of you when you browse social media feeds?
How do you feel about having your data collected in general and for the purpose of generating ads to you?

What do you know about cookies?

What is your understanding of how social media ads are delivered to you?

What do you know about data protection regulation? Have you heard of the GDPR?

Have you changed your behavior following the implementation of GDPR? If so, how?
Can you give examples?

Do you take any actions to prevent your data from being collected or ads shown to you?

Appendix 2 Summary of Participants Responses

<table>
<thead>
<tr>
<th></th>
<th>Aware of GDPR</th>
<th>Not Aware of GDPR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Knowledge on</strong></td>
<td>Software</td>
<td>Google searches are connected</td>
</tr>
<tr>
<td><strong>Personalized Native Ads</strong></td>
<td>Algorithm</td>
<td>Interest and online behaviour is tracked and analysed.</td>
</tr>
<tr>
<td></td>
<td>How social media generate revenue</td>
<td></td>
</tr>
<tr>
<td>Understanding of Data Collection</td>
<td>Collects everything, location, user profile, accept cookies, not reading about it, cookies=data collection tool</td>
<td>Collects everything, no knowledge on cookies</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Perception of Personalized Native Ads</td>
<td>Privacy intrusion, annoying, disturbing, manipulation, personalize native ads are fine, subtle. Better than banner ads, relevant to interests</td>
<td>Appreciate non-disruption, appreciate personalization, manipulated, persuaded, do not care</td>
</tr>
<tr>
<td>Perception on Data Collection</td>
<td>Unavoidable, creepy and disturbing if cross the line</td>
<td>Indifferent, everyone’s data is being collected, acceptance</td>
</tr>
<tr>
<td>Coping Behaviour</td>
<td>Ignore, incognito mode, block and report, engage</td>
<td>Ignore, engage, ad blocker</td>
</tr>
<tr>
<td>Understanding Perception of GDPR</td>
<td>Positive step</td>
<td>Not enough</td>
</tr>
</tbody>
</table>