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# Understanding Consumers' Avoidance of Personalized Advertising in Social Commerce: The Leveraging Effect of Information Transparency and Information Dissemination Scenes

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**Abstract:** With the growing proliferation of personalized advertising during the process of browsing information in social commerce platform, consumers' advertising avoidance has made a potential challenge to the advertising push of platform managers. However, the research currently lacks an understanding of how advertising avoidance can be related to consumer perception and information dissemination. Based on rational choice theory (RCT), this study investigates the mediating role of perceived advertising relevance and perceived vulnerability for advertising avoidance, especially adding the variables of information transparency and information dissemination scene to explore the interacting effect between information dissemination and advertising matching. An online experiment was conducted to empirically test the conceptual model and the result indicated the positive effect of perceived vulnerability and the negative effect of perceived advertising relevance on advertising avoidance. Besides, higher information transparency will lead to more consumer's perceived relevance to advertising, and when the same advertisement is displayed on social web pages, the perceived vulnerability will turn higher. This study provides theoretical implications and practical guidance for online advertising research and practices, especially on leveraging and managing information dissemination of personalized advertising on social commerce platform.

**Keywords:** Personalized advertising, Avoidance, Social commerce, Consumer perception, Information dissemination

With the growing influence of personalized advertising on social commerce platforms, personalized advertising has become an emerging and increasingly important way of information dissemination in the era of mobile social commerce. Personalized advertising, defined as "customized promotional information that is delivered to each consumer via paid media based on personal information (such as consumer name, past purchase history, demographics, psychological, location, and lifestyle interests)" <sup>[1]</sup>. The fundamental difference between personalized advertising and traditional online advertising is that the push of personalized advertising is completely dependent on users' private information and behavioral data. This leads to the "personalization-privacy paradox". It is assumed that when people see personalized advertising that is too close to their real personal information, they may think that personalized advertising violates their privacy, and thus react with emotional aversion and behavioral avoidance to personalized advertising. "All actions by media users that differentially reduce their exposure to advertising content" is called advertising avoidance, which make advertising in the consumer exposure frequency is reduced, resulting in a decline in the effect of the advertising message to consumers. Therefore, consumers' advertising avoidance behavior poses a potential challenge to platform managers' advertising push.

In this context, academic research on advertising avoidance is also developing. The past many empirical studies about online advertising from the perspective of advertising design consider advertising features <sup>[2]</sup>, think advertising feature is the main factor of advertising avoidance. There is also psychological literature that

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shows that consumer perception is a potential factor for personalized advertising avoidance. However, nowadays in the context of mobile social commerce, the communication content and the communication scene of personalized advertising are more diversified, presenting a hybrid feature different from that of traditional online advertising. On the one hand, consumers and regulators have a higher demand for the integrity of information disclosure; On the other hand, in order to meet the different needs of consumers, mobile social commerce platform has built a variety of different information dissemination scenarios in one platform. Therefore, previous research on the role of advertising features is insufficient to explain the new phenomenon in mobile social commerce. Personalized advertising information relevance and how consumers perceive these two factors trigger personalized advertising to evade, mobile social commerce context brings new factor how to carry on the combination and interaction in information transmission, so as to affect the consumer perception of personalized advertising, has become a problem to be solved in the academic field and the advertising industry.

Based on the rational choice theory, this paper aims to explore the paradox of individuation from two aspects: the process of information transmission and consumer perception. The rational choice theory emphasizes the balance between risk perception interests and activities in the case of rational behavior<sup>[3]</sup>. In the context of personalization, the paradox of personalization is often understood as a trade-off between benefits and risk factors. In this study, 239 participants were recruited to conduct a 2(personalized matching: low versus high) x 2(information transparency: pop-up versus no pop-up) x 2(information dissemination scene: shopping page versus social page) online experiment using a customized social mobile platform website, by investigating the personalized matching, information transparency, and information dissemination scene on consumer perception of the interaction of personalized advertising avoidance, the experimental results show that perceived advertising relevance is negatively correlated with the advertising avoidance, perceived vulnerability advertising is positively correlated with the advertising avoidance. The matching degree of personalized advertising has a significant influence on the relevance and perceived vulnerability of consumers' perception of advertising. In addition, the website with high information transparency will make consumers aware that their information is used to customize personalized advertising, so as to generate higher advertising perceived relevance; When advertising containing the same personal information appear in the social scene, consumers will have a higher perceived vulnerability.

The innovations of this research mainly include as follows: (1) In theory, based on the rational choice theory, this paper introduces consumer perception variables and successfully explores the reasons why consumers choose to avoid and respond to personalized advertising; (2) in practice, although the advertising push scenario, in theory, has been proved to be a potential predictor of communication effect<sup>[4]</sup>, there is little empirical evidence for the complex information transmission scenarios on emerging social commerce platforms. This study tries to incorporate the information transmission scenario into the model by the empirical method, which broadens the research boundary of the information transmission process.

The conclusion of this paper is helpful to improve the performance of the platform manager in the social commerce platform, help the manager to find the best balance between consumers' personalized advertising avoidance and the communication effect of advertising, improve the personalized advertising effect of the social scene, and minimize the possibility of users to avoid personalized advertising.

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