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USER RESPONSE TO APP INSTALL ADVERTISING: THE ROLE OF AD SKEPTICISM

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ABSTRACT

Mobile advertising is the fastest-growing format in the digital advertising market along with the rapid proliferation of mobile devices. Among various types of mobile advertising, app install advertising is said to be the driving force of this growth. Since mobile app markets, such as Google Play and Apple App Store, hardly provide the function for discovery of new apps or the recommendation of the right apps for users, app install advertising is considered an essential tool for making new apps stand out among the millions of apps in mobile app markets. Some studies have shown that users' skepticism toward advertising, defined as the tendency toward disbelief of advertising claims has influence on advertising effectiveness. Other studies also have examined effects of users' dispositions such as prior brand attitudes, demographics and lifestyles, and product involvement. In addition, incentivizing app users, that is rewarding users for interacting with or responding to advertising in their mobile apps can also influence their response to advertising. The present study showed the positive relation of consumers' personality traits and consumption experience to their ad skepticism against app install advertising. The influence of consumers' ad skepticism on their response to advertising (app download intention) as well as the moderating effects of reward were also investigated.

Keywords: ad skepticism, mobile advertising, app install ads, rewards

INTRODUCTION

Mobile advertising is the fastest-growing format in the digital advertising market in 2015, and app install advertising, in particular, is said to be the driving force of this growth [5]. They are considered an essential tool for making new apps stand out among the millions of apps in mobile app markets such as Google Play and Apple App Store; the sheer number of available apps hampers users' discovery of new apps and the recommendation of the right apps for users. To mobile ad platforms, including Facebook, Twitter, and small ad network companies, app install ads are attractive because such ads enable them to charge higher prices unlike with other ad formats. Previous studies have shown that users' skepticism toward advertising, defined as the tendency to disbelieve the informational claims of advertising [10] have influence on advertising effectiveness. Other studies also have examined effects of users' dispositions such as prior brand attitudes, demographics and lifestyles, and product involvement. In addition, incentivizing app users, that is rewarding users for interacting with or responding to advertising in their mobile apps can also influence their response to advertising. Adapting Obermiller and Spangenberg's Skepticism Toward Advertising Framework, the present study investigates the antecedents of users' skepticism toward app install advertising and how skepticism influences their affective response (attitude toward the advertised app) and conative response (app downloading behavior) to advertising. The moderating effects of rewards is also examined.

LITERATURE REVIEW

Mobile Advertising

Growing number of researchers are investigating the effectiveness of mobile advertising and the factors that influence the effectiveness. Tsang et al. (2004) investigated consumers' attitude toward mobile Short Messaging Service (SMS) advertising and its relationship with their behavior and found a direct relationship between consumer attitudes and consumer behavior. They also argued that most consumers have negative attitudes toward mobile advertising if they have not consented to the advertisements. Bart, Stephen, and Sarvary (2014) analyzed data from a large-scale field experiment and found that mobile display advertising increases users' favorable attitude and purchase intention only when the advertised products are both high-involvement and utilitarian. Poels et al. (2013) investigated the attitudes toward in-game advertising, and found that the hedonic characteristics of in-game advertising has positive relationship with consumers' attitude toward the in-game advertising. Besides, Beliefs that in-game advertising tends to lower the price of games has a positive relationship with attitude, while beliefs that in-game advertising fosters materialism has a negative relationship with attitude.

Skepticism Towards Advertising

Ad skepticism is the tendency toward disbelief in advertising claims and is a consumers' characteristics which have effects on advertising effectiveness [10]. Consumers, in general, have skepticism against advertising claims [9], and consumers who are more skeptical of advertising are more likely to dislike advertising.

There are a number of studies which proved that consumers are skeptical of advertising messages. Calfee and Ringold (1994) argued that about 70% of U.S. consumers are skeptical of advertising messages even when they think they can obtain valuable information from the advertising. Also Koslow (2000) found that consumer are skeptic again the advertising messages even when it is highly persuasive and apparently truthful.

Obermiller and Spangenberg (1998) also suggested that skepticism against advertising messages is related to other beliefs about advertising and also attitudes toward advertising. Also, after reviewing the items in attitude toward advertising scales they argued that ad skepticism and attitude toward advertising are related but separable constructs.

Antecedents of Ad Skepticism

We adopt Obermiller and Spangenberg's (1998) proposition that personality traits and consumption experience are two main antecedents to consumers' skepticism toward health claims. According to the model, ad skepticism results from basic personality traits such as self-esteem and cynicism and also their consumption experiences which may be influenced by age and education.

Personality traits

Increases in intelligence and self-esteem increases knowledge and counter arguing, and thus result in resistance to the advertising messages [10]. This is indistinguishable from ad skepticism and has negative effects on advertising effectiveness. It is assumed that people with cynicism are more likely to be more skeptical of advertising messages and less likely to believe the advertising claims. Thus, cynicism should have a positive relationship with ad skepticism. At the same vein, it is argued that people with cynicism are less likely to believe information from any source and more likely to attribute advertising messages to the motivation to persuade consumers to buy advertisers' products and service [6]. It is also assumed that skepticism against advertising messages is learned based on socialization and experiences [10]. We propose the following hypotheses based on the preceding discussion.

H1: Consumers with higher self-esteem are more skeptical against advertising messages

H2: Consumers with more cynicism are more skeptical against advertising messages

Consumption experiences

Consumer's consumption experience, including education and age, has positive effects on their skepticism against advertising messages [10]. They also argued that consumers' resistance to the advertising messages is the result of low yielding rather than poor reception. Since consumers with higher educational background tend to search and understand more, it can be expected that consumers with more educational background and more age to be more skeptical against advertising messages [13]. On the basis of the discussion, the following hypotheses are proposed.

H3: Consumers with more educational background are more skeptical against advertising messages.

H4: Older consumers are more skeptical against advertising messages.

Consequences of Ad Skepticism and the Moderating Role of Rewards

According to Obermiller and Spangenberg (1998, 2005), ad skepticism has effects on consumers' responses to advertising. They also argued that consumers with more ad skepticism tend to pay less attention to the advertising and make more counterarguments, and thus not likely to respond to the advertising. In this study, we adopted Soo-Juan and Khai-ling's moderated model (2007) to show the effects of consumers' ad skepticism on their purchase intention. According to Balwise and Strong (2002), reward for responding to an advertisement is found to increase the response to the advertising. Based on the preceding discussion, we propose the following hypotheses.

H5: Consumers with higher ad skepticism have less app download intention after exposed to an advertisement.

H6: App download intention increases when consumers are rewarded for responding to the advertisement.

METHODS

Participants and Experiment Procedures

An online survey was conducted to test the stated hypotheses with 100 participants, which includes 50 males and 50 females ranging in age from 20 to 59. Participants were randomly assigned to one of the two conditions (app install ads with rewards vs. app install ads without rewards).

Measures

Self-esteem was adopted from Rosenberg's (1965) scale and measured by averaging the scores of three seven-point items (completely disagree - completely agree). The three questions were 1) I feel good about myself as a person, 2) I can do many things well, and 3) I am looking forward to my future. Cynicism measures were adopted from Soo-Juan and Khai-ling (2007) and the seven items were averaged to generate the cynicism score. The seven questions were 1) Most people tell a lie if they can gain by it, 2) People claim to have ethical standards regarding honesty, but few stick to them when money is at stake, 3) People pretend to care more about one another than they really do, 4) It's pathetic to see an unselfish person because so many people take advantage of him, 5) Most people are just out for themselves, 6) Most people in fact dislike putting themselves out to help others, and 7) Most people are not really honest by nature. Skepticism was measured by averaging nine items proposed by Obermiller and Spangenberg (1998). Three purchase intention questionnaire items were adapted from MacKenzie et al. (1986) and Anand and Sternthal (1990), and then revised to fit the context of mobile app install advertising. The three questions asked 1) the extent to which the respondent want to download the advertised app, 2) the extent to which the respondent would like to download the advertised app, and 3) the extent to which the respondent is likely to download the advertised app.

RESULTS

To test the hypotheses, a regression analysis was conducted with the survey data (Table 1). The results show that consumers' self-esteem was found to be positively related to ad skepticism, and this means consumers with higher self-esteem tend to have higher skepticism. Thus, hypothesis 1 is supported. Also Cynicism was found to have positive influence on ad skepticism and hypothesis 2 is supported.

According to the results, education level was found to be positively related to ad skepticism, and this means consumers with higher background tend to have higher skepticism, and thus hypothesis 3 is supported. Age has a significant effect on skepticism against advertising messages, and the positive coefficient means older consumers tend to have higher skepticism and hypothesis 4 was supported.

Table 1. Results of regression analysis

	Standard β	t	Sig.(p)
self-esteem	0.13	2.32	0.046
cynicism	0.16	2.45	0.027
educational	0.18	2.44	0.036
age	0.11	2.93	0.035

The average of participants' ad skepticism was 4.13, and using this average score as a demarcation point, the participants were classified as low and high ad skepticism group. Then an ANOVA was conducted to test hypotheses 5 and 6. Figure 1 shows the relation between participants' ad skepticism and their app download intention, and also the moderating role of rewards. A significant main effect of ad skepticism on app download intention ($F(1, 96) = 8.70, p < 0.01$) and the interaction ($F(1, 96) = 8.07, p < 0.01$) emerged, and therefore H5 and H6 were supported. Consumers with higher ad skepticism against the advertising messages are likely to have less app download intention. In addition, it shows that when the participants are rewarded for responding to the advertisement, they are likely to have more app download intention.

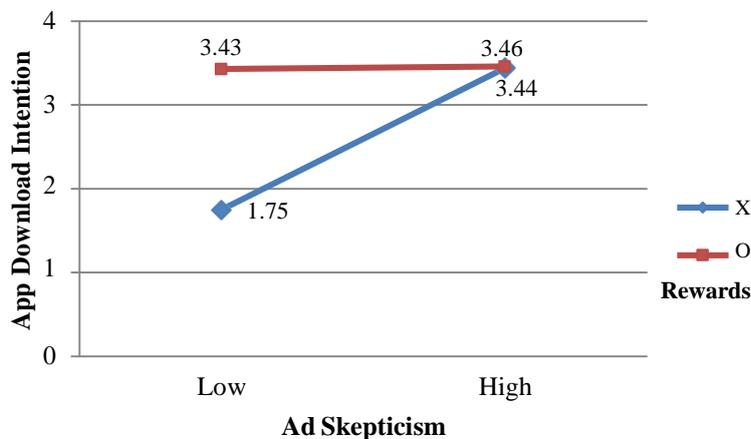


Figure 1. Effects of skepticism and rewards on app download intention

CONCLUSIONS

In this study we aimed to investigate the antecedents of ad skepticism against app install ads and its influence on consumers' response to the advertisements (app download intention). Obermiller and Spangenberg's (1998) ad skepticism framework was successfully adopted in the context of mobile app install ads. Our study shows that consumers' personality including self-esteem and cynicism, and their experience including age and educational background, are found to have significant positive relationship with consumers' skepticism against mobile app install advertising. It was also found that consumers with higher skepticism are less likely to download the advertised apps after exposed to the app install advertisement. In addition, this study showed that advertisers can increase consumers' response to app install advertising by providing them with rewards for responding to the advertisements, even in case of the consumers with high ad skepticism.

This study has a couple of limitations. First, 100 people participated in the survey, which is not a large enough sample size for the analysis, and additional research with a larger sample size could generate more robust results. Second, some variables that might be the important antecedents of ad skepticism were not investigated. By asking about their prior smart phone experience and mobile game usage patterns and including in the analysis, the results could have been more reliable.

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