


Skepticism Toward Online Advertising: Causes, Consequences, and Remedial Moderators

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ABSTRACT

Despite the enormous spending on digital advertising, consumers are skeptical toward online advertising (STA). The authors integrated advertising value and stimulus-organism-response (SOR) frameworks to develop a model of STA's causes and consequences. Product knowledge and perceived ethics of online seller (ETH) were proposed as moderators. For Study 1, moderated-moderated mediation technique was applied on the time-lagged data of 411 consumers. For Study 2, a between-subject experiment ($n = 179$) compared the effects of skepticism across video and picture ads. The results indicate that ETH and product knowledge moderated the relationships between stimulus-organism and organism-response states, respectively. Moreover, consumers showed favorable attitudes toward video ads. This study made novel contributions to research on STA by filling multiple voids, integration of advertising value and SOR, infotainment and puffery as predictors, product knowledge and perceived ethics of online seller as moderators, and comparison across advertisement type (video vs. picture).

KEYWORDS

Attitude Toward Online Advertising, Experiment, Moderated Mediation, Online Marketing, Online Seller Ethics, Product Knowledge, Skepticism Toward Online Advertising, Stimulus-Organism-Response Model

1. INTRODUCTION AND BACKGROUND

Online advertising has experienced tremendous growth over the past decade. The amount spent online has even surpassed the amount spent on television advertising. The worldwide spending on Internet advertising in 2020 was 41% of the entire market, while in the same period, the amount spent on TV advertising was 28% of the total market (Guttmann, 2021). Despite the effort and money spent on online advertising, research claims that, in general, consumers do not show trust in advertisements (Amawate & Deb, 2021; Obermiller & Spangenberg, 1998). Accordingly, skepticism toward advertising is a predisposition to distrust the claims made in advertisements (Obermiller & Spangenberg, 1998).

Skepticism is considered an essential component of consumer persuasion knowledge and a generalizable belief about how the marketplace operates (Friestad & Wright, 1994). Although the concept of skepticism toward advertising has been considered necessary, it has not been investigated widely. The existing literature has focused on skepticism toward environmental claims (Cheng, Chang, & Lee, 2020; Yu, 2020) or cause-related marketing (Amawate & Deb, 2021; Bae, 2018). However, skepticism toward online advertising, in general, has received limited attention from researchers.

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The advertising value model (Ducoffe, 1996) laid the foundations for understanding the effects of advertising characteristics on consumer attitudes. Infotainment in advertising is one such ad characteristic that refers to the integration of informativeness and entertainment (Okazaki, 2004). Overall, the research suggests informativeness (Jacobson, Gruz, & Hernández-García, 2020) and entertainment (Gaber, Wright, & Kooli, 2019; Koshy & Manohar, 2018) influence consumer attitude toward advertising. Therefore, collectively, infotainment should have a positive influence on consumer attitude toward advertising.

The other ad characteristic which could influence consumer attitude toward advertising is puffery. Preston (1996) defines advertising puffery as any action by the advertisers which involves using superlatives, subjective views, concealing evidence, or exaggerations in ads to praise a product or service. Research shows that deceit in marketing is one of the trigger points for consumers' lack of trust towards advertising (Xie, 2016). Moreover, when exposed to puffed ads, consumers generate adverse reactions and negative product evaluations (Raziq et al., 2018). In addition, when consumers are less skeptical, advertisers exploit them using puffery (Obermiller & Spangenberg, 1998).

Given the current state of research, this study endeavors to fill several gaps in the domain of consumers' skepticism toward online advertising. First, the existing body of research on STA shows limited attention toward theoretical foundations (Bae, 2018; Obermiller & Spangenberg, 1998). Therefore, the present study integrates the advertising value model (Ducoffe, 1996) and stimulus organism response model (Mehrabian & Russell, 1974) to explain STA. Based on the advertising value model, two ad characteristics, infotainment, and puffery were identified, serving as a stimulus for the organism state. Consumer skepticism toward advertising (STA) has previously been defined as an attitude and consumer's inclination to disbelieve advertising claims (Obermiller, Spangenberg, & MacLachlan, 2005). Therefore, in the present study, skepticism toward online advertising characterized the organism part of the stimulus-organism-response framework. Accordingly, once skepticism has been developed among consumers, it will lead to responses. Bagozzi (1986) referred to the response state as the final state in the SOR paradigm, which comprises the behaviors and attitudes. Therefore, attitude toward online advertising has been proposed to function as a response state in the SOR model. To date, research integrating advertising value and SOR models to explain STA is not known.

Apart from theoretical foundations, the effects of infotainment and puffery as predictors of skepticism toward online advertising have not been investigated so far. Thus, it adds to the novelty of the present study. Additionally, investigating the SOR paradigm in different contexts, researchers have found that moderating factors influence the relationship between stimulus and organism states (Fu, Chen, & Zheng, 2020) and between organism and response states (Indibara, 2017). Furthermore, Hosany, Buzova, and Sanz-Blas (2020) proposed investigating factors that could moderate stimulus-organism and organism-response states. In response to this call, researchers identified online seller's product knowledge and perceived ethics as possible moderators.

The present study also made significant contributions to the subject area on the methodological front—study 1 employed a moderated-moderated mediation approach (Hayes, 2018) to investigate the skepticism phenomenon. The application of this approach is still novel to the subject area. The findings of this study will advance the understanding and methodology of future investigations on skepticism toward online advertising. Whereas study 2 anchored a between-subjects experiment to understand the effects of STA across advertisement types (video vs picture) on Instagram. Thus, study 2 further validated the conceptual model used in study 1 and tested the (Obermiller & Spangenberg, 1998) assumption that consumers may have different skepticism levels depending upon the medium and specific ad.

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