

Privacy Re-Calculus: Benefit and Risk Perception in Future Hyper-Personalized Advertisements

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Abstract

This research investigates consumers' willingness to share private data in exchange for increasingly hyper-personalized advertising content. Unlike previous studies on personalized ads, we proactively explore futuristic scenarios utilizing immersive technologies. Data from Turkey and the Netherlands compares how consumers assess personalized advertising benefits and risks. Through an experiment with 500 participants aged 18-24 from both countries, three futuristic ad scenarios based on varying data usage were developed. The study examines the effects of exposure to these ads on perceptions of intrusiveness, privacy concerns, and ad avoidance, while exploring the mediating role of personalization and the moderating effects of enjoyment and immersion. Using Hayes Process Macro, moderated mediation analyses were conducted. Results show Turkish youth positively perceive increased data use in ads, leading to lower intrusiveness perceptions, while Dutch youth exhibit a negative attitude towards highly personalized ads regardless of data usage.

Keywords: personalized advertising, metaverse, artificial intelligence, Process Model, privacy