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## IMPACT OF BEHAVIORAL TARGETING ON USERS TRUST AND ATTITUDE TOWARDS DIGITAL ADVERTISING IN COIMBATORE CITY

**Dr. D. Sivasakthi**

Associate professor, Department of Commerce with Professional Accounting,

Dr. N.G.P Arts and Science College, Coimbatore, India

**Ms. Deechitha K**

Student, Department of Commerce with Professional Accounting,

Dr. N.G.P Arts and Science College, Coimbatore, India

**ABSTRACT:** The study explores the impact of behavioural targeting on users trust and attitude towards digital advertising in Coimbatore city. Digital advertising engagement and advertisements are increasing and is based on users' behaviour, which has become a strategic tool for businesses. But these practices raise critical concerns regarding data privacy and user consent. This research aims to know and understand whether personalized advertising enhances users experience or leads to rejection and distrust. The survey was conducted among 110 respondents using a structured questionnaire. Most of them were young adults who use internet frequently. The analysis revealed mixed responses, personalized ads were seen engaging and relevant but concerns over data misuse and lack of transparency were prominent. Users demanded higher data transparency and ethical practices. The findings indicate a balance between effective personalization and maintaining user trust. The study highlights the need for clear privacy policies and user empowerment in digital interactions. It provides strategic insights for advertisers to refine behavioural targeting practices responsibly.

**Keywords:** Behavioural targeting, Digital Advertising, User Trust and Attitude, Personalized Ads, Data Privacy, Consent, Transparency, Ethical Advertising.

### 1.1 INTRODUCTION

As of 2024, global spending on digital advertising has crossed ₹1 lakh crore, with behavioural targeting driving over 70% of this growth. Digital ads appear across websites, search engines, social media, and mobile apps in various forms like text, images, videos, and audio. Over time, digital advertising has evolved—from early banner ads and email marketing to Pay-Per-Click campaigns, mobile ads, and social media promotions. Behavioural targeting plays a key role by tracking users' online activities, such as

browsing history and purchases, to show personalized ads. While this helps businesses deliver more relevant content and improve user experience, it also raises privacy concerns.

Many users feel uneasy about how their data is collected, stored, and used, especially when there's a lack of transparency. Cookies and tracking tools gather data to personalize experiences, but if misused or leaked, they can lead to identity theft or other cyber threats. While some users appreciate relevant ads, others worry about their privacy, making this a topic worth exploring to understand user trust and attitudes toward behavioural targeting in digital advertising.

## **1.2 STATEMENT OF THE PROBLEM**

This study is to address about privacy concerns, the issues faced by users when targeted, their perception of businesses that use behavioural targeting, whether they are comfortable with ads being created based on their data and browsing history. While previous research has explored behavioural targeting there is a need to determine whether personalized ads and messages boost engagement or lead to rejection. This study aims to examine about user's trust, identify about the concerns of users, and their thought about the effectiveness of personalized Ads, and to offer recommendations to balance behavioural targeting with users trust and privacy.

## **1.3 SCOPE OF THE STUDY**

The study aims to understand users' perception and to investigate how digital advertising influences users trust on companies, impact of the advertisement and the attitude of users towards digital Ads. As personalized ads become increasingly common, it explores whether users view them as helpful or intrusive. The research also addresses concerns related to privacy, data security, and transparency, analysing how these factors influence consumer trust. By understanding user responses, businesses can refine their advertising strategies to balance personalization with ethical practices, ultimately creating a more positive and trustworthy digital marketing experience for consumers.

## **1.4 OBJECTIVE OF THE STUDY**

- To Evaluate the level of awareness among users on behavioural targeting.
- To analyze the influence of behavioral targeting on shaping users' attitudes and their trust.
- To know about the privacy issues faced by users.

## **1.5 RESEARCH METHODOLOGY**

Research methodology is the plan for conducting a research project. It outlines the steps that will be taken to collect and analyse data, as well as the theoretical framework that will guide the research. A well-defined research methodology is essential for ensuring that a research project is rigorous, reliable, and valid.

### 1.5.1 RESEARCH DESIGN

- **Sampling Size:** 110 respondents
- **Sampling Type:** Convenience sampling
- **Sample collection:** Urban and semi urban population of Coimbatore city, who use e commerce platforms, social media and internet.
- **Statistical Tools used:** Simple percentage analysis, Frequency, Likert scale analysis, Rank analysis.
- **Primary Data:** Collected 110 responses through questionnaire
- **Secondary Data:** Journals, Books, Websites

### 1.6 LIMITATION OF THE STUDY

- The Study is limited to Coimbatore city and therefore the study cannot be extended to other areas.
- The Sample size is limited to only 110 Respondents.
- The Study is based on Personal opinions, which can be biased and different for each person.

### 2.1 REVIEW OF LITERATURE

**Liubomir Nikiforov (2024):** Meta introduced a pay option for its users who were not giving their consent for behavioural Ads. it was found that meta was processing their users data illegally. Under the GDPR, consent can be valid only in third party cookies. Existing laws limit the options of data driven advertising, and it requires free consent of users, due to which meta faces challenges to track the online behaviour of its users. It is said that charging users for not tracking is not true consent. Privacy, user rights and business model can be influenced for the future studies.

**Jaspreet Kaur et.al. (2023):** This study is about metaverse where people can interact, engage, shop with brands. Many companies have started to use metaverse to connect with customers. Customers are very eager and comfortable using metaverse particularly Gen Z. This study examines how customers are aware, search for information and engage with metaverse. But there are many challenges such as privacy concerns. It is found that more research is needed to know the behaviour of customers.

**Qihua Zhu et.al. (2023):** The rise of advertising in digital media has led to lot of concerns like privacy and data manipulation. Some platforms give explanations, but they are unclear and not so effective. This study analyses about how the transparency explanations impact user's perception and acceptance. Users are willing to accept ads that have more transparency, and it was found that higher interpretability leads to higher acceptance.

### 3.1 DATA ANALYSIS AND INTERPRETATION

#### ▪ SIMPLE PERCENTAGE ANALYSIS

**Percentage**= Number of Respondents / Total Number of Respondents × 100

#### 3.1.1 TABLE SHOWING THE AGE OF THE RESPONDENTS

S.NO	AGE	NO. OF. RESPONDENTS	PERCENTAGE (%)
1	Below 18	12	11
2	19-25 yrs	67	61
3	26-35 yrs	23	21
4	36-45 yrs	4	3.64
5	Above 46 yrs	4	3.64
<b>TOTAL</b>		<b>110</b>	<b>100</b>

#### INTERPRETATION:

The data presented in Table 3.1.1 indicates that 11% of the respondents are in age group below 18, 61% with age group between 19-25, 21% with age group between 26-35, 3.64% with age group between 36-45, 3.64% age group above 46.

#### 3.1.2 TABLE SHOWING THE USAGE OF INTERNET OF THE RESPONDENTS

S.NO	INTERNET USAGE	NO. OF. RESPONDENTS	PERCENTAGE (%)
1	Daily	102	92.73
2	Weekly	5	4.55
3	Occasionally	2	1.82
4	Rarely	1	0.91
<b>TOTAL</b>		<b>110</b>	<b>100</b>

#### INTERPRETATION:

The data presented in the Table 3.1.2 indicates that 92.73% of respondents are using internet on a daily basis, 4.55% of respondents use internet weekly, 1.82% of respondents use internet occasionally and 0.91% use it rarely.

## ▪ FREQUENCY ANALYSIS

### 3.1.3 TABLE SHOWING THE FACTORS THAT INFLUENCE YOUR DECISION TO CLICK ON DIGITAL ADS

S. NO	FACTORS	NO. OF. RESPONDENTS	PERCENTAGE (%)
1	Relevance to my interests	48	19.9
2	Attractive visuals	44	18.3
3	Discounts or offers	57	23.7
4	Positive reviews	48	19.9
5	Familiar brand	27	11.2
6	Engaging content	17	7.1
<b>TOTAL</b>		<b>241</b>	<b>100</b>

#### INTERPRETATION:

The data shown in table 3.1.3 indicates that 19.9% of respondents think it influences them to click on ads when they are Relevance to their interests, 18.3% due to Attractive visuals, 23.7% due to Discounts or offers, 19.9% due to Positive reviews, 11.2% due to Familiar brand, 7.1% due to Engaging content.

### 3.1.4 TABLE SHOWING FACTORS THAT WOULD MAKE DIGITAL ADS MORE ACCEPTABLE

S. NO	FACTORS	NO. OF. RESPONDENTS	PERCENTAGE (%)
1	Transparency about data usage	52	25.1
2	Relevant & personalized content	46	22.2
3	No third – party data sharing	46	22.2
4	Consent before tracking	43	20.8
5	Simple privacy settings	20	9.7
<b>TOTAL</b>		<b>207</b>	<b>100</b>

#### INTERPRETATION:

The data shown in table 3.1.4 indicates that 25.1% of respondents think ads can be more acceptable when there is Transparency about data usage, 22.2% when there is Relevant & personalized content, 22.2% when there is No third – party data sharing, 20.8% when there is Consent before tracking, 9.7% when there is Simple privacy settings.

### ▪ LIKERT SCALE ANALYSIS

**Likert Scale** =  $\Sigma f(x)$ / Total Number of Respondents

**f** = Number of respondents

**x** = Likert scale

$\Sigma f(x)$  = Total score

#### 3.1.5 TABLE SHOWING THE ADS SHOWN ARE BASED ON THE PREVIOUS SEARCHES OR ONLINE ACTIVITY

S. NO	FACTORS	NO OF RESPONDENTS	LIKERT SCALE(X)	TOTAL(FX)
1	Strongly Agree	52	5	260
2	Agree	39	4	156
3	Neutral	16	3	48
4	Disagree	3	2	6
5	Strongly Disagree	0	1	0
<b>TOTAL</b>		<b>110</b>		<b>470</b>

Likert Scale =  $\Sigma(FX)$ /Total no of respondents

= 470/110

= 4.3

#### INFERENCE:

Likert scale value 4.3 is higher than the middle value (3), so the respondents Agree that ads are shown based on previous searches or online activities.

#### 3.1.6 TABLE SHOWING ABOUT THE RELEVANCY OF ADS THROUGH BEHAVIORAL TARGETING

S.NO	FACTORS	NO OF RESPONDENTS	LIKERT SCALE(X)	TOTAL(FX)
1	Strongly Agree	25	5	125
2	Agree	50	4	200
3	Neutral	31	3	93
4	Disagree	4	2	8
5	Strongly Disagree	0	1	0
<b>TOTAL</b>		<b>110</b>		<b>426</b>

$$\begin{aligned}\text{Likert Scale} &= \Sigma(\text{FX})/\text{Total no of respondents} \\ &= 426/110 \\ &= 3.9\end{aligned}$$

## INFERENCE:

Likert scale value is 3.9 which is higher than the mid value (3), so the respondents Agree about the relevancy of ads through behavioral targeting.

### ▪ RANK ANALYSIS

#### 3.1.7 TABLE SHOWING THE FACTORS THAT BUILD TRUST IN BRANDS USING BEHAVIORAL TARGETING

FEATURES	1	2	3	4	5	TOTAL	RANK
Transparency	36(5)	11(4)	9(3)	7(2)	7(1)	272	1
Consent	13(5)	29(4)	14(3)	11(2)	3(1)	248	2
Relevance	7(5)	19(4)	30(3)	10(2)	4(1)	225	4
Security	22(5)	10(4)	10(3)	21(2)	7(1)	229	3
Ethical Practices	14(5)	16(4)	14(3)	6(2)	20(1)	208	5

## INTERPRETATION:

The data shown in table 3.1.7 indicates that Transparency (272) is in rank 1, Consent (248) is in rank 2, Security (229) is in rank 3, Relevance (225) is in rank 4, and Ethical practices (208) is in rank 5.

## 4.1 FINDINGS

- 61% of the respondents are between the age group 19-25 years.
- 92.73% of the respondents are using internet on a daily basis.
- Discounts or offers are the top reason (23.7%) for clicking on ads.
- Transparency about data usage makes ads more acceptable (25.1%).
- Respondents agree ads are based on past searches (Likert score: 4.3).
- Respondents agree ads shown are relevant due to behavioral targeting (Likert score: 3.9).
- Transparency ranks highest as the factor that builds trust. (score 272)

## 4.2 SUGGESTIONS

- Clearly communicate how user data is collected and used to build trust, as transparency ranked highest among trust factors.
- Offer more relevant and personalized content to make ads more acceptable and engaging.
- Implement clear consent mechanisms before tracking user behaviour to enhance trust.
- Simplify privacy settings, making them more accessible and understandable for users.

## 4.3 CONCLUSION

A Survey was conducted on the impact of behavioural targeting in digital advertising, focusing on user trust and privacy concerns. The findings revealed that while personalized ads enhance relevance and engagement, privacy remains a significant issue. Transparency in data usage ranked as the most crucial factor in building trust. Respondents showed mixed feelings, with some appreciating tailored content while others expressed discomfort over data tracking. Social media emerged as the primary source of personalized ads, with discounts and offers being the biggest motivator for clicks. To strike a balance, businesses should prioritize clear consent mechanisms, limit third-party data sharing, and simplify privacy settings. Emphasizing transparency and ethical data practices will help foster greater trust, ensuring that personalization enhances user experience without compromising privacy.

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