"UNDERSTANDING CONSUMERS' CLICK THROUGH INTENTION TOWARDS MOBILE IN-APP ADVERTISEMENTS"

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Abstract

The Mobile devices' widespread use and unique capabilities make them a great tool for marketers to target individual customers and deliver advertisements. With the progression of technology, the mode of advertising on smartphones has transformed from basic text messages to multimedia messaging (MMS) and subsequently to mobile app advertisements. Increased smartphone usage globally has also reflected in high rates of app usages as in the year 2022 itself there were 255 billion new mobile app downloads worldwide. App developers are monetizing mobile apps by giving space to in-app advertisements. In-app advertising can be understood as the technique of delivering advertising messages to mobile applications such as gaming, shopping and news apps that are available on smartphones and tablets. The effectiveness of in-app advertisements can be analyzed using the 'Click-through Rate' (CTR) which measures the relationship between the quantity of clicks an advertisement receives and the count of the display (impressions) made within the applications. Past studies have explored clicks as a behavioral intention in areas like social media advertisements, online insurance advertisements, online banner advertisements and many other areas. Clicking on an advertisement signifies individuals' interest in the advertisement, which can influence their subsequent online purchasing behavior.

Previous research has indicated that delivering the advertisements of familiar brands to consumers enhances efficacy of advertising. When advertisements that are personalized, include attractive incentive offers, credible and authentic content, clarity of information, and visually attractive features, consumers perceive such advertisements to be of more valuable & important and it makes them immerse completely with such ads. Many studies have found that placing the ads which are matching with app context makes them being evaluated as important. However, many other studies have found that mobile advertisements disrupt users' engagement with mobile phones. Thus, being considered intrusive and irritating element in their perception of ad importance. Further, mobile app advertisements track user's behavior and personal information to send targeted ads which has raised privacy concerns, and it can negatively affect their concentration. Again, when the consumers are confident of their capabilities to use the mobile apps, their motivation to interact with the in-app ads will be more effective. Another

aspect is advertising value or perceived value, which can be understood as consumers' evaluation of perceived benefits and importance of the advertisements. Past studies made on smartphone advertising and social media advertising have found advertising value to positively impact consumers flow experience and attitude towards ads. Flow experience is the enjoyable experience that individuals have when engaging in any activity with complete immersion, focus and enjoyment. When viewing mobile app ads, consumers in flow dismiss irrelevant thoughts and have a positive perception of them. This flow state increases their exploratory and participating behavioral intentions which make them click the ads. Further, positive attitude is formed when they consider ads valuable and are in state of flow, which eventually improves their intention to click on the advertisements.

The main objective of this study is to identify the prominent drivers and antecedents for consumer click through intention towards in-app advertisements through a comprehensive model using a "Stimulus-Organism-Response framework" (SOR) by unifying concepts from consumer behavior, information system, and psychology domains. A 'Stimulus' refer to those factors, event or situations which ignites response from a person. It can be external like noise or internal like emotions. 'Organism' relates to the internal mechanisms and structures within an individual including their cognitive, emotional, and physiological processes. The organism's characteristics, experiences, and internal states influence how they perceive and respond to stimuli. 'Response' is the observable behavior or reaction exhibited by the organism in response to the stimulus. Majority of previous researches have considered Stimulus as the external factor whereas few studies considered stimulus to be affecting both internal and external. In our study, we have classified stimulus into two parts, the internal stimulus which include individual affecting factors such as perceived personalization, brand familiarity, irritation, privacy concern and mobile self-efficacy. The external stimulus in our study includes the advertiser related factors which affect consumers such as ad-congruity, credibility, incentives, information quality and visual attractiveness. Advertising value and flow experience constitute the 'organism' whereas attitude and click through intention of consumers have been included as 'response'.

A total of 522 valid responses were gathered and analyzed through Smart PLS 4.0 software. The quality of the survey instrument was initially checked for validity and reliability, and after that, postulated hypotheses were tested. The results showed that, brand familiarity, ad-congruity, credibility, incentives and information quality were the influencing drivers for advertising value. Mobile self-efficacy, credibility, incentives, and information quality were found to be the stimulating factors for flow experience. Attitude was strongly influenced by advertising value and flow experience whereas Click through Intention was significantly affected by flow experience and attitude in the structural model. Further, the Importance-Performance Matrix Analysis (IPMA) identified flow experience as the most

important predictor for click through intention. To our surprise, perceived personalization was not found to be effective in influencing advertising value and flow experience. Further, brand familiarity had no effect on flow experience indicating that familiar brands can cause boredom and limit the flow. Contrary to our hypothesis, irritation did not have any major negative effect on advertising value and flow experience and we explain this as the perceived benefits of ads can limit the effect of annoyance of ad interruptions, people adapt to digital environment, and develop sense of control to skip ads and maintain flow. Our study did not find significance of visual attractiveness; the reason could be too much of visually attractive features may lead to disconnection and confusion among users, and thereby compromising the user's app experience. Similar was the case with privacy concern and our interpretation is that beneficial features of in-app ads are magnified and negative effect of privacy concern becomes irrelevant.

The study offers significant practical implications for professionals in the fields of advertising, marketing, and app development. In-app advertisements should promote familiar brands which can enable smartphone users to instantly recognize the ads without much cognitive effort and improve the advertising value. In our study, perceived personalization did not affect advertising value and flow experience. Instead, our findings indicated that there is potential for enhancing the advertising value by focusing on ads that are congruent with the context of the app. When advertisements are seamlessly incorporated with an app's interface, users will perceive them as a natural component of the app usage experience. So, native advertisements format can be followed as they blend seamlessly with app's design and content unlike intrusive advertisements. Focus should also be given on incorporating credible ads, which have clarity of information and offer incentives. This will ensure improvement in the advertising value and flow experience, and the user's privacy concern and irritation effects will become less significant. Ads should prioritize simple designs because excessive animations and graphics can lead to cognitive overload of users. Marketers and advertisers must make a clear value proposition in the ads regarding the benefits users can gain by interacting with the ads. This can also optimize the flow experience making users deeply immerse themselves with ads which in turn foster favorable attitude and exploratory behaviors like clicks.