Sebuah Studi Eksperimental tentang Pengaruh Periklanan Perilaku Online di Instagram terhadap Niat Beli dan Klik-tayang Konsumen. Mempertimbangkan Peran Moderasi Ukuran Merek dan Peran Mediasi Kepercayaan Merek

An Experimental Study of the Effects of Online Behavioral Advertising on Instagram on Consumers' Click-through and Purchase Intentions. Considering the Moderating Role of Brand Size and the Mediating Role of Brand Trust

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Abstrak

Instagram telah merilis layanan yang disebut 'Iklan Instagram', yang mengiklankan bisnis online di Instagram berdasarkan pencarian online pengguna mereka sebelumnya. Namun, tidak diketahui apakah layanan ini akan bermanfaat bagi merek yang lebih kecil. Penelitian ini bertujuan untuk menyelidiki sejauh mana iklan yang dipersonalisasi di Instagram berdasarkan pencarian konsumen sebelumnya memengaruhi niat klik-tayang dan pembelian, apakah pengaruhnya berbeda antara ukuran merek, dan dapatkah tingkat kepercayaan merek konsumen menjelaskan perbedaan ini. Sebuah studi dilakukan dengan menggunakan desain faktorial antara subjek 2x2 di antara 139 peserta antara usia 18-28 tahun. Temuan menunjukkan bahwa iklan yang dipersonalisasi secara positif memengaruhi niat perilaku konsumen. Namun, tidak ada perbedaan yang ditemukan antara merek besar dan merek kecil. Hasil penelitian juga menunjukkan bahwa kepercayaan merek dapat menjelaskan pengaruh ukuran merek terhadap niat beli. Secara keseluruhan, penelitian ini dapat membantu merek yang lebih kecil memutuskan apakah iklan Instagram layak atau tidak, mengisi kesenjangan pengetahuan, dan melanjutkan penelitian tentang apakah efek iklan yang dipersonalisasi berbeda di antara ukuran merek.

Kata Kunci: Instagram, Instgram ads, Iklan Perilaku Online

Abstract

Instagram has released a service called 'Instagram ads', which advertises online businesses on Instagram based on their users' previous online searches. However, it is unknown whether this service would be beneficial for smaller brands. This research aimed to investigate to what extent personalized advertising on Instagram based on consumers' previous searches affects click-through and purchase intentions, does the effect differ between brand sizes, and can consumers' level of brand trust explain this difference. A study was conducted using a 2x2 factorial between-subjects design among 139 participants between the ages of 18-28 years old. Findings showed that personalized advertising positively influenced consumers' behavioural intentions. However, no difference was found between the large brands and small brands. The results also indicated that brand trust could explain the effect

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of brand size on purchase intention. All in all, this study could help smaller brands decide on whether or not an Instagram ad is worth the investment, fill in the knowledge gaps, and further the research on whether the effects of personalized advertising differ between brand sizes.

Key words : Instagram, Instgram Ads, Online Behavioral Advertising

PENDAHULUAN

Ever since the Covid-19 pandemic started in 2020, many people have opened small businesses on Instagram. From handmade face masks to homemade baked goods, Instagram has made it easy for users to start their online brands. Instagram offers a service called Instagram Ads, where brands can be advertised to users through online personalized advertising or Online Behavioural Advertising (OBA) based on users' previous online searches. OBA is known to be effective for online brands (Leanne, 2020). However, it is unknown whether it is also effective for smaller, less known brands, as consumers would have different levels of trust in them. Not knowing this brings small brands a disadvantage, as they would spend money on a service that might not be effective and worth the investment for them.

Previous studies have investigated the effect of online personalized advertising on consumers' behavioural intentions. Results show that personalized ads increase consumers' intentions to click through an ad to discover more and purchase the product (Jarvenpaa, Tractinsky, & Vitale, 2000; Summers, Smith, & Reczek, 2016; Bleier & Eisenbeiss, 2015). However, Jarvenpaa et al. (2000) and Bleier & Eisenbeiss (2015) found that this finding was different for brands of different sizes as consumers would also have different levels of trust toward those brands.

Although aforementioned studies have explained that the effect of online personalized advertising are different for brands of different sizes, few studies have investigated the effects for smaller brands. Therefore, the moderating effect of brand size is essential to be investigated as this variable signifies that a retailer is trusted (Dutta & Bhat, 2016), and trust is important in determining consumers' acceptance and OBA effectiveness (Boerman, Kruikemeier, & Borgesius, 2017). Therefore, this study tries to compare the effectiveness of OBA between big brands and small brands, making it clear how the effect differs.

Even though a large brand size is seen as a sign that a retailer is trusted (Jarvenpaa et al., 2000) as it is believed to be less risky (Hsu, 2008), there is not yet a study investigating whether brand trust mediates the effect of brand size on consumers' behavioural intentions. Trust is consumer's belief that the seller can reliably deliver goods and services at the expected quality (Jarvenpaa et al., 2020). When consumers are exposed to a personalized ad by a trusted seller, they are more likely to react positively as trust has a substantial direct effect on online purchase intentions (Meskaran, Ismail, & Shanmugam, 2013). However, it has not been empirically shown that the level of trust can exactly explain consumers' intentions to purchase and click through an ad of small or large brands. Therefore, this study investigates the mediating effect of brand trust in the effect of different brand sizes on their behavioural intentions.

The effectiveness of online personalized ads in this research is measured through consumers' purchase and click-through intentions. Purchase intention is a determinant of purchase behaviour. However, it is important to note that before the intention to purchase, people have to have the intention to click through the advertisement. Consumers click on online advertisements to discover more about the brand and its products. Once they have learned more about the brand, the purchase intention may increase. Therefore, this thesis will be investigating the effects of Instagram personalized advertisement on these two behavioural intentions and how it differs between brand sizes. Hence, the following research question was formed: "To what extent does personalized advertising on Instagram based on previous searches affect consumers' click-through and purchase intentions? Does the effect differ between large online brands and small online brands, and can brand trust explain the effect of those brand sizes?"

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METODE PENELITIAN

Sample Description

In total, 285 participants voluntarily participated in this study. However, 146 were removed for analyses due to missing data, leaving 139 participants to be analyzed. Within those participants, their ages ranged between 18-28 years old, with an average of 20 years old ($SD = 1.76$). 48.9% of participants ($n = 68$) were exposed to the Instagram advertisement that was not based on the previous search, and 51.1% of participants ($n = 71$) were exposed to the advertisement that was based on the previous search. See Table 1 for more information regarding participants' demographics, including the percentages of their gender, nationalities, and education status.

Participants were sampled through volunteering strategy, and their data were collected through 8 days, starting from April 14th, 2021, until April 21st, 2021.

Table 1 Descriptive Statistics of Participants Demographics

Variables	*n*	%
Gender		
Female	98	70.5%
Male	40	28.8%
Nationalities		
Asian	106	76.3%
European	27	19.4%
American	5	3.6%
Education		
Attending/attended university	131	94.2%
Not attending university	7	5.8%

Research Design

An online experiment was conducted using the experimental design of a 2 (Personalized ad on Instagram: present vs. absent) by 2 (Brand size: large vs. small) factorial between-subjects design. In total, four conditions of the between-subjects experimental design were used to investigate the effect of personalized advertisement on Instagram on consumers' click-through and purchase intentions. Both factors above, personalized advertisement on Instagram and brand size, played the role as experimental variables as they were both manipulated by the researcher.

Stimulus Materials

Four Instagram advertisements were used as stimulus materials. To depict the Instagram ad realistically, the advertisements were created using the Instagram story format with images of the product, logo, brand name, promotional text, and a 'swipe up' feature. Each advertisement included manipulations of both factors, ad personalization, and brand size. The text presented and the layout of the ad was the same for all conditions. The only differences between the ads were the images of the product and brand name/logo to represent its personalization and brand size.

These stimulus materials were presented to participants before the dependent variables were measured. Participants were given a scenario beforehand, which asked the participants to imagine that they had been wanting to purchase white shoes and hence, were searching for the product on Google. This scenario also included a screenshot of the results of the Google search. Then participants were asked to imagine that, a while after, they went to Instagram and saw an advertisement, which was subsequently shown. Participants were asked to pay attention to the advertisement before proceeding to the questionnaire. See Appendix 1 for a complete overview of all stimulus materials.

Independent Variables

Search history-based personalized advertisement on Instagram

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This experimental variable can be described as advertising tailored for consumers based on their past online behaviour (Fachryto & Achyar, 2018). This variable consisted of two levels: present vs. absent. As participants were previously asked to imagine that they searched for white shoes on Google before they were exposed to the condition, the presence of personalization was manipulated by personalizing the advertisement so that it either did or did not match the previous search.

In the condition where personalized advertising was present, the ad consisted of pictures of white sneakers to coordinate with the search history in the scenario. While in the absent condition, the ad showed pictures of candles instead of white shoes to show that it was not personalized. Hence, the product advertised should not go along with the product that was previously searched.

The ads featured the same layout and promotional text in both conditions, except for the product's main description. Hence, the difference between these two conditions was only the product shown. For an overview of the manipulation materials, see Appendix 1.

Brand Size

Brand size is defined as the perceived size of the retailer and is signified by how many people have purchased from the brand as that indicates its expertise and necessary support systems (Dutta & Bhat, 2016). Two conditions were embodied in this variable: large brand vs. small brand. The variable was manipulated through the brand names. Large brand was represented by globally famous and familiar brands, Adidas for ads of white sneakers and Yankee Candle for ads of candles (Verry, 2021; The Yankee Candle Story, n.d.). While in the small brand condition, fictional brands were created to ensure that these brands were not known and no participant had purchased from there before. The names of these brands were Anonima for white sneakers ad and Barley Candle for the candles ad. All in all, brand size was manipulated through the brand name and brand logo. This manipulation was also combined with the manipulation of ad personalization, resulting in four conditions. Appendix 1 shows an overview of all conditions of this independent variable.

Pilot Study

Before the main research, a pilot study was conducted to see whether participants perceived the advertisements as personalized to them and whether they perceived Adidas and Yankee Candle as big brands, while Anonima and Barley Candle as small brands. A small group of participants ($n = 9$) were recruited and were given the same scenario as the main study. See Appendix 2 for a full overview of the pilot study. As a result, participants of the pilot study were able to identify the advertisements and brands correctly. They were able to differentiate the conditions for personalized advertising and brand sizes. Thus, manipulations were working as intended. For a complete overview of the results, see Appendix 2.

Control Variables

Familiarity with Instagram, Frequency of shopping from online brands on Instagram, and Frequency of using the social media. To take into consideration other factors that might affect the effects on participants' behavioural intentions, participants were asked about their familiarity with Instagram ads ($M = 1.52$, $SD = 0.66$) (answered on a 4-points scale from 'very familiar' to 'not familiar at all), how often they use Instagram ($M = 1.14$, $SD = 0.37$), and how often they shop from online brands on Instagram ($M = 2.67$, $SD = 1.03$) (both were answered on a 4-points scale from 'often' to 'never').

Shopping Preference

Participants' shopping preferences were also accounted as they could affect their trust owards the different brand sizes or their behavioural responses. This preference was measured through the question "Do you prefer shopping from a small or large brand?" with the two choices; 'small brand' or 'large brand' ($M = 1.67$, $SD = 0.47$). If participants answered with 'small brand', they would be taken to another question with the statement, "I am against fast fashion" ($M = 24.6$, $SD = 0.84$). This item could be answered using a 5-points Likert scale (1 = 'Strongly disagree'; 5 = 'Strongly agree').

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Dependent Variables
Brand Trust

Brand trust was measured as a mediator of the effect of brand size on participants' click-through and purchase intentions. This variable is defined as consumers' trust that the brand would not lead to any possible purchase loss or risk (Meskaran et al., 2013). To measure this, an existing scale developed by Koschate-Fischer and Gartner (2015) was used. The scale was answered on a 7-points Likert scale (1 = "Strongly disagree" to 7 = "Strongly agree"). It originally consisted of 5 items. However, these items were then adapted to ensure participants understood the statements clearly. See Appendix 3 for a full overview of the original scale and the current scale items.

Reliability analysis was also conducted, indicating that the scale was reliable (Cronbach's α = 0.83). The 5 items were then averaged to form a single measure of brand trust (M = 4.72, SD = 1.12).

Click-through intention

Click-through intention is the intention to click through an ad to learn more about the product or brand after being exposed to one. It was measured with one item, 'I would like to click on the advertisement to get further information.' (M = 4.15, SD = 1.92), and was answered on a 7-point Likert scale ranging from (1 = "Strongly disagree"; 7 = "Strongly agree") by Aguirre, Mahr, Grewal, Ruyter, Wetzels (2015).

Purchase Intention

Purchase intention is defined as consumers' willingness and intention to purchase a particular product (Pavlou, 2003). To investigate how personalized ad affected this behavioural response, this dependent variable was measured by a scale designed by Grewar, Monroe, Krishnan (1998) that consisted of three items answered on an existing 7-points Likert scale (1 = "Strongly disagree"; 7 = "Strongly agree"). This scale had minor adaptations in order to make it easier for participants to understand. The full scale can be found in Appendix 3.

As for the reliability analysis, results showed that the scale was reliable (Cronbach's α = .87). The three items were later averaged to form a single measure (M = 3.78, SD = 1.52).

Manipulation Check

Manipulation check was embedded at the end of the questionnaire after participants had answered all questions to see whether the manipulations for all independent variables were understood as intended. This was measured using a 5-points Likert scale ranging from (1 = 'Strongly agree'; 5 = 'Strongly disagree') with two statements, 'This advertisement is personalized based on my previous search' and 'This brand is a big and popular brand'. These statements refer to the manipulations of ad personalization and brand size featured in the advertisements shown.

Procedure

This experiment was conducted through the online software Qualtrics. Participants were sampled through a volunteering strategy. The online experiment was shared on Instagram and Whatsapp with the message that mentioned Instagram users who are above the age of 18 could participate in the study. Once the participants were interested in the study and proceeded to open the link, they were redirected to the Qualtrics experiment. They were given the information regarding their participation, the study, and informed consent on the first page. After they had agreed to participate, they were given a scenario to imagine that they had been wanting to purchase white sneakers, so they searched for them on Google. After that, they were randomly assigned to one of the four conditions and were then presented with the assigned ad. They were asked to carefully pay attention to the ad and its details before continuing to the next section. Then, they were asked to fill out the scales that measured their brand trust, click-through, and purchase intentions. Afterward, the manipulation check was presented to the participants. Thereafter, they were asked to fill out demographic questions such as age, nationality, current education, and some questions related to the control variables. Finally, participants were debriefed and thanked before the study ended.

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HASIL DAN PEMBAHASAN

Results

Multiple randomization checks were done in order to check whether participants were distributed equally. See Table 2 below for more details on statistical results.

A chi-square test was conducted using OBA conditions (absent vs. present) and brand size (small brand vs. large brand) as the variables. A non-significant test result was obtained, which means that randomization of participants to experimental condition resulted in comparable participant numbers per condition. Another randomization check was also conducted using a chi-square test with OBA conditions (absent vs. present) and participants' age categories as the variables. The test result was non-significant, which means randomization of participants' age categories over the experimental conditions was successful and that the age groups were equally distributed across all conditions. A Chi-square test was also conducted to check the randomization of gender with OBA conditions (absent vs. present) and participants' gender category (female vs. male) as the variables. Again, the test result was non-significant, meaning that participants' gender was equally distributed to all conditions. Four control variables of this study, familiarity with Instagram ads, frequency of shopping from online brands on Instagram, frequency of using the social media, and shopping preference for brand size, were also checked for its randomization to see whether they were equally distributed to all conditions. An independent samples t-test and chi-square test were conducted with OBA conditions (absent vs. present) as the independent variable and the four control variables as the test variables. In all, non-significant test results were obtained for all three control variables, meaning that randomization for all was successful and that they were equally distributed to all conditions of OBA. In sum, all randomization checks were successful, including the four control items, meaning that they did not form an alternative explanation for the effects on the dependent variable. Thus, there was no need to include them as covariates in the analyses as they did not confound.

Table 2 *Results of Chi-square Test from the Randomization*

Variables	X^2 (df)	p
Independent Variable OBA Conditions	0.36 (1)	. 612
Biographic		
Age categories	10.87 (9)	.285
Gender	0.07 (1)	.852
Control Variable		
Shopping preference for brand size	0.44 (1)	.587

Table 3 *Results of Independent Samples T-test from the Randomization*

Control variables	OBA Absent		OBA Present		t (df)	p	95% CI	d
	M	SD	M	SD				
Familiarity with Instagram Ads	1.54	0.70	1.50	0.63	0.39 (136)	.698	[-0.18, 0.27]	.07
Frequency of using Instagram	1.12	0.33	1.16	0.40	-0.63 (136)	.529	[-0.16, 0.08]	.11
Frequency of shopping from online brands on Instagram	2.66	1.14	2.67	0.91	-0.06 (128.098)	.956	[-0.36, 0.34]	.01

Manipulation Check

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It is important that the manipulations were working as intended in order to have valid results. Hence, the manipulation of OBA presence was checked to see whether participants felt that the ad was based on their previous search more when the ad was personalized based on their search history than when the ad was not personalized. An independent samples test was conducted using OBA conditions (absent vs. present) as the independent variable. The dependent variable was the manipulation check item asking whether the participants believed that the Instagram advertisement was based on their previous search. A significant result was obtained ($t(94.205) = 8.21$, $p < .001$, 95% CI [1.35, 2.21], $d = 1.69$). The difference can be seen in how the participants exposed to the personalized ad rated the advertisement as based on their previous search more ($M = 4.62$, $SD = 0.76$) compared to the non-personalized ad ($M = 2.84$, $SD = 1.63$). This mean difference shows that the manipulation was successful as the personalized ad was based on the previous search more than the non-personalized ad.

A manipulation check was also conducted to see whether the manipulation of brand size was working as intended; that the popular, widely known brand was seen as a large and popular brand than the small, less known brand. An independent samples t-test was again used, where brand size (small brand vs. large brand) was the independent variable. The manipulation item asked whether the brand was large and popular was the dependent variable. The result was significant ($t(133.245) = -5.46$, $p < .001$, 95% CI [-1.49, -.698], $d = .95$). Participants perceived the widely known brand ($M = 3.79$, $SD = 1.31$) as larger and more popular than the less-known brand ($M = 2.70$, $SD = 1.04$). This difference shows that the manipulation was successful and was working as intended.

Hypotheses Testing

H1: An advertisement based on a consumer's previous search on Instagram positively affects purchase and click-through intention compared to when the advertisement is not based on the consumer's previous search on Instagram.

H2: An advertisement based on a consumer's previous search on Instagram positively affects purchase and click-through intention compared to when the advertisement is not based on the consumer's previous search on Instagram, and this effect is higher for bigger online brands than smaller online brands.

To determine the effects of personalization in Instagram ads and the moderating effect of brand size on click-through and purchase intentions, a two-way analysis of variance (ANOVA) was conducted. The test used OBA conditions (absent vs. present) and brand size (small vs. large) as the independent variables, along with click-through intention and purchase intentions as the dependent variables. A significant main effect of OBA on click-through intention was obtained, $F(1, 135) = 5.88$, $p = .017$, with an explained variance (η^2) of .04 suggesting a small effect. Another significant main effect of OBA on purchase intention was also found, $F(1, 135) = 22.84$, $p = .001$ with the η^2 indicating the explained variance of 0.7, suggesting another small effect. Participants exposed to the personalized Instagram ad showed higher click-through and purchase intentions than those exposed to the non-personalized ad. Figure 2 below shows the mean and standard deviation per condition on click-through intention, while figure 3 shows the mean and standard deviation per condition on purchase intention. Therefore, H1 was supported, showing that the advertisement based on the previous search on Instagram positively affected the click-through and purchase intentions compared to the ad that was not based on it.

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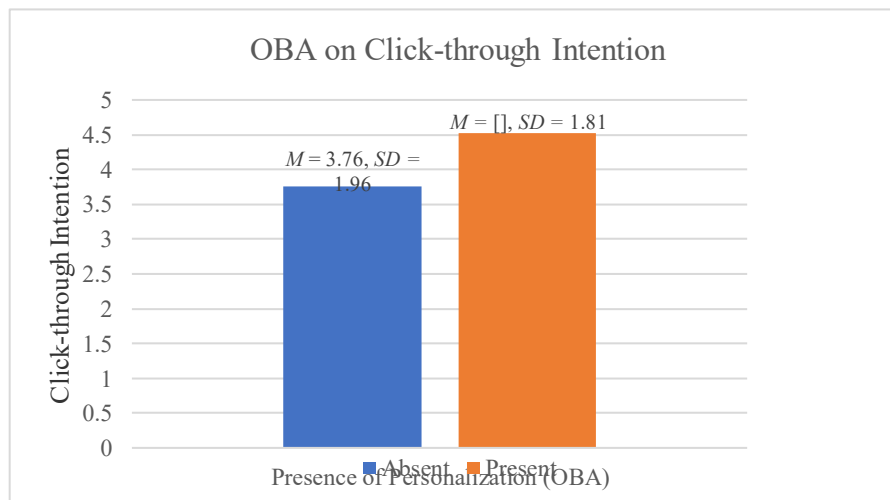

Figure 1: The effect of OBA on participants' click-through intentions
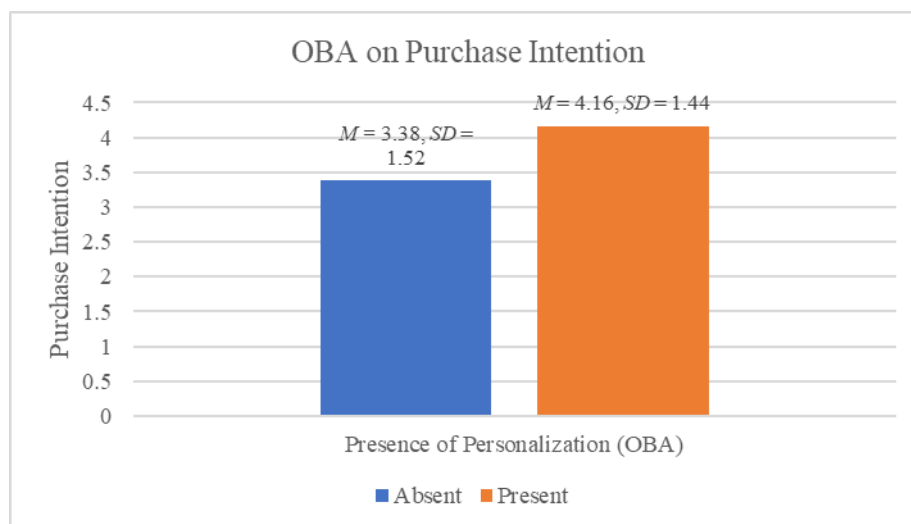

Figure 2: The effect of OBA on participants' purchase intentions

As brand size was a moderator in this relationship, the interaction effect between brand size and OBA was analyzed through the ANOVA above. A non-significant interaction effect between OBA and brand size on consumer's click-through intention was found, $F(1, 135) = 7.38$, $p = .151$ with $\eta^2 = .01$. Another non-significant interaction effect was also obtained for purchase intention, $F(1, 135) = 0.02$, $p = .928$ with the η^2 of .00006, indicating a very small effect. These findings showed that participants equally intended to click through the ad and purchase when large brands and small brands advertised the personalized ad. Thus, no support was found for H2 as the effects of the Instagram ad based on the previous search on click-through and purchase intentions did not differ between small and large brands. See Figure 4 for means and standard deviations of each condition on click-through intention and Figure 5 for means and standards deviations of each condition on purchase intention.
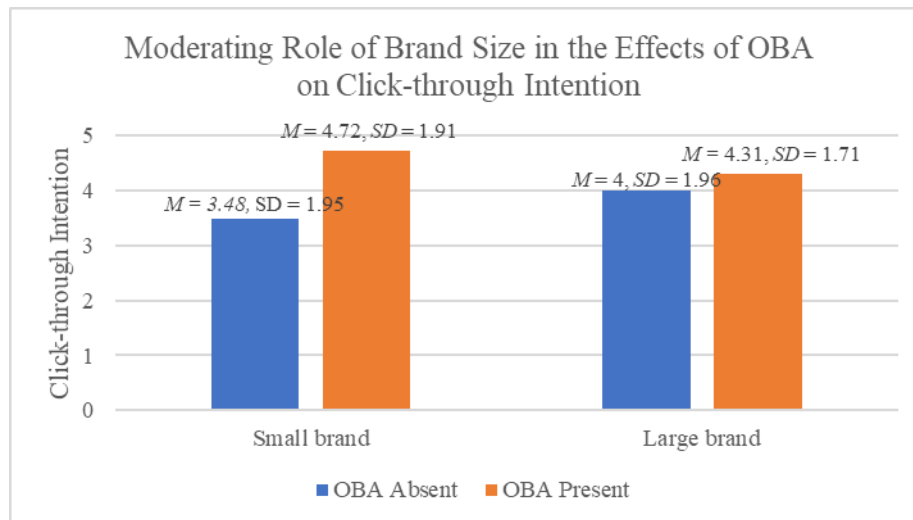
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Figure 3: Moderating Role of Brand Size in the Effects of OBA on Click-through Intention
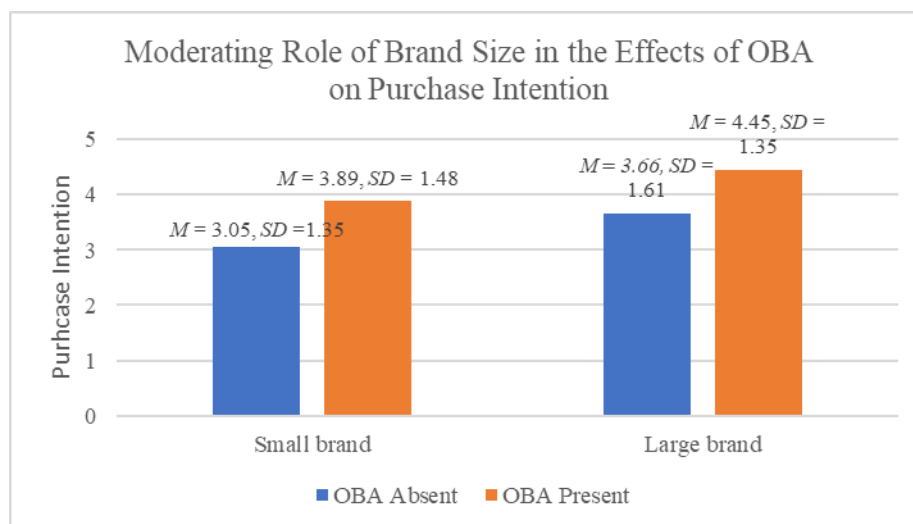

Figure 4: Moderating Role of Brand Size in the Effects of OBA on Purchase Intention

H3: Bigger online brand positively affects consumer's purchase and click-through intention compared to smaller online brand, and this difference can be explained by brand trust.

To test if brand trust mediated the effect of brand size on click-through and purchase intentions, two three-step regression analyses with PROCESS macro were conducted respectively: first with click-through intention as the dependent variable, and thereafter with purchase intention as the dependent variable.

In the first PROCESS-analysis, brand size (small vs. large brands) was used as the independent variable, click-through intentions as the dependent variables, and brand trust as the mediator. First of all, the results showed that brand size did not significantly predict click-through intention, $\beta = -.51$, $t(136) = -1.56$, $p = .122$, 95% CI [-1.16, .14]. Next, results showed that brand size significantly predicted the mediator brand trust, $\beta = .79$, $t(137) = 4.43$, $p < .001$, 95% CI [0.44, 1.14]. The positive effect explained that the larger the brand, the higher the trust consumers have with the brand. Finally, brand trust also significantly predicted the click-through intention, $\beta = .65$, $t(136) = 4.43$, $p < .001$, 95% CI [0.36, 0.94], which means the higher the participants trust the brand, the

higher the click-through intention. Furthermore, the 95% confidence interval for the partially standardized indirect effect of brand size on click-through intention, $\beta = .27$, 95% CI [0.12, 0.44], did not include 0. This indicates that the mediating effect of brand trust was significant. This finding means that brand size did not have a significant direct effect on click-through intention because brand trust explained most of the variance in the effect of brand size on the dependent variable. Therefore, this supported H3 that brand trust mediated the effects of brand size on click-through intention. Bigger online brands positively affected consumers' click-through intention through their level of trust towards the brands as the bigger the brand, the higher the level of trust. Figure 6 below summarizes the mediation analysis results for effect on click-through intention.

Direct Effect= $\beta = -.51, p = .122$

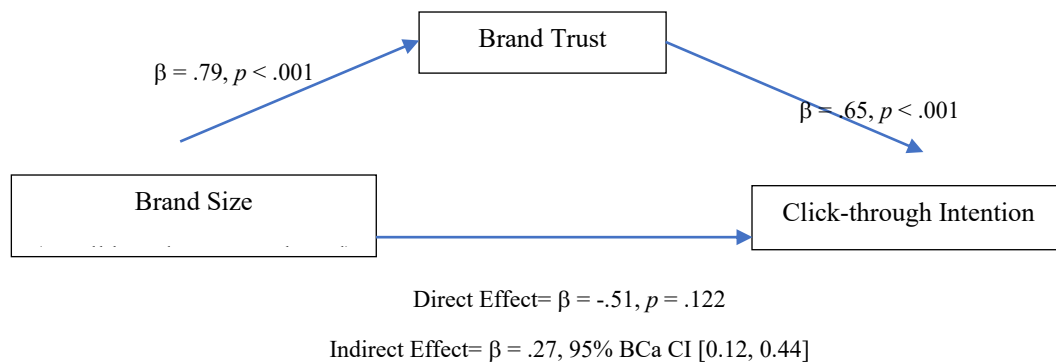Indirect Effect= $\beta = .27$, 95% BCa CI [0.12, 0.44]

Figure 5: Mediating Effect of Brand Trust on Click-through Intention using PROCESS

The second test with PROCESS macro was conducted to test the mediating effect of brand trust in the effect of brand size on purchase intention. Firstly, the results showed that brand size did not predict purchase intention, $\beta = -.05$, $t(136) = -.23$, $p = .816$, 95% CI [-0.52, 0.41]. On top of that, and as was mentioned previously, brand size significantly predicted the mediator brand trust, $\beta = .79$, $t(137) = 4.43$, $p <. 001$, 95% CI [0.44, 1.14], again saying that the bigger the brand, the higher the trust level. Lastly, brand trust significantly predicted purchase intention, $\beta = .75$, $t(136) = 7.18$, $p < .001$, 95% CI [0.54, 0.96], which means the higher the level of trust towards the brand, the higher the purchase intention. As for the 95% confidence interval for the partially standardized indirect effect of brand size on purchase intention $\beta = .39$, 95% CI [0.21, 0.60] also did not include 0. Therefore, the mediating effect of brand trust was significant. The insignificant direct effect of brand size and significant indirect effect on purchase intention show that brand trust explained most of the variance in the effect. Herewith, bigger online brands positively affected consumers' purchase intention as consumers would have a higher level of trust towards those brands. This supported H3, where brand trust mediated the effects of brand size on purchase intention. See figure 7 for the results of the mediation analysis for the effect on purchase intention.

Direct Effect= $\beta = -.05, p = .816$

Indirect Effect= $\beta = .39$, 95% BCa CI [0.21, 0.60]
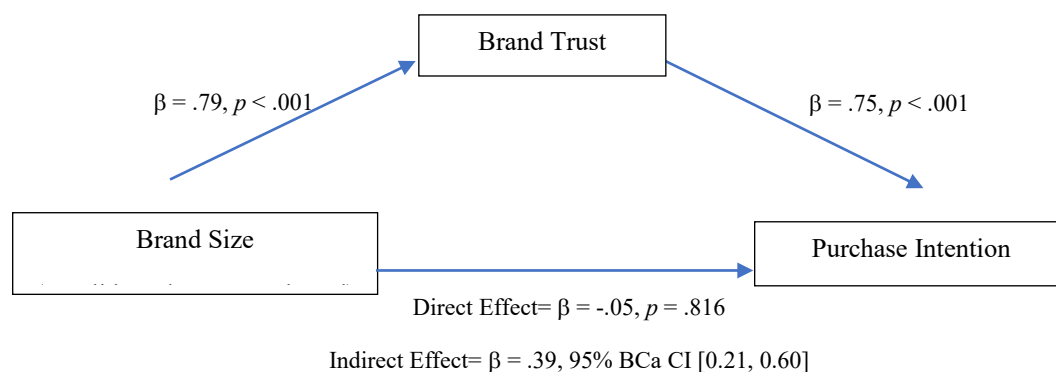
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Figure 6: Mediating Effect of Brand Trust on Purchase Intention using PROCESS

A significant effect was found for personalized advertising on Instagram based on consumers' previous searches on click-through and purchase intentions. This result is in line with the Self-Perception Theory, which suggests that people are more likely to react positively towards personalized ads compared to non-personalized ones. This is because consumers perceived personalized advertising as the implied social label they would later adhere to (Summers et al., 2016). As the advertisement was based on the previous search, they were aware that the brand was making inferences about them. Hence, this awareness influenced them to act; accordingly, that is to say, they had higher behavioural intentions because they wanted their behaviour to be consistent with the associated social label (Boerman et al., 2017).

Even though there was an effect of personalized ads on behavioural intentions, this effect did not differ between large and small brands. This finding contradicts The Acquisition-Transaction Utility Theory, which argues that larger brands will inspire higher behavioural intentions than smaller brands, as they are believed to have higher benefits (Baek & Miromoto, 2012). Prior research (Dutta & Bhat, 2016) found that consumers have higher purchase intentions when brands are bigger as they were perceived to be less risky. The present study was not per the previous finding as trust towards smaller brands might be the same towards bigger brands. Participants might trust smaller brands equally to larger brands due to their positive personal experiences with them. According to Beldad, de Jong, and Steehouder (2010), experience is one of the bases of trust. Those who lack experience in online shopping would have a different level of trust than those experienced. Thus, participants' behavioural intentions may have been the same because they might have the same level of trust due to their previous experience. However, this might reduce the internal validity of the present study as consumers' personal experiences might be a confounder.

Though in general, brand size did affect both behavioural intentions, and this could be explained by consumers' brand trust. Results revealed that brand size did not have a direct main effect on both intentions. However, once brand trust was included in the model, the indirect effects on those intentions were present. This was because brand trust mainly explained the effect. This finding was consistent with the prior study (Jarvenpaa et al., 2020); that is when consumers were exposed to a trusted seller, they would react positively as they perceived the brand to be trustworthy, which reduced the perceived risk. As trust was positively associated with brand size, consumers who perceived the brand as trustworthy would have higher intentions to click through the ad and purchase the product as they believed the brand did not portray risk or pose a danger to them.

Limitations

First of all, the experiment was conducted using a script. This might threaten the external validity as the advertisement and instruction in the manipulations were fictional. Consequently, the results might not be applicable to any real-life situation. In the script, participants were told that they were at the last stage of decision-making, where they had already planned to purchase a pair of white shoes. This could explain why the results showed that the personalized advertising led to high positive behavioural intentions. Per the study by Boerman et al. (2017), when consumers are in that last stage where their preferences have narrowed, they will most likely make a purchase. Meanwhile, in real life, not everyone that is exposed to personalized advertisements has reached that point. Some might still be in the early stage, where their needs are not urgent and are not narrowed down. In this case, general advertising would work better. Through generic ads, brands can enhance consumers' brand preferences as it delivers a broad message about the product and addresses consumers' goals, instead of specific attributes that only consumers in the last stage would value (Lambrecht & Tucker, 2013). Therefore, the results might not be generalizable to the situations where consumers find themselves in different stages.

Participants' brand attitudes were also not included in the study, which could confound the effects. Positive brand attitudes could influence click-through and purchase intentions. When consumers positively evaluate brands, they are more likely to believe that the brand understands them. Thus, it could increase their intentions to purchase or engage with the brand (Lee, Lee, & Yang,

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2017). Therefore, personalization might not only be the cause of their outcome, which reduces the internal validity.

Lastly, most of the participants were young adults, which could impact the results. Teenagers are less likely to avoid personalized ads, no matter how concerned they are with their privacy, in contrast to adults who do not react positively towards personalized ads due to privacy concerns (Youn & Shin, 2019). That might be the reason why participants showed positive click-through and purchase intentions after being exposed to the personalization. This reduces the external validity, as the results might not be transferable to older people.

Future Research

Based on the limitations, future research needs to be conducted without a script. Participants should be asked to look up a product they are interested in on the internet. They are then asked to record their Instagram activity for a couple of days to observe whether they have been exposed to a personalized advertisement based on that previous search. After one week, they would be asked about their click-through and purchase intentions. This experiment should also include participants above 30 in order to investigate whether the results would stay the same or transferable to older users.

To improve upon the limitations, future research should also expand conceptually. Consumers' previous experience and brand attitudes must be taken into consideration. As previous experiences can be considered one of the factors of brand trust (Beldad et al., 2010), the variable should be considered as a mediator. It mediates the effects of brand size on brand trust to investigate whether consumers perceive both large and small brands as trustworthy due to their previous experiences. While brand attitudes should be considered as a variable mediating the effect of OBA on both behavioural intentions. According to Lee et al. (2017), personalized ads positively influence brand attitude. Consumers would positively assess brands that advertised information that matches their conditions, and when they do, they would have higher behavioural intentions. Hence, brand attitude should be accounted as a mediator. By including these new variables, research on the effect of online personalized advertising on behavioural intentions would be improved.

Implications

One thing that can be implied is that the result is in line with previous studies of personalized advertising. Personalized advertising did lead to higher purchase and click-through intentions than non-personalized ads. However, this present study did not corroborate the existing knowledge that the effects of OBA would differ between brand sizes. No evidence could support past studies (Jarvenpaa et al., 2000; Bleier & Eisenbeiss, 2015) that found how consumers would want to click-through and purchase a product more after being exposed to ads by larger brands. Hence, it could not improve the theoretical understanding of OBA and better understand how the effect differs for small brands.

Nonetheless, it is essential to note that larger brands generally can lead to higher behavioural intentions than smaller brands, which can be explained by consumers' brand trust. This study builds up from previous studies (Dutta & Bhat, 2016; Jarvenpaa et al., 2000; Meskaran et al., 2013) about how brand trust is believed to affect those intentions directly and how the brand size also signifies brand trust. Consumers' trust toward the brands mediated the effects on purchase and click-through intentions in a way that larger brands would lead to higher intentions as they were more trusted. Therefore, this study improves and explains the existing knowledge (Dutta & Bhat, 2016; Jarvenpaa et al., 2000; Meskaran et al., 2013) of how different brand sizes can lead to different behavioural intentions and why larger brands tend to be preferable than smaller brands.

As for its societal implications, the results suggest that personalized advertising on Instagram is an effective strategy for all brand sizes. It is important to understand whether OBA is effective for all sizes to avoid the possible disadvantage of smaller brands spending money on something that does not work for them. However, the results imply that personalized advertising is worth the investment for smaller brands too. This finding proposes that brand sizes do not really matter as long as the participants have already reached the last stage of decision-making. Once participants have narrowed down what they want, exposure to the personalized advertisement based on their past behaviour will be effective.

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KESIMPULAN DAN IMPLIKASI

The manipulation checks confirmed that the personalized ad was perceived to be based on their previous search compared to the non-personalized, and the ads by the well-known brands to be advertised by large and popular brands instead of the ads by the fictional brands. Hence, the effects of the experimental conditions were valid as participants understood the manipulations correctly. Hypothesis 1 stated that a personalized advertisement on Instagram based on the previous search would lead to higher positive click-through and purchase intentions than when the advertisement was not personalized. This hypothesis was confirmed. Hypothesis 2 stated that the predicted positive effects of a personalized ad on Instagram on consumers' click-through and purchase intentions would be higher for larger brands than smaller brands, but this hypothesis was not supported. Lastly, hypothesis 3 stated that the effects of brand size on click-through and purchase intentions were explained by brand trust. This hypothesis was supported. Therefore, to answer the research question, personalized advertising on Instagram based on consumers' previous searches does affect click-through and purchase intentions. However, the effects do not differ between ads that were advertised by small or large brands, even though consumers' levels of brand trust can explain the different effect of brand size on both behavioural intentions.

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