

SUSTAINABLE TARGETED ADVERTISING AND ITS DISCONTENTS: AN EMPIRICAL INVESTIGATION

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DOI: <https://doi.org/10.64558/blp/273941gqwyow>

ABSTRACT

Classical market segmentation strategies provided duality of considerations before companies. The striking feature of the duality was exclusivity, for example a marketer thought of choosing between mass marketing on niche marketing but not both of them altogether. This paradigm of market targeting shifted with the onset of digital platforms providing access to large masses of digital platforms users along with mechanisms to design and present personalized niche offerings. This metamorphoses of market segmentation and targeting apparently stands on a benign foundation of access to personal data and built in algorithms to provide targeted advertising in digital economy. However, a closer examination reveals that the sustainability of such marketing strategies is questioned by a large number of factors including the nature and extent of influence of targeted advertising in guiding purchase behaviour, intrusion in the privacy of consumers and ethical considerations among others. This research attempts to explain factors influencing sustainability of targeted

advertising. It attempts to outline variables that pose a concern for sustainability of targeted advertising. The research further suggests ways to build sustainable digital advertising strategies through incorporating ethical and transparency related measures in the current digital advertising scenario.

Keywords: Sustainable Targeted Advertising, Digital Advertising, User confidence, Information disclosure, fiduciary obligation

INTRODUCTION

The advertising potential of social media and other digital platforms was realised relatively late when Facebook started showing brand messages in early years of last decade. The initial reaction to web-based platform advertising was rather passive from the side of advertisers. The rise of advanced algorithm systems created opportunities to tailor advertisements based on the specific needs of the consumers. This was certainly an improvement over traditional media advertising that relied on platform strength and viewership rather than consumer preferences. The earlier segmentation and

targeting methodologies had in built exclusivity and fusion of niche targeting and catering mass consumer bases together were not visualised. The emerging targeted advertising through digital media platforms has not only challenged the conventional segmentation and targeting theory but also revolutionised the advertising space. However, this is not without its obvious pitfalls arising in the area of concern for privacy and ethical apprehensions pertaining to treatment of data. The intrusion in to individuals' privacy is also emerging as a concern for the certain interest groups. This translates in to incursions in freedom of the individual consumers to choose and rationally create decision imperatives. These concerns require a rigorous body of research to assess the influence of these factors on ethical and legal sustainability of the targeted advertising.

Sustainable targeted advertising (STA) caters the efficiency of customised marketing practices with the principles of ecological aspirations, ethical Duties and responsibility. Traditional targeted advertising (TTA) emphasises on formulating messages to consumer segments based on demographics, particular behaviours, or preferences (TechTarget, 2025a). By adding sustainability, firms emphasize transparency, reduced advertising waste, and respect for consumer privacy, aligning marketing practices with broader social and environmental goals (TechTarget, 2025b). Prior Studies indicate that sustainable advertising strengthens brand trust, consumer loyalty, and purchase intention to some extent, particularly when

firms demonstrate authentic environmental commitments rather than vague claims (Çelikkaya, 2024; Lim et al., 2021). It has been observed that Consumers increasingly expect brands to incorporate sustainability in both what they advertise and how they advertise, while regulatory frameworks discourage greenwashing (Adinugroho et al., 2025; Hegde et al., 2025). Thus, sustainable targeted advertising offers a pathway for businesses to achieve dual objectives: driving marketing performance and meeting stakeholder expectations for social and ecological responsibility.

LITERATURE REVIEW AND RESEARCH QUESTIONS

Targeted advertising involves presenting advertisements to customers based on personalised clues and data accessed through past records from a repository online which essentially involves selection of a platform that itself accumulates consumer traits and data (Anand & Shachar, 2009). The proliferation of internet technologies and ease of access to digital platforms through mobile phones has enormously expanded the opportunities for delivering personalised advertisements and offerings to huge mass segments (Haddadi, 2011). A complex network of data collection, aggregation, processing and commercial exchange of data takes place involving a range of intermediaries and technologies to deliver personalized advertisements to consumers (Ullah, 2020). The emergence of artificial intelligence technologies has provided greater tools to sharpen the targeted advertising by utilizing object recognition technologies apart from learning from past purchase data (Lee, 2019). Social media

platforms like Facebook have also contributed to the accentuation of targeted advertising by designing discriminative groups to attract advertisers and enhance their revenue at the cost of user privacy (Speicher, 2018). Collection of personally identifiable information like date of birth, phone numbers, locations, check in to different locations by social media platforms and other service providers have aggravated the privacy risk for users stemming from targeted advertising without acquiring active and informed consent (Venkatadri, Lucherini, Sapiezynski, & Mislove, 2019). Targeted advertising also has the ability to interfere in the utility assessment by consumers and affect fair value exchange (Shin & Yu, 2020). User groups share apprehensions about targeted advertising being intrusive and embarrassing (Zhang, 2010). User's share their personal data to connect and enjoy interactive networks in social media space; however, these details are being used for targeted advertising in contrast to user expectation (Balkin, 2020). The information boundary theory postulates these targeted and personalized advertisements as intrusive in individual privacy (Groot, 2022). Advertisers vouch for added sales through targeted advertising while consumers have often negative perception of the advance targeting techniques (Truong & Simmons, 2010). Intrusiveness of targeted advertising is likely to evoke emotional, behavioural and cognitive response from the consumer groups (Riedel, Weeks, & Beatson, 2018). Magnitude of intrusiveness such as greater access to browsing history and information pertaining to previous transactions are

proportionate to negative consumer perceptions about advertisers (Doorn & Hoekstra, 2013). Utilizing consumer locations has added even higher level of targeting which results in greater consumer discomfort about intrusion in privacy (Paul E. Ketelaar, 2018). Targeted advertising utilizing demographic data and behavioural patterns of the user pose ethical concerns for the user groups (Plane, Redmiles, & L, 2017). Temptations of gains from targeted advertising may drive advertisers to ignore ethical concerns more than ever before (Drumwright & Murphy, 2009). Personal identifiers and demographics-based targeting affect the user groups in multiple ways and ethical implications of the same range from brand image to perceptions about reasonability of the product being offered (Allen, 2022). The new technologies utilizing biometric data for delivering targeted advertising has raised the concern for privacy ethics amongst consumer groups (Ramsoomair & Pandey, 2020). In certain sensitive cases such as pregnancy and other disease conditions, the targeted advertising may bring shame to the subject user and have ethical repercussions by creating a negative user perception (Golpayegani, 2021). A range of facets of advertising are against the normative ethics being observed in business (Ma, 2019).

CONCEPTUAL FRAMEWORK

The proponent of information boundary theory (IBT) (Stanton, 2002) proposes that people tend arrive at a decision about what to disclose about themselves (boundary opening) and what to keep confidential (boundary closure) based upon the confidence in the intention of the receiver

of the information to keep the same as safe and confidential. This also suggests that there may develop a tendency to protect information from disclosure due to concerns of privacy protection amongst people using a certain digital media platform (Stanton & Stam, 2003). Moreover, the decision to make disclosure (boundary opening) and privacy protection does not occur by itself but depends on the level of knowledge available with respect to the fairness of the data handlers(bounded rationality).Herein, it is also pertinent to mention that observance of fiduciary responsibilities by data handlers(digital media platforms) to keep the user data safe and secure and use it only in trust of the user may have a bearing on the easing of limitations on decision making about boundary opening and closure. Based on this conceptual exploration, the study caters testing of two set of Hypotheses as:

Set of Hypotheses

H1: A platform's willingness to disclose personal information is not positively correlated with user confidence in its commitment to confidentiality.

H2: Information disclosure increases as platforms perceived fiduciary obligation does not lower privacy concerns.

Research Method

A descriptive design based on cross section data point has been adopted. A sample size of 437 based on survey data has been utilised to explain the sustainable targeted advertising and consumer discontents. Responses have been collected through a structured questionnaire which is redesigned based on replication of already tested scale. Scale Reliability (Cronbach alpha 0.76) and validity measures have been ensured.

Data Analysis and Interpretation

Correlation between willingness to disclose & confidence in confidentiality

Table: 1 Test of Correlation

Statistic	Value
Spearman correlation	0.079
p-value	0.438

Source: Analysis output through excels.

As per data analysis, there is a very weak and statistically insignificant positive correlation ($p = 0.079$, $p = 0.438$) between *willingness to disclose personal information* and *user confidence in a platform's confidentiality*. This means that researcher is fail to reject the hypothesis. It

means *that increased confidence in platform confidentiality* does not reliably translate to *greater willingness to disclose*.

Regression to predict the Effects of fiduciary obligation & privacy concern on disclosure.

Table:2 Regression Output

Variable	Coef.	Std.Err.	t	P> t	95% confidence interval Lower bound (0.025)	95% confidence interval Upper Boud (0.975)
Intercept	2.124	0.78	2.72	0.008	0.574	3.673
Fiduciary	0.176	0.291	0.6	0.547	-0.401	0.753
Privacy	-0.056	0.216	-0.26	0.795	-0.484	0.372
Interaction	0.024	0.072	0.33	0.74	-0.118	0.166

Source: Analysis Output

Regression model predicts that neither perceived fiduciary obligation nor privacy concern nor their interaction significantly affects the willingness to disclose personal information (all $p > 0.05$). This suggests that even if users regard platforms as having a fiduciary duty, higher privacy concern does not meaningfully lower the tendency to share information on such platforms as described under the study.

FINDINGS AND DISCUSSION

After analysis of the collected data, Spearman correlation between *users' willingness to disclose personal information* and *their confidence in a platform's confidentiality* was very weak and not statistically significant ($p = 0.079$, $p = 0.438$). This suggests that a user's trust in a platform's confidentiality commitment does not meaningfully influence whether they are willing to share their personal information. In contrast, expectations that trust in confidentiality would motivate

users to be more open while sharing their personal information, the data reveals that no such relationship between these two factors in this context exist. Users may base their disclosure decisions on other considerations, such as necessity, convenience, or perceived benefits, rather than mainly on their level of confidence in data protection. This finding implies that simply increasing assurances about confidentiality may not be sufficient to encourage users to share more information in the context of such encounters. The regression analysis indicated that neither the platform's perceived fiduciary obligation, privacy concerns, nor their interaction significantly predicted willingness to disclose personal information. This finding suggests that the belief that a platform is obliged to act in the user's best interest (fiduciary obligation) does not significantly affect disclosure behaviours, even when privacy concerns are factored in. Users seem to weigh multiple factors when deciding to disclose information, and legal or ethical assurances alone are not the dominant

influences. This explores the complexity of user attitudes toward privacy and suggests that organizations may need to address a broader perspective of motivations and concerns such as control, benefits offered, prior negative experiences, or social norms while encouraging others to information sharing on such platforms.

Managerial Implications

Study offers insight that dependence solely on assurances of confidentiality or ethical responsibility is unlikely to increase user data disclosure. Managers should implement multidimensional approaches that also explore value and convenience to users. Understanding and target the different factors influencing disclosure, such as perceived benefits, ease of use, personalization, and social influence, rather than focusing exclusively on privacy assurances. There should be clear communication on how user data will be used for tangible benefits (e.g., improved services), as transparency alone may not sufficiently factors as users need to see direct value of any such exposure. Branding and marketing professionals can offer personalized experiences or incentives for data sharing, as these may be stronger motivators than formal guarantees of confidentiality. Companies can educate users about data usage practices and real-world benefits, addressing misconceptions and reducing undue privacy concerns through regular, honest engagement.

CONCLUSIONS

Present work offers an empirical analysis that, neither users' confidence in a platform's confidentiality nor their perception of its fiduciary duty

significantly influences their willingness to disclose personal information. The study reveals no statistically meaningful correlation or predictive relationship between these variables and information disclosure. This suggests that assurances around data protection and ethical responsibility alone are insufficient to motivate users to share personal data on different social media platforms. Therefore, platforms of social media or any websites seeking to encourage greater disclosure should consider broader strategies that caters additional user concerns, motivations, and decision factors beyond simple trust in privacy commitments or perceived fiduciary obligations to a great extent. Findings have greater impact on policy makers and internet companies which can create best balance by understanding such underlying dimensions of discontents in the context of sustainable targeted advertising.

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