

The Impact of Users' Privacy Perception on the Effectiveness of Social Media Advertising

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Abstract: This article focuses on the impact of users' privacy perception on the effectiveness of social media advertising. With the development of social media, advertising push relies on the collection of user data, while users' concerns about privacy issues are increasing. This article analyzes users' attitudes towards factors such as understanding privacy policies, advertisement matching, data usage transparency, and privacy control options through a questionnaire survey, revealing the impact of users' privacy perception on advertisement acceptance. Research has found that clear and transparent privacy policies, along with highly relevant advertisements, can significantly enhance users' acceptance of advertisements while alleviating their privacy concerns. Based on this, the article suggests that advertising platforms should improve data usage transparency, enhance users' control over their privacy, optimize the relevance of ad delivery, and reduce the occurrence of negative user emotions, thereby achieving better advertising effectiveness and user experience while protecting privacy. These findings not only enrich the theories of privacy perception and advertising communication but also provide optimized recommendations and strategies for advertising platforms.

1 INTRODUCTION

With the rapid development of social media, the vast amount of personal data shared by users on online platforms has become an important basis for targeted advertising. However, it is precisely through the collection of user data for precise advertising that incidents of privacy breaches have become frequent in recent years, leading to widespread concerns among users regarding privacy issues (Jung, 2017). The increase in data regarding the attention to "privacy" on social media demonstrates users' high concern for privacy issues, and users are also actively seeking protective measures for online privacy (Boerman et al., 2021). The governments of various countries have successively introduced relevant regulations to standardize the data usage behavior of enterprises. Against this backdrop, users' perceptions and attitudes toward privacy gradually influence their behavior on social media, thereby affecting the effectiveness of corporate advertising (Quach et al., 2022). Current research indicates that users' privacy perceptions primarily involve the degree of trust and acceptance regarding data collection, usage, and protection, which directly influences users' attitudes toward advertising content and their interactive

behaviors (Bleier et al., 2020). The relevant research primarily focuses on the direct relationship between privacy policies and advertising push, with less in-depth exploration of the specific impact mechanism of privacy perception on advertising effectiveness. This study aims to delve into the influence of user privacy perception on the effectiveness of social media advertising push and to provide optimization suggestions for advertising platforms. Studying the impact of different dimensions of user privacy perception on advertising acceptance can enrich the theories of privacy perception and advertising communication, deepening the understanding of user privacy attitudes in subsequent research. Understanding how privacy perception influences users' attitudes towards advertisements can assist advertisers in optimizing the content, format, and delivery scenarios of advertisements, thereby providing users with a more personalized advertising experience that does not intrude on their privacy and enhancing users' overall acceptance of social media platforms.

2 METHOD

2.1 Case

Currently, there are numerous privacy issues related to advertising push notifications. According to a report by Reset Tech in 2023, it was found that Australians' personal information is shared up to 450 times a day through real-time bidding systems without their consent. Such extensive involvement of users' sensitive information will expose users to fraud and security risks, increasing their anxiety and concerns about personal safety. Users are generally worried about privacy issues in advertising push notifications (Nouwens et al., 2020).

2.2 Study Design and Findings

2.2.1 Design

Based on the above issues, this study adopts a questionnaire survey format, designing the survey from aspects such as users' privacy perception ability, users' level of concern about personal privacy, users' understanding of platform privacy policies and data usage statements, the impact of the match between advertisements and user interests on users, the influence of the transparency of data usage rules on users' acceptance of advertising push, and the operability of privacy data control options. This study collected questionnaires using a random sampling method, gathering a total of 211 valid questionnaires. According to the reliability analysis conducted using SPSS, the reliability coefficient of the questionnaire is 0.928, indicating that the reliability quality of the questionnaire research data is very high.

2.2.2 Findings

This study employs descriptive statistical analysis on the collected questionnaire results, examining factors such as users' understanding of the platform's privacy policy and data usage statement, the impact of the match between advertisements and user interests on users' privacy perceptions, the influence of the transparency of data usage rules on user acceptance, and the operability of privacy data control options on the marketing development of advertising platforms.

Specifically, over 64% of respondents indicated that they are aware of the privacy policies and data usage statements of advertising platforms, yet approximately 14% of respondents stated that they are either completely or somewhat unaware. The complexity of privacy policies and users' insufficient

understanding of the importance of this information may be the primary reasons for this outcome. Furthermore, users who are less informed about privacy policies are more likely to develop doubts and distrust towards advertising platforms, especially in cases where advertisements closely align with users' interests and behaviors; this lack of understanding further intensifies users' concerns regarding personal privacy issues.

When the content of advertisements is highly aligned with user interests, 58.29% of respondents indicated that their feelings of privacy infringement would be reduced in such cases. This suggests that, although some users have concerns about advertisements infringing on personal privacy, there remains a high level of acceptance for content that is "strongly relevant" to them.

More than 76% of respondents indicated that if advertising platforms could clearly state the rules for data usage and offer a higher degree of personalization, it would enhance the effectiveness of advertising dissemination and the public's acceptance. The higher the transparency of user data usage in advertising pushes, the lower the perceived privacy risks by users, making them more accepting of advertisements. If advertising platforms do not provide options for privacy data control, 69.2% of respondents stated that they would feel "very concerned" or "extremely concerned." Users who do not feel they have control over their privacy data may feel helpless, leading to negative emotions. Therefore, if advertising platforms could provide rich and easily accessible privacy settings for users, it could help reduce users' concerns and the emergence of negative emotions to some extent.

3 CAUSES AND EFFECTS

3.1 The Reasons and Impacts of the Complexity of the Privacy Policy and Data Statement

According to the previous text, the current privacy policy of the advertising platform presents a complex situation, which is often due to the lack of more straightforward explanations for commonly used terms in the privacy policy, such as "third-party sharing" and "encryption algorithms," making it difficult for users to fully understand the specific implications of the privacy policy (Amos et al., 2021). The data statement lacks the extraction of core points, and the information within the content is relatively

fragmented, requiring users to search for key information amidst lengthy content, which increases their reading burden and fatigue. Privacy policies are typically placed at the bottom of websites or in hidden menus, with the font size of the privacy policy entry being small and lacking intuitive prompts, making it difficult for users to proactively understand the implications. This situation can lead to a lack of trust in the privacy policy among users, reducing their trust in the enterprise, which in turn makes users less inclined to interact with advertisements, resulting in a decline in advertisement click-through rates and significantly impacting the marketing performance of the enterprise (Kilay et al., 2022). Once users feel that their privacy has been violated, it may lead to a negative perception of the brand image, causing users to believe that the brand lacks transparency and social responsibility, which will affect long-term user loyalty.

3.2 The Reasons and Impacts of Users' Preferences for High Relevance in Advertisements

According to the previous text, when the content of advertisements is highly aligned with user interests, users' feelings of privacy infringement tend to decrease. This is because users are more inclined to focus on content that matches their interests and needs when receiving information. When advertisements are highly relevant to users' interests, they perceive the information as having actual value, which effectively reduces their sensitivity to privacy violations (Zhu & Kanjanamekanant, 2021). Users typically seek a balance between personal privacy and convenience, with convenience being an important consideration for their interests (Gashami et al., 2016). Advertisements that are highly relevant to users can effectively capture their attention, increasing the likelihood of user clicks and conversions. This optimizes the return on investment for advertisements, benefiting businesses by enhancing brand recognition and creating a positive marketing impact.

3.3 The Reasons and Impacts of Insufficient Transparency in Advertising Data Usage Rules

Users generally have certain concerns regarding the use of personal data. If advertising platforms can clearly explain the rules for data usage and provide a more transparent privacy policy, users will trust the advertising platforms more (Saura et al., 2021). The

enhancement of users' trust in advertising platforms effectively reduces their concerns about data misuse, thereby making them more receptive to advertisements. As users' attention to privacy issues increases, the impact of privacy protection regulations strengthens users' awareness of privacy protection. Currently, users are more inclined to support advertising platforms that can responsibly use data. Greater transparency in data allows users to feel a sense of control over their information, while personalized advertisements can provide content that better meets users' needs. This dual effect enhances the overall user experience (Centobelli et al., 2022).

3.4 The Reasons and Impacts of Users' Concerns About Control over Privacy Data

With the increasing awareness of personal privacy protection, users hope to have control over the use of their data. When advertising platforms do not provide options for privacy data control, users may feel that their data could be misused, and the anxiety caused by this sense of helplessness can lead to negative emotions among users (Mir, 2024). If users are unable to locate the privacy data control options on the platform, they are likely to assume that the platform is concealing information or engaging in improper conduct, leading to a crisis of trust that may result in users reducing their usage of the platform. Users lacking privacy controls are more inclined to use ad-blocking tools, significantly reducing ad exposure (Sánchez & Viejo, 2018). Even if the advertising placement is precise, it may still fail to successfully reach the target audience due to users' interception behaviors. When users feel a sense of control over their data, their resistance to advertising content will decrease, and this positive sentiment will help improve the click-through and conversion rates of the advertisements.

4 SUGGESTION

4.1 Enhance the Transparency of Data Usage

The advertising platform should present the process of data collection and usage to users clearly and concisely, including how personal information is collected, stored, and used. This helps users establish a certain level of trust in advertising push notifications, reducing their feelings of privacy

infringement. By enhancing data transparency, companies can better comply with global privacy regulations, mitigate potential legal risks, and avoid negative public opinion resulting from data misuse. High transparency and the establishment of trust may encourage users to be more willing to share their data, allowing companies to obtain more valuable information to optimize products and services for greater economic benefits.

4.2 Strengthen User Privacy Control Rights

Provide privacy control settings that are easy for users to find and operate, allowing them to freely choose which of their data can be used for advertising purposes. Ensure the discoverability and simplicity of these setting options to reduce users' concerns about complex operations. In this way, advertising platforms that offer more comprehensive privacy settings can establish a "user-friendly" image in the market, attracting more high-value users who prioritize privacy [14]. Under the current impetus of privacy regulations and public concern, brands are increasingly inclined to choose reputable advertising platforms that prioritize privacy data control for collaboration. Comprehensive privacy settings can help platforms attract more influential partner brands, thereby benefiting advertising platforms by increasing advertising revenue.

4.3 Improve the Matching Degree of Advertisement Delivery

Through more precise data analysis and matching algorithms, advertising platforms can ensure that the content pushed is more aligned with users' interests and needs. Highly matched advertisements can alleviate users' feelings of privacy invasion to some extent, while also enhancing their advertising experience. If the content provided by advertisements can improve user experience or meet urgent user needs, users will be more willing to accept a certain degree of personal data usage. Highly matched advertisement pushes contribute to the refinement and personalization of corporate marketing strategies, further enhancing customer loyalty and fostering deeper brand-consumer interactions [15]. The delivery of highly relevant advertisements will reduce the ineffective advertising expenditure of enterprises, allowing for more efficient utilization of corporate resources. Through the accumulation of user interest data, enterprises can better identify and predict the demands of the target market.

4.4 Reduce the Probability of Negative Emotions Occurring in Users

The advertising push should not only focus on the degree of personalization but also consider the moderate use of data to reduce the extent to which users feel monitored. Advertising platforms can push content that users genuinely care about based on their interests, browsing history, and current usage scenarios, thereby minimizing unnecessary disruptions to users and avoiding excessive exposure, while reasonably controlling the frequency of ad displays. Especially concerning users' sensitive data, advertising platforms should handle its use with caution, ensuring that negative emotions towards advertising pushes are minimized as much as possible.

5 CONCLUSION

This paper explores the impact of user privacy perception on the effectiveness of social media advertising, finding that clear and transparent privacy policies, highly relevant ad content, and rich privacy control options can significantly enhance user acceptance of advertisements while alleviating privacy concerns. However, the current complex privacy policies, insufficient data usage transparency, and lack of user control can easily lead to user distrust and negative emotions, thereby weakening the effectiveness of ad delivery. In the future, advertising platforms should further improve the transparency of data usage, informing users more intuitively about how their data is collected and used, thereby enhancing user trust in the platform. At the same time, platforms need to strengthen user privacy control, designing convenient and prominent privacy settings that allow users to autonomously choose how their data is used. Additionally, by improving ad-matching technology, platforms can more accurately deliver content relevant to user needs, reducing sensitivity to privacy violations and enhancing the advertising experience. In terms of innovation, exploring privacy-friendly advertising formats, such as more interactive advertising models, will also become an important direction for future development. These efforts can not only improve user experience but also promote innovation and development in advertising communication theory and practice, thereby facilitating the sustainable development of the advertising ecosystem.

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