

The Impact of Targeted Advertising on OTT Platforms: Consumer Perception and Engagement

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ABSTRACT

This study investigates the impact of targeted advertising on consumer perceptions and engagement within Over-the-Top (OTT) platforms. With the rapid growth of digital media consumption and the increasing popularity of OTT services in India, understanding how targeted advertising influences viewer behavior has become essential for marketers and advertisers. A structured questionnaire was administered to a sample of 402 respondents, comprising students, working professionals, and business individuals. The findings reveal that consumers generally hold a positive perception of targeted advertising, viewing it as relevant and enhancing their viewing experiences. Additionally, the study demonstrates that targeted advertising significantly influences consumer engagement, motivating viewers to interact with advertisements, explore new content, and increase brand awareness. The research highlights the importance of personalized marketing strategies in fostering meaningful connections between brands and consumers. By addressing the relationship between targeted advertising and consumer behavior on OTT platforms, this study contributes valuable insights for marketers seeking to optimize their advertising efforts in a competitive digital landscape.

Keywords: targeted advertising, consumer engagement, OTT platforms, digital marketing, consumer perception.

Introduction

A major player in the entertainment business, Over-the-Top (OTT) platforms have arisen in the ever-changing media consumption environment. Online video streaming services like Hulu, Disney+, Amazon Prime Video, and Netflix have revolutionised the way people enjoy television and films by removing the need for cable and satellite subscriptions. Because of this change in consumption habits, advertisers have had to rethink their approaches, and tailored advertising has become an integral part of over-the-top (OTT) marketing campaigns. Targeted advertising's success on these platforms influences how engaged users are and how they evaluate the material they see. Using factors like demographics, viewing patterns, and personal preferences, targeted advertising delivers personalised promotional messages to subsets of the audience. This method stands in stark contrast to more conventional forms of advertising, which frequently use more broad-based target audiences and more generic messages. Online video platforms may learn a lot about their users' habits and interests through data analytics and sophisticated algorithms, which helps them tailor ads to each viewer. Advertisers and consumers alike should prepare for the consequences of this trend towards tailored content distribution. Consumers' expectations for advertising have changed in tandem with their growing reliance on personalised experiences across several channels, including online commerce and social media. Ads that target specific interests are now more likely to be seen by consumers, whereas irrelevant or obtrusive information is less likely to elicit an engagement. In order to capture and keep viewers' attention in a crowded market, advertisers must be able to use data-driven tactics to develop customised commercials. Also, more and more people have access to mobile devices and smart TVs, which means that over-the-top (OTT) platforms may reach a wider variety of viewers and more people could be interested in tailored ads. Data collecting and privacy are major ethical concerns that this heightened accessibility brings to light. More and more, people are learning about the data collectors and how

it's utilised for personalised ads. As a result, advertisers' methods for targeted advertising can have a major effect on the trust and engagement levels of consumers. Customer opinion is one of the most important factors in this dynamic environment. There are a number of elements that can influence how consumers see targeted advertising, including as the ads' relevancy, the platform's openness about data usage, and the user experience as a whole. When consumers have a positive impression of targeted advertising, they are more likely to engage with it since the ads they see are more relevant to their interests and preferences. Disengagement and resistance to ads can occur when people have negative views, which typically arise from worries about privacy and data exploitation. Additionally, high-quality content is key to targeted advertising's ability to drive customer engagement. Advertisements are more likely to elicit a response from viewers if they are relevant to their interests and blend in with the content they are watching. On the other hand, annoyance and a drop in overall viewer satisfaction could result from commercials that aren't well-targeted or that interrupt the viewing experience. Consequently, a sophisticated comprehension of audience behaviour and preferences is necessary to decipher the intricate connection between targeted advertising, consumer perception, and engagement. Targeted advertising on over-the-top (OTT) platforms has been further transformed by the incorporation of cutting-edge technology like machine learning (ML) and artificial intelligence (AI). Advertisers may now use these technologies to instantly sift through mountains of data, enabling them to develop adaptive advertising tactics that can react to consumers' ever-changing habits. Ads may be fine-tuned with the help of AI and ML so that the correct message reaches the appropriate people at the right time. Increased consumer involvement and a favourable impression are the results of this dynamic strategy's enhancement of targeted advertising's overall efficacy. Striking a balance between personalisation and privacy remains a difficulty, even while targeted advertising has the potential to be beneficial. Advertisers face a difficult landscape of data ethics and transparency as consumers grow increasingly conscious of their digital footprint. To establish trust and encourage long-term involvement, it is essential to provide personalised experiences while still protecting customer privacy. Advertisers may increase customer engagement and foster good attitudes by prioritising ethical data practices and being transparent about how they use consumer data. It is important to thoroughly investigate the complex problem of how tailored advertising affects customer engagement and perception on over-the-top (OTT) platforms. The purpose of this research is to examine how well targeted advertising influences customer opinions and participation on over-the-top (OTT) platforms. This research seeks to add to the continuing conversation about how advertisers and consumers interact in the digital age by studying how targeted advertising methods and customer responses interact with each other. In order to do this, the study will employ a mixed-methods strategy, collecting data on consumers' perceptions and engagement levels with tailored adverts using quantitative surveys and qualitative interviews. Researchers will be able to help marketers improve their strategy in the cutthroat over-the-top (OTT) market by analysing the data and determining the most important elements that affect customer engagement and perception. In conclusion, both marketers and consumers face advantages and disadvantages as a result of personalised advertising on over-the-top (OTT) platforms. The necessity for efficient advertising techniques is growing in importance as over-the-top (OTT) platforms further reshape media consumption. In addition to helping to optimise marketing efforts, understanding consumer views and participation in targeted advertising context also helps to build an atmosphere where advertising is more respectful and trustworthy. The success of targeted advertising in the modern digital age depends on our ability to understand its intricacies and adapt to new circumstances; this can only be achieved via continuous study.

Critical Elements

In recent years, especially on OTT platforms, tailored advertising's impact on driving customer engagement and moulding perceptions has grown substantially. Several important variables are driving this shift in advertising approach, which in turn affects consumers' interactions with commercials and their views of these marketing campaigns as a whole. Ads that want to reach and

engage audiences more effectively must take these aspects into account if they want to optimise their campaigns. Relevance is a major component in how engaged consumers are with targeted advertisements. The likelihood that an ad will be meaningful to a viewer increases when it is highly relevant to their interests, preferences, and previous actions. Commercials that appeal to people's interests or provide them with things they need are more likely to be seen favourably by such people. Customers are more likely to interact with the brand (by clicks, shares, or purchases) when they have a personal connection to it. On the flip side, people are less likely to engage and have a terrible experience when they see advertising that aren't relevant to them. In order to increase engagement and foster a pleasant customer experience, it is crucial to precisely target the proper demographic and give relevant information. Customers' views and interactions with tailored ads are influenced by how transparent businesses are about how they use their data. Openness regarding the collection and use of customer data should be a top priority for advertisers in this age of data privacy concerns. Customers are more likely to have faith in businesses when they are forthright and honest about how they use customer data. Because of this confidence, customers are more receptive to personalised advertisements, which improves the general impression of focused advertising. On the other hand, when things aren't clear, people could be suspicious and not trust targeted advertisements, which might make them not want to interact with them. The confidence of consumers and their participation in advertising efforts can be increased if there is an atmosphere of openness and ethical data practices. How customers interact with targeted ads is heavily impacted by the OTT platform's entire user experience. Users are more likely to engage positively with information and ads when they have a pleasant and painless experience. Ads may actually boost engagement instead of diminish it when they're seamlessly incorporated into the content. People are more likely to have a good impression of advertisements when they see them when they are relevant, well-timed, and not invasive. But ads may drive viewers crazy and make them uninterested if they interrupt the show too often or are too intrusive. Therefore, while creating targeted campaigns, advertisers should think about the user's experience as a whole, making sure that advertising enhance the content instead of interrupting it. To make targeted advertising more successful, it is crucial to use modern technologies like machine learning (ML) and artificial intelligence (AI). Ads may now be fine-tuned in real-time based on accurate analyses of massive volumes of consumer data made possible by these technologies. Dynamic marketing campaigns that respond to customers' evolving tastes and habits are now possible thanks to AI and ML. Advertisements are able to stay current and engaging with this capabilities, which results in increased engagement rates. Consumer interactions may be further improved with the help of personalised recommendations made possible by these technologies. This is because viewers are more inclined to connect with information that matches their interests and watching patterns. That is why cutting-edge tech is crucial for making the most of tailored ads on OTT channels. Crucial to the success of tailored advertising campaigns is consumer feedback. Advertisers may learn a lot about what their target audience likes by actively including them in the process through polls, surveys, or feedback methods. Brands may enhance their targeting tactics and campaign efficacy through this feedback loop. Marketers may better meet the expectations of their target demographic by studying customer behaviour and preferences. Additionally, advertising that includes customers creates a feeling of community and belonging, which may increase engagement and good impressions. Advertisers may increase engagement by making customers feel that their ideas are valued and taken into account. When it comes to how consumers interact with tailored ads, cultural and environmental aspects are major players. Commercials are more likely to grab people's attention and get them involved if they speak to their cultural values, social trends, or current events. By delving into consumers' cultural backgrounds, advertisers may better engage with them on a deeper level by crafting messages that resonate with their ideas and values. One strategy to boost emotional involvement in commercials is to represent societal concerns or cultural events that are relevant to the target audience. Brands and their messaging are more likely to elicit a positive response from customers when advertising reflect their real-life experiences.

Thus, customised advertising does double duty: it promotes goods and services and engages customers on a more personal level by mirroring their hopes and stories.

Targeted advertising's ability to evoke an emotional response from consumers is another important consideration. Ads that make people feel something, whether good or bad, are more likely to stick in their minds. Advertisements that strike an emotional chord with viewers are more likely to elicit a response, which in turn increases brand recognition and loyalty. To illustrate the point, commercials that tell interesting tales or make people feel nostalgic can increase engagement and brand loyalty. Brands may engage their consumers and motivate them to take action by using tailored advertising that appeals to their emotions. Furthermore, tailored ads' location and timing may greatly affect customer engagement. To increase the likelihood of attention and engagement, commercials should be scheduled to coincide with specific occasions in the lives of viewers, such as holidays, events, or major personal accomplishments. The efficacy of advertisements may be further enhanced by strategically placing them throughout the watching experience. Ads that appear during intermissions or between episodes, for instance, are more likely to stand out and less likely to interrupt the flow of the show. If marketers want their commercials to get people talking, they need to think about when and where they run them. Lastly, customer views and engagement with tailored advertising can be impacted by the competitive environment of OTT platforms. The quality and originality of ads are becoming more important differentiators as more and more platforms compete for viewers' attention. In a congested environment, brands that put money into high-quality, engaging ads have a better chance of standing out, attracting consumers' attention, and building good impressions. Furthermore, advertisers are always honing their strategies and targeting approaches due to the innovation driven by competition. Targeted advertising campaigns that connect with audiences and boost engagement may be created when businesses remain ahead of industry developments and customer preferences. To sum up, there is a complex web of elements that determines how effective targeted advertising is in influencing customer involvement and perception. In order for tailored advertising on over-the-top (OTT) platforms to have an impact, a number of factors must be considered. These include: transparency, user experience, technology integration, consumer feedback, cultural context, emotional appeal, timing, placement, and the competitive environment. Advertisers may improve engagement and public opinion by learning about and adjusting these aspects of their target audiences' experiences with their ads. Brands that want to succeed in the digital era of complicated customer behaviour will need to do constant research and adapt to an ever-changing advertising landscape. To ensure that targeted advertising continues to be an effective tool for engaging consumers and generating brand success, the insights acquired from evaluating these elements will be crucial in defining its future.

Review of Literature

In their 2020 study, Khatri and Aruna look at how OTT platforms in India are able to expand and thrive thanks to social media ads and mobile apps. In a nation where almost 376.1 million individuals use social media on a regular basis, they highlight the importance of digital marketing as a strategic element in today's corporate world. The writers emphasise the significance of digital marketing in reaching customers successfully by defining it as the promotion of items through electronic media. They lay forth the four pillars of contemporary marketing management: social media, mobile, analytics, and cloud computing, or the SMAC framework. By letting companies use customer data for tailored marketing campaigns, this architecture makes targeted advertising a breeze. Customised strategies like this boost engagement and customer opinion of companies on over-the-top (OTT) services. In order to thrive in a competitive market, over-the-top (OTT) services need to promote content that is relevant to their users' tastes and interests. The research by Khatri and Aruna shows that in order to improve the over-the-top (OTT) platform experience and engagement, strong digital marketing tactics are required.

Saxena (n.d.) delves deeply into the topic of digital advertising's history, specifically looking at how the rise of social media, mobile devices, and the internet have changed the game for marketers. In comparison to more traditional forms of advertising, digital ads may reach a far wider audience with far more specific targeting options, as discussed in the article. Brands may interact with their target consumers on a deeper level with digital advertising, which can offer personalised and engaging messages in real-time. If you want to be competitive in today's linked world, Saxena says you need to use new digital advertising tactics. Brands may increase recognition, participation, and devotion by taking advantage of these chances. Because customised advertising may greatly improve consumers' impressions of the relevance and quality of brands, this transition is especially pertinent for over-the-top (OTT) platforms. Brands that want to stand out in a crowded media landscape will need to understand the consequences of digital advertising on customer engagement as over-the-top (OTT) services change.

A study conducted by Habib, Hamadneh, and Hassan (2022) explores the connection between digital marketing, consumer interaction, and purchase intention on over-the-top (OTT) platforms. This research reflects the increasing importance of these services in India. Their findings underscore the importance of digital marketing techniques that successfully engage consumers, as they reveal a significant surge in video content consumption through OTT platforms. Digital media marketing (DMM) has a substantial effect on purchase intentions via its effects on brand image and customer involvement, according to the study. However, DMM does not directly alter buy intentions. It is essential to drive purchase behaviour on OTT platforms by shaping customer views and building good connections with companies, which targeted advertising efforts appear to be capable of doing. Reinforcing the effectiveness of focused advertising, the writers stress the significance of building strong brand images and improving customer involvement through specialised marketing techniques. Advertisers may improve their audience connection and, in turn, OTT users' loyalty and propensity to make purchases by concentrating on these factors.

With an eye on the possibilities and threats presented by digitisation, Farooq and Raju (2019) analyse how over-the-top (OTT) services affect telecoms. Their research shows that conventional telecom companies have lost a lot of money due to the proliferation of over-the-top (OTT) platforms that provide comparable communication features. Based on data collected in Pakistan, the authors conclude that value-added service income has dropped significantly, mostly as a result of the rise of messaging apps like Skype and WhatsApp. In spite of these obstacles, the research finds that telecom businesses may innovate by learning about their customers' wants and needs and creating digital goods and services that provide more value. The need of tailored advertising techniques that connect with evolving customer behaviours is highlighted by this approach. Not only can telecom firms reduce revenue losses by adjusting to the changing market, but they can also increase customer engagement through tailored advertising on OTT platforms. As consumer tastes move towards more personalised and engaging content, it is crucial for marketing strategies to adapt in order to stay relevant in this digital environment, according to Farooq and Raju's research.

Das (2021) delves at the impact of targeted ads for premium smartphones on over-the-top (OTT) platforms, with a particular emphasis on the purchasing decisions of Indian Millennials and Gen Zers. Results show that tailored adverts considerably affect millennials' engagement and propensity to buy, demonstrating the rising significance of personalised advertising in influencing purchase decisions among this demographic. According to Das, a number of demographic variables impact the way people react to tailored ads. These include income, age, and prior purchase behaviour. According to the results, firms need to pay close attention to visual appeal and the level of personalisation when developing advertising campaigns that aim to influence customer preferences. The study offers important insights into the precise elements that impact customer purchase intentions by conducting a survey with 246 respondents in Delhi. The findings

show that marketers may increase the efficacy of their over-the-top (OTT) advertising by targeting certain demographics based on their interests. Understanding customer behaviour in the context of targeted advertising is crucial, according to Das's study. He stresses that effective techniques may drive purchase decisions among important demographic groups in the continuously expanding Indian market and considerably boost engagement.

Focussing on customer behaviour in the context of fast technical improvements and rising internet penetration, Malhotra, Kumar, and Yadav (2021) undertake a thorough research on the emergence of Over-the-Top (OTT) platforms in India. In describing the changing media environment, the writers draw attention to the fact that traditional television is losing ground to over-the-top (OTT) services like Disney+ Hotstar, Amazon Prime Video, and Netflix. All things considered, these services improve the user experience by providing on-demand watching, less commercial breaks, and subtitles for foreign programming. In view of the changes brought about by the COVID-19 epidemic, the research intends to analyse a number of consumer characteristics, such as age, purchasing habits, platform preferences, and satisfaction levels. The researchers analyse people's perceptions of OTT platforms with a poll that included 402 respondents from varied demographics. Since personalised marketing tactics may greatly affect customer choices and participation in this dynamic landscape, this study highlights the important role of tailored advertising in drawing viewers to OTT platforms.

In their investigation of the reasons for the change in entertainment consumption habits among young people, Sadana and Sharma (2021) focus on their preferences for over-the-top (OTT) platforms rather than traditional pay television services. Content quality, service cost, and convenience are identified as major factors using a theoretical framework based on usage and gratifications theory. In their study, they used logistic regression and other advanced statistical approaches to confirm these effects using a structured online poll. Important factors influencing customer choice, according to the results, include service costs, content, and watching habits. Innovative techniques are needed to capture the interest of younger audiences, and the study sheds light on the engagement strategies used by OTT platforms, especially through gamification. Implications for marketers and content providers looking to improve targeted advertising techniques are highlighted by this research, which highlights the need of a consumer-centric approach that adapts to shifting digital entertainment habits.

Focussing on how the proliferation of internet services and smart devices has altered content consumption habits, Kulkarni, Konde, and Bedekar (2022) examine the dynamics of over-the-top (OTT) platforms in India. Nearly 40 over-the-top (OTT) providers compete fiercely for customers in India's market, which has 350 million users and is expected to increase. The capacity to access a wide variety of content on demand has completely transformed the way entertainment is enjoyed, setting new standards for consumers. According to the research, over-the-top (OTT) platforms make it easier for advertisers to reach their target audiences by means of interactive media that include moving images, audio, and text. New possibilities for businesses to successfully interact with viewers have emerged as a result of this evolution of advertising in the OTT arena. This article delves into the economics of over-the-top (OTT) platforms, advertising tactics, and the relevant regulatory elements of this new business. It concludes by showing how targeted advertising may improve consumer involvement and perceptions in this changing media landscape.

As a result of the proliferation of low-cost internet and other technical developments, Ghalawat et al. (2021) look at what drives customers to choose over-the-top (OTT) streaming services. The report highlights important elements that influence customer decisions, including ease of use, advantages of over-the-top (OTT) services, integrated marketing, and communication. The authors conduct a factor analysis on data collected from 200 participants using a semi-structured questionnaire. The results show that the value of these factors varies significantly. Top priorities,

according to the findings, are ease of use, perceived value of over-the-top (OTT) services, and successful marketing campaigns. In a highly competitive market, this study shows how important tailored advertising is for reaching and engaging customers. Marketers may improve their ad tactics to attract more viewers by learning what makes people like over-the-top (OTT) platforms. This will help them create ads that people actually want to watch.

In his 2018 article, Bhavsar analyses the effects of India's rapidly growing digital media consumption on the country's long-established television and advertising sectors. In this essay, we'll look at how e-commerce, entertainment, and news consumption have all seen meteoric rises in popularity on digital media platforms. There is an immediate need to adjust conventional advertising approaches to the digital sphere as a result of this change in customer preferences, which has caused marketers to reconsider their tactics. Bhavsar shows how people's media consumption habits are evolving by reviewing data that shows how many people are using smartphones, how widespread internet access is, and how economical data plans are. As digital media continues to surpass old ways, this transformation presents substantial issues for traditional television and advertising. This research highlights the need of advertisers staying ahead of the curve and responding to customers' shifting tastes. One way to do this is by using customised advertising methods that align with how media consumption is changing. The results show that over-the-top (OTT) platforms are changing the advertising landscape by allowing for more tailored and interesting ads that meet users' expectations.

Overall, the literature review highlights how OTT platforms have revolutionised advertising and consumer behaviour by highlighting the importance of personalisation, ease, and relevance in influencing viewer engagement and perception. There is a significant knowledge vacuum when it comes to the precise ways in which targeted advertising affects user engagement on over-the-top (OTT) platforms, even though prior studies have looked at consumer preferences and behaviours in respect to OTT services. While there is some research on consumer behaviour trends and the transition from analogue to digital media, the majority of studies gloss over the complex interplay between targeted advertising and audience participation. To address this knowledge gap, this study will examine the effects of different targeted advertising strategies on over-the-top (OTT) platforms in terms of consumer perception and engagement, ultimately illuminating the efficacy of personalised marketing in raising the quality of viewing experiences and encouraging brand loyalty. With an emphasis on these dynamics, the study adds to the expanding corpus of knowledge about digital advertising and consumer behaviour in the changing media ecosystem.

Objectives of the study

1. To understand the perception of the consumers regarding targeted advertising on OTT Platforms.
2. To analyse the impact of targeted advertising of OTT Platforms on consumer engagement.

Hypotheses

H1: Consumers have a positive perception regarding the targeted advertising on OTT Platforms.

H2: Targeted advertising of OTT Platforms has a positive impact on consumer engagement.

Research Methodology

The research methodology employed a quantitative approach to investigate consumer perceptions and engagement concerning targeted advertising on OTT platforms. A structured questionnaire was developed and administered to a sample of respondents selected through random sampling techniques. The survey gathered data on participants' perceptions of targeted advertising and their engagement levels with OTT platforms. A total of 402 responses were collected from a diverse

demographic, including students, working professionals, and business individuals. The data were analyzed using descriptive statistics to summarize the findings and a one-sample t-test to assess the hypotheses regarding consumer perception and the impact of targeted advertising on consumer engagement. This methodology provided a robust framework for examining the relationships between targeted advertising and consumer behavior within the context of OTT platforms.

Data Analysis

Table 1. Perception of the consumers regarding targeted advertising on OTT Platforms.

	Firmly Disagree		Disagree		Neutral		Agree		Firmly Agree	
	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %
I find the targeted advertisements on OTT platforms relevant to my interests.	30	7.5%	26	6.5%	34	8.5%	133	33.1%	179	44.5%
The targeted ads I see on OTT platforms enhance my viewing experience.	64	15.9%	53	13.2%	43	10.7%	142	35.3%	100	24.9%
I believe that targeted advertising on OTT platforms effectively promotes products I would consider purchasing.	31	7.7%	66	16.4%	42	10.4%	147	36.6%	116	28.9%
I feel that targeted advertising on OTT platforms respects my preferences and choices.	66	16.4%	49	12.2%	15	3.7%	141	35.1%	131	32.6%
Overall, I have a positive attitude towards the targeted advertisements displayed on OTT platforms.	64	15.9%	25	6.2%	38	9.5%	128	31.8%	147	36.6%

The data presented in Table 1 illustrates consumer perceptions regarding targeted advertising on OTT platforms, highlighting varying levels of agreement across five distinct statements. The first statement, "I find the targeted advertisements on OTT platforms relevant to my interests," reveals a predominantly positive perception, with 44.5% of respondents indicating strong agreement and an additional 33.1% agreeing, resulting in a total of over three-quarters of participants viewing the relevance of targeted ads favorably. However, 7.5% of respondents firmly disagreed, indicating that a small segment still perceives these advertisements as misaligned with their interests. This

trend continues with the second statement, "The targeted ads I see on OTT platforms enhance my viewing experience," where only 24.9% of respondents strongly agreed, while a significant 15.9% firmly disagreed. Although a substantial portion (35.3%) agreed that these ads enhance their viewing experience, the notable percentage of disagreement suggests that while many find value in the targeted ads, others do not see them as beneficial to their overall enjoyment of content. The third statement, "I believe that targeted advertising on OTT platforms effectively promotes products I would consider purchasing," received a mixed response, with 36.6% of respondents agreeing and 28.9% strongly agreeing. This indicates that while a considerable number of consumers view these advertisements as effective in promoting potential purchases, a notable percentage (24.1%) expressed disagreement, revealing skepticism about the effectiveness of targeted ads in driving purchasing decisions. The fourth statement, "I feel that targeted advertising on OTT platforms respects my preferences and choices," reveals a more polarized sentiment, with only 32.6% strongly agreeing and 35.1% agreeing, suggesting that while many feel respected in their preferences, a significant number—28.6%—expressed skepticism about the alignment of ads with their personal choices. Lastly, the statement "Overall, I have a positive attitude towards the targeted advertisements displayed on OTT platforms" shows that 36.6% of respondents strongly agreed and 31.8% agreed, reinforcing a generally positive attitude towards targeted advertising, although the 22.1% who disagreed indicates that a subset of consumers harbors reservations. Collectively, these responses illustrate a complex landscape of consumer perceptions regarding targeted advertising on OTT platforms, where a majority display favorable attitudes, yet substantial portions remain critical or ambivalent, reflecting the ongoing challenges in effectively engaging diverse viewer preferences.

Table 2. Impact on consumer engagement.

	Firmly Disagree		Disagree		Neutral		Agree		Firmly Agree	
	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %
I am more likely to interact with advertisements that are targeted to my preferences on OTT platforms.	66	16.4%	42	10.4%	29	7.2%	142	35.3%	123	30.6%
Targeted advertising on OTT platforms encourages me to explore new content or products.	30	7.5%	50	12.4%	50	12.4%	127	31.6%	145	36.1%
I often find myself watching advertisements on OTT platforms when they align with my interests.	15	3.7%	38	9.5%	61	15.2%	151	37.6%	137	34.1%

The targeted ads I encounter on OTT platforms motivate me to engage more with the platform itself.	27	6.7%	43	10.7%	32	8.0%	168	41.8%	132	32.8%
I believe that targeted advertising on OTT platforms leads to increased brand awareness and interest in the advertised products.	20	5.0%	51	12.7%	67	16.7%	132	32.8%	132	32.8%

Table 2 presents an analysis of consumer engagement regarding targeted advertising on OTT platforms, demonstrating varying levels of agreement across five statements. The first statement, "I am more likely to interact with advertisements that are targeted to my preferences on OTT platforms," shows a mixed response, with 30.6% of respondents strongly agreeing and 35.3% agreeing, indicating that a significant number of consumers feel positively about targeted ads. However, the 16.4% who firmly disagreed and the 10.4% who disagreed suggest that a notable portion of the audience remains skeptical about their propensity to interact with these advertisements. This skepticism is further reflected in the second statement, "Targeted advertising on OTT platforms encourages me to explore new content or products," where only 36.1% of respondents strongly agreed and 31.6% agreed. The 19.9% who expressed disagreement indicates that while many consumers appreciate the potential for discovery through targeted ads, there is still a considerable group that does not feel compelled to explore new options based on advertising. The third statement, "I often find myself watching advertisements on OTT platforms when they align with my interests," received a more favorable response, with 34.1% of participants strongly agreeing and 37.6% agreeing, which shows that alignment with personal interests plays a critical role in engaging viewers with advertisements. Nevertheless, 13.2% of respondents were neutral or disagreed, reflecting some ambivalence about the effectiveness of targeted ads in maintaining viewer attention. The fourth statement, "The targeted ads I encounter on OTT platforms motivate me to engage more with the platform itself," indicates a strong positive sentiment, with 41.8% of respondents agreeing and 32.8% strongly agreeing, suggesting that many consumers feel motivated to engage with the platform when presented with relevant ads. This is a positive indicator for OTT services, as engaging advertisements may enhance overall platform interaction. Finally, the statement "I believe that targeted advertising on OTT platforms leads to increased brand awareness and interest in the advertised products" shows a solid level of agreement, with 32.8% strongly agreeing and another 32.8% agreeing. The combined responses illustrate that targeted advertising is perceived as a valuable tool for increasing brand visibility among consumers, despite the 17.7% who expressed disagreement. Overall, the findings in Table 2 illustrate a generally positive impact of targeted advertising on consumer engagement, yet they also highlight existing skepticism among a segment of the audience, indicating areas for improvement in advertising strategies to enhance viewer interaction and engagement.

H1: Consumers have a positive perception regarding the targeted advertising on OTT Platforms.

Table 3. One-Sample Test

	TV=3
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	t	df	Sig.	Diff.	95% CI	
					L	U
I find the targeted advertisements on OTT platforms relevant to my interests.	16.696	401	.000	1.00746	.8888	1.1261
The targeted ads I see on OTT platforms enhance my viewing experience.	5.734	401	.000	.40050	.2632	.5378
I believe that targeted advertising on OTT platforms effectively promotes products I would consider purchasing.	9.876	401	.000	.62438	.5001	.7487
I feel that targeted advertising on OTT platforms respects my preferences and choices.	7.581	401	.000	.55224	.4090	.6954
Overall, I have a positive attitude towards the targeted advertisements displayed on OTT platforms.	9.399	401	.000	.66915	.5292	.8091

The results presented in Table 3 from the one-sample test provide compelling evidence supporting Hypothesis 1, which posits that consumers have a positive perception regarding targeted advertising on OTT platforms. The first statement, "I find the targeted advertisements on OTT platforms relevant to my interests," shows a t-value of 16.696 with a significance level (p-value) of .000, indicating a statistically significant difference from the test value of 3, which corresponds to a neutral stance. The mean difference of 1.00746 suggests that respondents strongly agree that targeted advertisements are relevant to their interests, with a 95% confidence interval ranging from .8888 to 1.1261, further confirming the robustness of this finding. The second statement, "The targeted ads I see on OTT platforms enhance my viewing experience," also reflects a significant positive perception with a t-value of 5.734 and a p-value of .000. The mean difference of .40050, along with a confidence interval from .2632 to .5378, indicates that respondents not only view targeted ads positively but also believe that these advertisements contribute positively to their overall viewing experience. Moving to the third statement, "I believe that targeted advertising on OTT platforms effectively promotes products I would consider purchasing," the analysis reveals a t-value of 9.876 and a p-value of .000, reinforcing the hypothesis. The mean difference of .62438 indicates that respondents are inclined to believe in the effectiveness of targeted advertising in promoting potentially desirable products, with the confidence interval spanning from .5001 to .7487, suggesting that this belief is held with strong conviction among the participants. The fourth statement, "I feel that targeted advertising on OTT platforms respects my preferences and choices," showcases a t-value of 7.581 and a significance level of .000, which further affirms the positive perception regarding targeted advertising. The mean difference of .55224, supported by a confidence interval of .4090 to .6954, implies that consumers feel a significant degree of respect for their preferences in the advertising they encounter. Finally, the statement "Overall, I have a positive attitude towards the targeted advertisements displayed on OTT platforms" concludes the analysis with a t-value of 9.399 and a p-value of .000, affirming that the overall perception of targeted advertisements is indeed favorable. The mean difference of .66915, accompanied by a confidence interval ranging from .5292 to .8091, underscores that respondents consistently express a positive attitude toward targeted advertisements on OTT platforms. Collectively, these findings provide strong support for Hypothesis 1, demonstrating that consumers not only perceive targeted advertising positively but also recognize its relevance and effectiveness in enhancing their viewing experiences.

H2: Targeted advertising of OTT Platforms has a positive impact on consumer engagement.

Table 4. One-Sample Test

	TV=3					
	t	df	Sig.	Diff.	95% CI	

					L	U
I am more likely to interact with advertisements that are targeted to my preferences on OTT platforms.	7.436	401	.000	.53234	.3916	.6731
Targeted advertising on OTT platforms encourages me to explore new content or products.	12.096	401	.000	.76368	.6396	.8878
I often find myself watching advertisements on OTT platforms when they align with my interests.	16.275	401	.000	.88806	.7808	.9953
The targeted ads I encounter on OTT platforms motivate me to engage more with the platform itself.	14.041	401	.000	.83333	.7167	.9500
I believe that targeted advertising on OTT platforms leads to increased brand awareness and interest in the advertised products.	12.877	401	.000	.75871	.6429	.8745

The data presented in Table 4 regarding the one-sample test offers strong support for Hypothesis 2, which asserts that targeted advertising on OTT platforms has a positive impact on consumer engagement. The first statement, "I am more likely to interact with advertisements that are targeted to my preferences on OTT platforms," yields a t-value of 7.436 and a significance level (p-value) of .000, indicating a statistically significant deviation from the neutral test value of 3. The mean difference of .53234 suggests that respondents are inclined to agree with the statement, reflecting a notable propensity to engage with advertisements that align with their personal preferences, further supported by a 95% confidence interval ranging from .3916 to .6731. This finding reinforces the notion that personalized advertising is effective in driving consumer interaction. The second statement, "Targeted advertising on OTT platforms encourages me to explore new content or products," demonstrates even stronger results, with a t-value of 12.096 and a p-value of .000. The mean difference of .76368 indicates that consumers feel positively about how targeted advertising inspires them to discover new offerings, bolstered by a confidence interval between .6396 and .8878, confirming a significant positive influence of targeted ads on exploration behavior. In addition, the third statement, "I often find myself watching advertisements on OTT platforms when they align with my interests," reflects a t-value of 16.275 and a p-value of .000, indicating an even more robust agreement among respondents. The mean difference of .88806, accompanied by a confidence interval from .7808 to .9953, signifies that a substantial majority of consumers engage with targeted advertisements when they resonate with their interests, highlighting the effectiveness of alignment in driving engagement. The fourth statement, "The targeted ads I encounter on OTT platforms motivate me to engage more with the platform itself," also presents compelling evidence with a t-value of 14.041 and a p-value of .000. The mean difference of .83333, with a confidence interval between .7167 and .9500, indicates that targeted advertising not only captures attention but also actively motivates consumers to participate more with the platform, suggesting a direct link between effective advertising and increased user engagement. Finally, the statement "I believe that targeted advertising on OTT platforms leads to increased brand awareness and interest in the advertised products" reinforces the hypothesis with a t-value of 12.877 and a significance level of .000. The mean difference of .75871, alongside a confidence interval of .6429 to .8745, indicates that consumers perceive targeted advertising as a mechanism for enhancing brand awareness and sparking interest in products, thus solidifying the argument that effective advertising strategies can foster a deeper engagement with brands and their offerings. Collectively, the findings from Table 4 provide robust evidence supporting Hypothesis 2, demonstrating that targeted advertising on OTT platforms significantly enhances consumer engagement by promoting interaction, exploration, and brand awareness.

Findings

The findings of this study reveal significant insights into consumer perceptions and engagement concerning targeted advertising on OTT platforms. Firstly, the analysis indicates that consumers generally hold a positive perception regarding targeted advertising. This is evidenced by the results

from the one-sample t-test, which showed strong statistical significance across various statements related to the relevance and effectiveness of targeted ads. Specifically, a substantial majority of respondents agreed that the targeted advertisements they encounter on OTT platforms align with their interests, enhance their viewing experience, and respect their preferences. For instance, a notable mean difference was observed in the statement regarding the relevance of targeted advertisements, highlighting that consumers feel these ads resonate well with their personal tastes. This positive perception suggests that targeted advertising strategies can effectively capture consumer interest and foster a favorable attitude towards the brands being promoted. Additionally, the data supports the notion that consumers are open to interacting with these advertisements, as they see them as valuable tools for discovering new content and products. Overall, the findings indicate that targeted advertising not only contributes to a more personalized viewing experience but also helps to build a positive relationship between consumers and brands.

Moreover, the study's findings indicate a robust connection between targeted advertising and consumer engagement on OTT platforms. The data revealed that respondents are significantly more likely to interact with advertisements tailored to their preferences, with a strong mean difference suggesting a positive inclination toward such engagement. Consumers reported that targeted advertising encourages them to explore new content, motivating them to delve deeper into the platform's offerings. The emphasis on personalization was evident, with many participants indicating that they frequently watch ads that align with their interests, which in turn enhances their overall engagement with the platform. Furthermore, respondents expressed that targeted advertisements not only motivate them to engage more with the OTT platforms themselves but also increase their brand awareness and interest in the promoted products. This suggests that effective targeted advertising can serve as a powerful tool for brands seeking to cultivate deeper consumer relationships and drive engagement. The findings collectively illustrate that targeted advertising plays a crucial role in shaping consumer behavior on OTT platforms, indicating that businesses must continue to refine their advertising strategies to harness this potential fully.

Conclusions

The conclusions drawn from this study underscore the significant role that targeted advertising plays in shaping consumer perceptions and engagement on OTT platforms. The analysis confirms that consumers generally perceive targeted advertisements positively, viewing them as relevant and enhancing to their viewing experiences. This positive perception is crucial for advertisers and marketers, as it indicates that when advertisements are aligned with consumer preferences, they are more likely to foster a favorable attitude toward the brand being advertised. Additionally, the findings reveal that targeted advertising not only captivates consumer attention but also drives higher levels of interaction and engagement with the content. By enhancing brand awareness and sparking interest in products, targeted advertising can effectively bridge the gap between consumers and brands, ultimately contributing to increased loyalty and sustained engagement within the competitive landscape of OTT platforms.

The implications of this study are far-reaching for both practitioners and researchers in the fields of marketing and media studies. For advertisers and marketers, the results highlight the importance of utilizing data analytics and consumer insights to create personalized advertising experiences. By focusing on delivering relevant and engaging content, brands can improve their overall advertising effectiveness, leading to enhanced consumer engagement and increased conversion rates. Additionally, the study emphasizes the necessity for OTT platforms to adopt and refine targeted advertising strategies that resonate with diverse audience segments. As consumer preferences continue to evolve, it is imperative for brands to remain agile and responsive to the changing dynamics of viewer behavior. This study serves as a valuable resource for practitioners looking to optimize their advertising strategies in an increasingly digital and competitive environment.

Future research in this area should focus on exploring the long-term effects of targeted advertising on consumer engagement and brand loyalty across different demographic groups. While this study provides a solid foundation for understanding consumer perceptions and engagement in the context of OTT platforms, further investigation is needed to examine how various factors, such as cultural influences and individual personality traits, may affect the effectiveness of targeted advertising strategies. Additionally, future studies could explore the impact of emerging technologies, such as artificial intelligence and machine learning, on the personalization of advertising and its subsequent effects on consumer behavior. Expanding the scope of research to include qualitative methodologies, such as interviews and focus groups, could provide deeper insights into consumer motivations and attitudes toward targeted advertising. By addressing these gaps, future research can contribute to a more comprehensive understanding of the complexities surrounding targeted advertising in the evolving landscape of digital media and consumer engagement.

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