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THE ATTITUDES OF YOUNG PEOPLE LIVING IN ESTONIA TOWARDS VIDEO FORMAT IN SOCIAL MEDIA ADVERTISING

Bachelor's thesis,

programme International Business Administration, specialization Marketing

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I hereby declare that I have compiled the thesis independently and all works, important standpoints and data by other authors have been properly referenced and the same paper has not been previously presented for grading.

The document length is 9439 words, from the introduction to the end of the conclusion.

Daria Leontyeva 11.05.2023

TABLE OF CONTENTS

| ABSTRACT | 4 |
|--|----|
| INTRODUCTION | 5 |
| 1. LITERATURE REVIEW | 8 |
| 1.1. Theory of consumer attitudes | 8 |
| 1.2. Video advertising and other types of advertising | 9 |
| 1.3. Consumer attitudes towards video advertising: advertising value model | 11 |
| 1.4. Overview of studies on consumer attitudes towards video advertising on social media | 14 |
| 2. METHODOLOGY | 17 |
| 2.1. Research design and sample | 17 |
| 2.2. Data collection and analysis methods | 20 |
| 3. FINDINGS AND DISCUSSION | |
| 3.1. Findings | 23 |
| 3.1.1. Perceptions of young people living in Estonia towards video advertisements and their purchasing behavior. | |
| 3.1.2. Factors contributing to the positive attitudes towards video advertisements | 24 |
| 3.1.3. Factors contributing to the negative attitudes towards video advertisements | 26 |
| 3.2. Discussion and recommendations | 28 |
| CONCLUSION | 31 |
| LIST OF REFERENCES | 34 |
| APPENDICES | 44 |
| Appendix 1. Interview questions | 44 |
| Appendix 2. Interview transcripts | 46 |
| Appendix 3. The first-level codes | 47 |
| Appendix 4. Similarities between the codes across the interviews | 48 |
| Appendix 5. Final codes with extracts from interviews | 49 |
| Appendix 6. Non-exclusive licence | 50 |

ABSTRACT

The research aims to find out the attitudes of young Internet users living in Estonia regarding online video advertisements in social media.

The following research questions were developed to help fulfill the aim of the thesis: 1) What are the overall perceptions of young Internet users living in Estonia towards video advertisements, and what role do video advertisements play in their purchasing behavior? 2) What factors contribute to the positive attitudes towards video advertisements? 3) What factors contribute to the negative attitudes towards video advertisements? The required data was gathered using the qualitative approach. Semi-structured interviews were used as the data collection method, 9 interviewees participated in the data-collection process. Living in Estonia was the main requirement for participation.

Results showed that overall, young people living in Estonia have positive attitudes towards video format in advertising. However, it is not enough for most people to purchase advertised products after seeing an advertisement. Factors contributing to positive attitudes are short video format, familiar music, and known people as characters. Long videos, too much information, and overwhelming personalization can cause a negative attitude towards video format.

The significance of the study is that it provides an overview of the perceptions of young people living in Estonia regarding video format in advertising, which is currently the most popular and successful type of advertising. Advertisers can consider the suggestions provided in the study and implement those for successful advertising of their products. With worldwide overconsumption, knowing which factors contribute to people's buying behavior is essential.

Keywords: video format, advertising, social media, Estonia

INTRODUCTION

The launch of the Internet in 1989 signaled the Internet's transformation into a worldwide web. Since then, there has been a dramatic growth in the amount of content available, and the development of social media has also significantly influenced it. Online audio and video are becoming more common due to increased Internet usage (Chen & Panyaruang, 2021). The way people manage their daily tasks has significantly altered as a result. Social networking has evolved into an integral aspect of everyday life. The change impacts how businesses operate, market their goods, attract customers, and generate revenue. The majority of companies in the world have begun to consider how to utilize social media platforms to draw clients and develop successful marketing relationships with those customers (Alalwan, 2018; Oh et al., 2015). Thus, online advertising became vital for piquing customers' interest in goods and services.

On social media, there are many different types of advertising. Due to its capacity to deliver information more excitingly and memorably than other forms of advertising, video advertising has gained increasing popularity in recent years. Videos have visual and audio components that can appeal to a large audience, elicit strong feelings from viewers, and have a long-lasting effect (Sebastian et al., 2021). Additionally, the growth of social media platforms and video-sharing websites has made it more affordable and convenient for companies to use video advertising to reach their target audience (Yang et al., 2020).

Understanding how people feel about Internet advertising is becoming increasingly important for marketers and businesses (De Battista et al., 2021). In recent years, several researchers have concentrated on consumer views regarding video advertising in particular countries to investigate consumer purchasing patterns and examine what influences people's attitudes toward this kind of advertising. Research on consumer attitudes regarding video advertising, primarily YouTube adverts, was conducted by Yang et al. in 2017. Chen and Panyaruang (2021) continuously studied young Thai consumers' opinions regarding advertising. One of the other studies conducted last year as a part of the final defense at Tallinn University of Technology (Kleopatrova, 2022) focused on Russian consumers and their attitudes toward video advertising in that country.

However, there is a research gap since no study on such a topic was conducted with Estonian consumers as a sample regarding their attitudes toward video advertising, the fast-growing type

of advertising these days. Estonia is known to be a very advanced and digital country, and so are the people who are "the world's most digitally advanced society" (e-Estonia, n.d.). Estonia is also home to over 1400 startups and 10 unicorns (Startup Estonia, n.d.). This makes it a unique place, as people and companies live surrounded by digitalization. Therefore, the **research problem** of this study is limited knowledge about Estonian young consumers' attitudes toward video format in advertising and how video advertising affects their purchasing behavior.

Based on this reasoning, this research **aims** to find out the attitudes of youth living in Estonia regarding online video advertisements.

The following research questions were developed to fulfill the aim:

What are the overall perceptions of young people living in Estonia towards video advertisements, and what role do video advertisements play in their purchasing behavior?
 What factors contribute to the positive attitudes towards video advertisements?
 What factors contribute to the negative attitudes towards video advertisements?

In order to answer the research questions, a qualitative research approach was chosen. Semi-structured interviews were the data collection method employed to obtain Estonian residents' perceptions of the video format in advertising. During the data collection process, 9 interviews were conducted with people aged 20 to 28. Nine participants have been included in the sample through convenience and criteria sampling. The participants were five females and four males living in Estonia at the moment. The thematic analysis was chosen for data analysis as it allows an in-depth understanding of consumer opinions based on the set of questions, alongside identifying similarities between the opinions.

The research is divided into three parts. The theoretical basis is connected to the research problem in the thesis' first chapter — Literature Review, which focuses on prior research and theories. The Literature Review chapter identifies the main aspects of the thesis. It overviews consumer attitudes, contrasts video advertising with other forms of advertising, covers consumers' attitudes toward it, and provides an overview of previously made studies on video advertising. The Methodology part, which follows next, reveals in detail the research design and sampling processes, covering data collection and analysis methods. The Findings and Discussion

chapter presents the analysis of the conducted interviews and the outcomes. The thesis concludes with its final results, conclusions, and suggestions.

1. LITERATURE REVIEW

The theoretical part provides an overview of the main concepts and theories used to answer the research questions and fulfill the research aim. The chapter discusses consumer attitudes in marketing and the factors contributing to developing these. It also outlines the factors influencing the effectiveness of ads and provides an overview of previous studies on the topic.

1.1. Theory of consumer attitudes

The choice to employ the Consumer Attitudes and Behavior theory was made since this research focuses mainly on customer attitudes (Ajzen, 2008). According to the Theory of Planned Behavior (Figure 1), attitude, subjective norm, and perceived behavioral control are three components impacting attitude and behavior (Ibid., 2008).

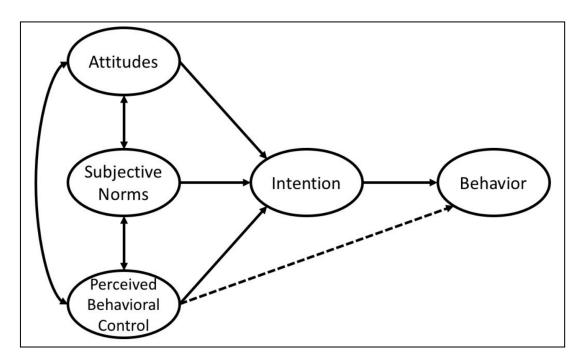


Figure 1. Components of Theory of planned behavior Source: Compiled by the author based on Ajzen (2008).

The Theory of Reasoned Action, first put out by Fishbein and Ajzen in 1977, served as the foundation for the Theory of Planned Behavior (Ajzen, 1991). Despite the fact that they initially appear to be similar, they differ quite a little. (Ibid., 1991) developed the Theory of Planned

Behavior as an adaptation of the Theory of Reasoned. Action by including perceived behavioral control to reflect better behavioral changes that are not totally voluntary. Based on their behavioral beliefs, individuals form positive or negative attitudes toward behavior, establish subjective norms for the behavior based on their normative beliefs, and assess perceived behavioral control based on their control beliefs. (Ajzen 1991, 2006). Intention is controlled and influenced by attitude, subjective norms, and perceived behavior. Since behavioral intention reflects how much effort a person is willing to put into completing a behavior, it was used to predict actual behavior. The stronger an intention to carry out the behavior, the more likely it is to be performed (Ajzen 1991, 2006).

The Theory of Planned activity suggests that the more an individual perceives their willingness to engage with the advertisement (perceived behavioral control), the more consumers are believed to approve of the behavior (subjective norms). As a result, the stronger the desire (intention) to engage with advertising, the more accurately it will predict how the person would behave. For instance, to learn more about a thing, to share an advertisement, or simply to form a favorable opinion of it (behavior).

Several studies have been conducted to predict the ongoing use of online services, including video streaming, online shopping, and e-filing, using the Theory of Planned Behavior (Truong, 2009; Wang et al., 2007). As well as studies on the usage of social networking sites (Baker & White, 2010; Leng et al., 2011) and the continuous use of Facebook (Al-Debei et al., 2013). It was decided that the Theory of Planned Behavior should be implied for the research on advertising because it has been effectively applied to several internet and social media contexts.

1.2. Video advertising and other types of advertising

Advertising have been defined as "brand-initiated communication intent on impacting people" (Dahlen & Rosengren, 2016). By giving information or making a good first impression, advertising attempts to pique the attention of potential customers in goods or services (Percy & Rosenbaum-Elliott, 2005). Outdoor advertising, print media advertising, direct mail advertising, video advertising, email advertising, and covert advertising are some of the several forms of advertising. Outdoor advertising takes advantage of outdoor media to present the content. On the other hand, print media advertising refers to commercials printed in publications like magazines,

newspapers, and posters. Direct mail advertising sends flyers, catalogs, product information, and other materials to specific businesses or people through the mail. Social media, as opposed to traditional media, allows users to share, interact with, and produce diverse content that is transmitted privately or publicly through networks of friends or followers (Scott, 2015). According to the author, social media advertising is any online material created to persuade and disseminate via social media platforms that allows internet users to access, share, interact with, contribute to, and co-create.

A new type of advertising is video advertising, which employs Internet videos as a communication medium. Video advertising, as compared to other types of advertising, has the advantages of relevance, high interactivity, widespread distribution, quick response, and a wide range of development opportunities.

Some social media platforms, including Facebook, Twitter, Instagram, and YouTube, are gaining popularity as time passes (Firat, 2019). Online video advertising has rapidly grown in popularity among publishers and marketers in recent years because of the universality of social media and the Internet. With the ever-increasing availability of online videos, video advertising has attracted considerable academic and commercial study interest. Currently, video marketing is the most effective kind of advertising since consumers today prefer watching videos to reading (Miller, 2011). The average consumer spends 1.5 hours per day viewing videos, according to a Wyzowl (n.d.) survey, and the proportion of businesses adopting video as a marketing strategy has climbed from 61% to 85% since 2016. Given that it can engage the majority of human senses and affect human emotions, video advertising is one of the Internet, there has been an unparalleled increase in the delivery of video material online. Consequently, the idea of video advertising has grown in popularity. Online video advertising gives greater opportunities for developing targeted commercials since it has a more sophisticated and varied display environment than TV video advertising (Broach Jr. et al., 1995; Kamins et al., 1991).

1.3. Consumer attitudes towards video advertising: advertising value model

The Advertising Value Model, proposed by Ducoffe in 1995, is the theory most commonly used to characterize consumer perceptions and attitudes about advertising (Chen & Panyaruang, 2021). This concept, which is based on the theory of media use and satisfaction, contends that media consumers are selectively exposed to the media to meet their practical or sensual requirements. Ducoffe (1995) showed that entertainment, informativeness, irritation, and irritability affect people's attitudes toward online advertising (Ibid., 2021). The efficacy of internet advertising depends on its form and content, and irritation negatively influences attitudes. The content of advertising, its informativeness, and its entertainment value are significant determinants of its impact on attitudes (Figure 2).

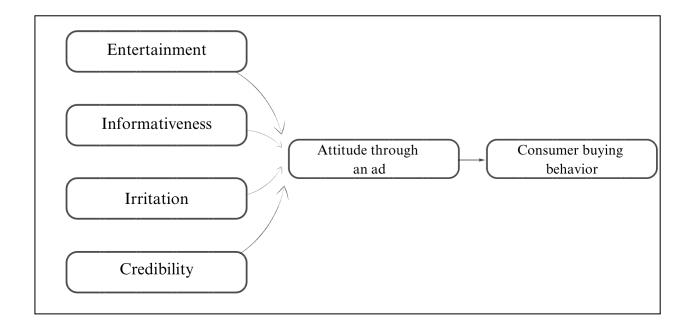


Figure 2. Components of Advertising Value Model Source: compiled by the author based on Ducoffe (1995)

Informativeness and entertainment are positive predictors of the advertising value model, and irritation serves as a negative indicator. It is not unexpected that the ability to anger or upset a customer can negatively affect perceived value when you consider how much advertising individuals are exposed to in today's society. The efficiency of advertising and the level of irritation are inversely connected, according to Ducoffe's (1995, 1996) model. This shows that intrusive, offensive, or dishonest advertising decreases the likelihood of persuading consumers (Brehm, 1966).

However, the model has changed over time. Personalization and interactivity — two new advertising value characteristics were added to the model by Dwinanda et al. (2022). These two factors also impact consumers' purchase intentions through advertising value and attitude toward advertising. Most prior studies did not consider the advertising value components: personalization, and interactivity in the context of social media advertising; as a result, the author has decided to include them in his study. The findings showed that the most crucial factors in creating advertising value were personalization and interactivity, followed by credibility and entertainment (Ibid., 2022). Additionally, it is asserted that most customers would find it more beneficial and entertaining to follow an advertisement if they could interact with it. Consequently, they will likely buy the offered products or services (Alalwan, 2018). Therefore, in addition to the original model's entertainment, informativeness, credibility, and irritation, the author has incorporated these two components in this thesis (Figure 3).

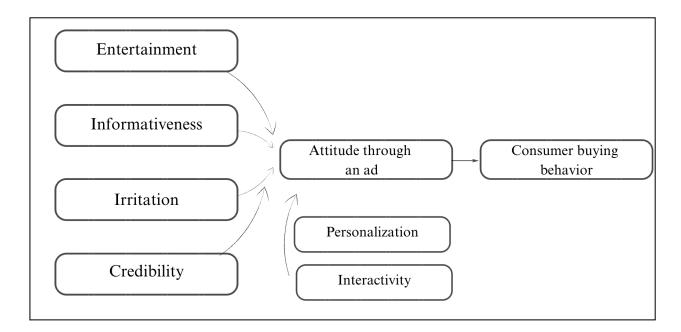


Figure 3. Developed components of Advertising Value Model Source: Compiled by the author based on Ducoffe (1995) and Dwinanda et al. (2022)

Through **entertainment**, consumers are more likely to form positive brand perceptions (Shimp, 1981). The majority of consumers turn to the media for distraction, amusement, or emotional release (Pritchard, 1993). In essence, consumers want enjoyable experiences from media content and expect no less from media ads. This idea is supported by Ducoffe's (1996) value model, which shows how perceived value rises along with entertainment in advertising. Higher

entertainment value motivates media consumers to purchase items more frequently and positively impacts their views, according to Dehghani et al. (2016) and Murillo et al. (2016).

Informativeness may be characterized as the capacity of ads to educate customers about available products so that purchases can be made to deliver the highest level of satisfaction (Ducoffe, 1996). Since advertisements frequently aim to deliver timely, relevant product information, their primary value appears to be informational. This still serves as advertising's fundamental objective (Bloom & Krips, 1982). Ducoffe (1995, 1996) found a significant correlation between consumers' perceptions of an advertisement's informational value and the overall value of advertising. This indicates that the perceived value of advertising will increase in a consumer's perception the more informative they believe it to be.

In the 1996 study, Ducoffe defined **irritation** as consumer reactions to commercials, whether they are irritating, unpleasant, insulting, or too manipulative, which significantly impacts how consumers feel about advertisements (Dehghani et al., 2016; Murillo et al., 2016). Disruptive, offensive, or deceptive advertising tactics are the cause of irritation (Ducoffe, 1996). Moreover, from an abundance of advertisements (Kim & Sundar, 2010), and the presentation of material that customers find unnecessary or objectionable (Lin & Bautista, 2020).

Credibility is the recipient's perspective on communication at a certain moment (McCroskey, 1997). Brackett and Carr (2001) explained the value of web advertising by including credibility in Ducoffe's (1996) model. This is a degree to which customers believe that statements made about a brand that is being marketed are truthful and reliable (MacKenzie & Lutz, 1989).

Through **personalization**, a customer's exposure to meaningless advertisements may be reduced (Ho & Kwok, 2002). According to the social media algorithm system, users may only view advertisements that are pertinent to their requirements and personality features, which raises the likelihood that they will find the advertisements amusing. Marketers may collect consumer preference data and provide customized communications to customers to create more personal connections (Feng et al., 2016). The personalization effect's capacity to produce its own individuality will result in a rise in the value of social media advertisements (Segijn & Ooijen, 2022).

Rafaeli and Sudweeks (1997) defined **interactivity** as an instance of communication in which continuous, simultaneous, and ongoing interaction expresses the strength of social bonds and relationships. Due to the sender's power to enlighten the audience and the receivers' capacity for immediate replies and information exchange, social media advertising moves more and more towards being interactive. Most individuals that interact with social media advertisements perceive the ads to be more engaging and worthwhile to follow. This motivates people to buy the advertised items or services (Alalwan, 2018).

1.4. Overview of studies on consumer attitudes towards video advertising on social media

According to research by Lee and Hong (2016), Chang et al. (2020), and Ozcelik and Varnali (2019), informativeness influences how consumers feel about mobile advertising in a favorable way. Ads that are entertaining and instructive can improve how consumers perceive commercials, according to Gao and Zang (2016). According to Marti-Parreño et al. (2013), consumers' perceptions about advertising are influenced emotionally by entertainment.

The mobile advertising study discovered a favorable correlation between consumer attitudes and entertainment (Cho, 2016; Ozcelik & Varnali, 2019; Wang & Genç, 2019). In their study on mobile advertising, Drossos et al. (2013) found that when consumers have a favorable attitude toward advertising, they believe that mobile advertising is beneficial to them, which affects their intention to make a purchase later on.

The animosity toward commercials is negatively impacted by irritation with them, which lessens their effectiveness (Ducoffe, 1996). For instance, Ozcelik and Varnali (2019) noted that commercials would cause people to have a bad attitude toward them if they appear at improper times. According to Wang and Genç (2019), advertising attitudes are harmed by mobile ads irritation.

McDuff (2017) concentrated on the positive aspects that emotions in advertisements provide for the viewer. Advertisers strive to produce memorable content by designing commercials that surprise, engage, and amuse viewers to help customers remember their products and form a favorable relationship with the brand, ultimately leading to purchasing decision-making and increasing sales. Wu and Chen (2022) discovered that viewers' willingness to purchase increases when video commercials emotionally engage them with a product. The work of Munsch (2021) demonstrates that millennials prefer amusing advertisements. Advertisements that elicit favorable feelings frequently feature humor prominently. By including hilarious themes, short advertisements can outperform those that use other emotions regarding attitude, remembering, and buying intent (Singh & Cole, 1993). Hilarious commercials are viewed as less invasive than commercials that are not humorous; especially this concerns entertainment ads (Li et al., 2002). Humor has the power to activate viewers' senses, and it also interacts with emotions in ways that are significant for low-involvement categories (Biel & Bridgwater, 1990). For instance, if viewers find an advertisement humorous, they might think the product is worthwhile (Goodrich et al., 2015). There have also been other studies that examined how different emotions affect users (Holbrook & Batra, 1987) contends that for advertising to have a greater impact on viewers, their emotional direction should follow the same pattern as that of the embedded video.

According to earlier research (Lee & Choi, 2017), the more entertainment an advertisement offers, the more probable it is to provide viewers with advantages (enjoyment and pleasure), enticing people to utilize the same media more frequently. In a study with 30 participants, Gogichaishvili et al. (2016) found that flow experience and advertising value were both favorably impacted by entertainment, one of the characteristics of advertising value. Another recent study (Joa et al., 2018) found that entertaining advertisements may minimize skipping ads. Furthermore, entertainment influences opinions about companies favorably, much like entertaining and appealing advertisements do. Ko et al. (2005) discovered that the viewers' approval of advertisements was influenced by the entertainment element, which either directly or indirectly predicted the viewers' attitudes and intentions toward making a purchase of the brand. According to Coker et al.'s study from 2021, story-telling advertisement videos with entertainment elements appeal more to viewers than debate advertising, and viewers are likelier to share and promote intriguing ads to their friends.

Advertising gives companies a chance to offer their goods to consumers, and it is crucial for users to comprehend those goods. A specific amount of product-related information is provided in informative advertisements, which might encourage viewers to digest the information in their minds. As a result, an advertisement will receive a higher overall rating the more it is seen as informative (Janssens & De Pelsmacker, 2005). According to Erdem et al. (2006), when advertising delivers more information about a product, viewers are more motivated to learn about the product. Consumers of Generation Z, the newest consumer generation, have an

instantaneous, positive influence on the perception of video commercials owing to their informativeness, according to a study by Dobrinic et al. (2020).

2. METHODOLOGY

The methodology section is focused on providing a detailed overview of the research design, data collection, and data analysis methods, as well as the sampling technique along with sample characteristics.

2.1. Research design and sample

The study is conducted using a qualitative approach. The rationale behind such a choice lies in the research aim and research questions. Since the study is focused on perception and attitudes, it is wise to conduct qualitative research first to gain a deeper understanding of the issue and to design a quantitative study later. Flick (2009) states that a qualitative approach allows researchers to develop a broader perspective on the topic and discover additional meanings or interpretations of the issue. Yet, qualitative design has its limitations, one of the main ones being the inability to generalize its results to a broader population. However, it is the results of qualitative studies that are commonly used in the development stage of quantitative studies that provide such ability for generalization.

A number of sampling criteria were used to select participants for the study. Due to the scope of the research, its voluntary participation, and its limited time frame, the criteria for the sample were as follows:

- 1. Currently living in Estonia;
- 2. Being able to communicate in English;
- 3. Being of age between 20 to 30 years old;
- 4. Identifying as a man or a woman;
- 5. Being an active user on social media.

As can be seen from Table 1, nine interviews were conducted. Out of nine people participating in the interviewing process, five were female, and the rest were male. The age frame of the participants corresponded to the originally proposed one. All participants fit into the age group from 20 to 30 years old. The nationalities presented in the interview are primarily Estonian. However, two of the participants are Ukrainian citizens, and one is a French citizen, and all of

them currently live in Estonia as the country of their current residency. Regarding the interviewees' education level, five have finished higher education, two have a Master's degree, and three have Bachelor's degrees or diplomas. The rest four were currently enrolled in Bachelor's degree programmes.

| Table 1. | Socio-demog | graphic po | rtrait of the | sample |
|----------|-------------|------------|---------------|--------|
| | | | | |

| Interviewee | Gender | Age | Nationality | Level of education |
|---------------|--------|-----|-------------|---|
| Interviewee 1 | Female | 23 | French | Master's degree |
| Interviewee 2 | Male | 22 | Estonian | Master's degree |
| Interviewee 3 | Female | 20 | Estonian | Currently enrolled in Bachelor Studies |
| Interviewee 4 | Female | 22 | Ukrainian | Currently enrolled in Bachelor Studies |
| Interviewee 5 | Female | 23 | Estonian | Bachelor's degree |
| Interviewee 6 | Male | 21 | Estonian | Currently enrolled in Bachelor Studies |
| Interviewee 7 | Male | 24 | Estonian | Currently enrolled in Bachelor Studies |
| Interviewee 8 | Female | 25 | Estonian | Bachelor's degree |
| Interviewee 9 | Male | 28 | Ukrainian | Bachelor's degree |

Source: Compiled by the author

Since the research is based in Estonia, it was necessary to include only those people, who currently live in this country. The interviews were not held in Estonian because of the author's lack of knowledge of this language. However, this factor does not affect the thesis's aim to study the perceptions of people living in Estonia. According to Rahvaloendus (2022), 48% of the population in Estonia speaks English as a second language. The age frame was chosen with regard to previous studies (Kemp, 2023) stating that people of this age are the most active users of social media. One may say that children are also actively engaging in social media. Despite that, since one of the aspects of this study is to evaluate the purchasing decision (if there is one),

it served as a reason not to include children as the participants in the interviews. Children have become consumers in their own right thanks to the development of television and other forms of mass media, making them a crucial target market for businesses (Pecora, 1995). However, children (under 18 years old) participate in purchasing process still with the involvement of parents or with parental consent. So the author has decided to exclude children from the target group as the author believes that studying purchasing behaviors would yield better results if it's focused on adults (over 18 years old) who are in command of their finances and make their own decisions regarding spending. Additionally, the decision was made to obtain data from both genders. The reason to exclude transgender personalities is that most advertisements are targeted to one of two binary genders. Last but not least is the criteria that participants must be everyday social media users for their personal interests or work/professional obligations. Thus, they would be the ones who encounter video advertisements every day.

It is essential to mention that there were no criteria regarding the participants' need for a certain cultural background. Still, the author intended to obtain the data from people from different countries (which equals different cultural backgrounds). This would allow the author to get different points of view from divergent perspectives. It is also important for the research as, according to UNESCO's report from the year 2016, Estonia is considered a multicultural country with 192 different nationalities living in it. Based on the same report, 69% of the population are Estonians, which makes the rest 31% people of different nationalities. Moreover, according to Estonian Human Rights Center (n.d.), since 2015, Diversity Day has been celebrated in Estonia. So, despite the fact that this is no quantitative study and hence it is impossible to get a representative sample, because of that reason diversifying the target group seemed right.

After identifying the sample criteria was finished, it was time to reach people who would correspond to such criteria. For such a process, criterion and convenience sampling techniques were used. Criterion sampling was used since the author determined certain (previously stated) criteria that people would have to correspond to become the study participants. Convenience sampling was used since the target population is quite unclear in size, while the research budget and time frame are strictly limited. Thus, gathering the necessary data quickly and inexpensively was necessary. As a result, the author contacted 10 people since this is an optimal number of qualitative study participants. Positive confirmation about participating in this research was received from nine of them.

2.2. Data collection and analysis methods

Regarding data collection methods, the decision was made to use semi-structured interviews, which are considered useful for conducting comprehensive research (Edwards & Holland, 2013). Also, according to Flick (2009, p. 150), openly designed interviews allow people to express themselves much more than standardized ones.

Further, the stage of developing interview questions based on the research questions and previous literature followed. In the end, the author created 12 questions (see Appendix 1), considering that additional or follow-up questions could be developed during the interview. The interview questions were based on the developed Advertising Value Model (Ducoffe, 1995, & Dwinanda et al., 2022). The author has developed questions to correspond to the model's components. Questions were divided into two blocks correlated with the research questions. The average time dedicated to each interview was around 20 minutes. The author believes that it is the optimal time for a conversation, as it allows interviewees to stay included and concentrated. In addition, it prevents interviewees from getting bored and unfocused, at the same time allowing them to cover all planned questions and topics.

The interviews were held online, and the study participants remained anonymous. Due to a lack of time and inconvenience on both sides for an offline, face-to-face meeting and the convenience of the Microsoft Teams platform for transcriptions, the interviews were done online using such a platform. However, the interviews were held with a video camera turned on so that the factor of "face-to-face" communication would still be present. The decision to keep respondents anonymous provided them with a feeling of safety and an ability to open up about their experiences and opinions. Thus, each interviewe was given a number from one to nine based on the chronology of the interviews taking place.

Every interview started out with an introduction to the research and a small talk, during which the author gathered socio-demographic data of the participants (see Table 1). Further, the participants were reminded of the beginning of the audio recording, and the interviews began. All the interviews were conducted during April 2023. After the data collection process was finished, the stage of transcribing interviews began.

Thematic analysis was chosen as a data analysis method. It took place in four stages:

- 1. First round of coding. At this point, the author used inductive coding, which is a process of deriving codes from the data. As a result, 120 codes were created.
- The second coding round, during which the codes were revised and improved, turned into 33 codes.
- 3. Third round of coding, during which the author revised the codes and merged them into themes corresponding to the three research questions.
- 4. Under each theme, the author looked for similarities and differences in the participants' responses.

After reading and re-reading the transcripts, the author got familiar with the interviews. The working process started by going through each text segment of the interview transcripts and identifying parts that seemed relevant, potentially interesting, and specifically addressed the research questions, as well as Advertising Value Model, which is the model described in the literature review chapter. Each relevant segment of the interview, such as thoughts, ideas, and opinions, was assigned a code corresponding to a specific component of the model or helped answer a research question. The author used open coding, meaning no codes were identified beforehand, but the codes were developed and modified as the author continued working through the interviews. As a result of finishing the first "step" of the coding process, every interview was broken into small parts — codes. Correspondingly 120 codes were initially fetched out (Appendix 3).

After having nine interviews divided into codes, the author worked through all the codes to generate the new ones and the existing ones to be modified. This was done to gain a condensed overview of the main points and common meanings that reoccur throughout the data. Similar patterns from different interviews were given the same codes to identify the same ideas. As a result of the second step, 33 codes were identified out of all nine interviews. In addition, to understand how often the codes come up among the study participants, the author also displaced the similarities across interviews and codes (Appendix 4).

The author had to generate themes out of the codes as the next step. To do this, the author reviewed the codes created in the previous step and identified patterns among them to develop the themes. Themes are generally broader than the codes are, so it's only logical to combine

several codes into a single theme. As a result, 8 codes that corresponded to the themes of the thesis (research questions) were elicited (see Appendix 5).

The codes used are:

Exposure to video ads and social media, 2) Purchasing, 3) Entertainment, 4) Informativeness,
 Irritation, 6) Credibility, 7) Personalization, and 8) Interactivity.

After retrieving codes, the analysis began, presented in the next chapter.

3. FINDINGS AND DISCUSSION

This chapter presents a detailed overview of the results and findings of the data analysis. As mentioned in the methodology chapter, the data is analyzed using thematic analysis.

3.1. Findings

3.1.1. Perceptions of young people living in Estonia towards video advertisements and their purchasing behavior

While conducting the interview, similar thematic patterns were defined among the participants. Interviewees had a chance to share the consistency of their personal exposure to video advertisements and their experiences on purchasing after seeing those. Thoughts of interviewees varied in the formulation, but all had the same message behind them — every single one of the participants is exposed to video advertisements daily. Excerpts from the participant's answers can support this. "*I face video advertisements every day… nowadays you can see them all over these social media platforms*" (interview 4), "*I see video advertisements quite often since I use a lot of social media and it is becoming very popular*" (interview 5), "*They are quite common in my social media surfing. A lot I would even say. And absolutely every day*" (interview 7). These extracts clearly show that people living in Estonia, represented by the participants of the interview conducted within this study, are subjected to video advertisements daily. These findings allow us to proceed with the analysis as the target group chosen for the research corresponds to the developed criteria indicated in the methodology section. More extracts from the interviews that confirm that interviewees are exposed to video advertisements daily can be seen in Appendix 5, under the code "Exposure to video ads and social media."

Social media advertising was defined in the literature review section as "a piece of online content designed with a persuasive intent and/or distributed via a social media platform that enables internet users to access, share, engage with, add to, and co-create". It's important to define the platforms on which participant are being exposed to advertisements on a daily basis. Examples could be: "*[advertisements] they are so mixed with everything else on Instagram or Tiktok*" (interview 4). The young person this way described the consistency of ads on such platforms as Instagram and Tiktok. "*Well, there were a couple of products I bought after seeing an*

advertisement on Instagram" (interview 7). This interviewee was describing his experience of purchasing a product after seeing an advertisement on Instagram. "*In one video that I am watching, I have at least five advertisements that are popping*" (interview 1). Here a person talked about how often she sees ads on the Youtube platform. Looking at the answers of all nine interviewees, the social media platforms which were named across those were: Tiktok, Instagram, Youtube, and Facebook. These can be considered as the "social media platforms" discussed in the study. Thus, from the interviews, it was clear that all interviewees are common users of Social Media platforms and are exposed on those mentioned above platforms to video advertisements daily.

Through talking about video advertisements, interviewees also shared their experiences of buying something through video ads and their reasons for being interested in specific ads. What was discovered is that what decides purchasing decisions of people is mostly their personal interest in an advertisement. Interviewees are most likely to pay attention to advertisements of something they have already been curious about and buy it. Throughout the interviews, people mentioned different sorts of things explaining what products or services that are being advertised they would be more interested in. These were: clothes, cosmetics, skin care products, gym equipment, tattoo studios, health-beneficial products, and so on. All of the things mentioned were the ones that correspond to people's interests. "I usually pay attention to Tattoo Studio advertisements. I like tattoos, and I want to do one, so I'm looking for a good studio, which is, of course, the reason." (interview 6). "Personally, I'm really into health and all the supplements, all the health-beneficial stuff people are promoting nowadays. So basically I'm more torn to something from those categories." (interview 8). Thus, it was found out that what affects peoples purchasing decisions is how much they personally are invested in the product that is being advertised. People do not want to buy something unknown to them or something they are unfamiliar with. Purchases through video advertisements are usually small and in regard to known products. More codes are in Appendix 5 under the code name "Purchasing."

3.1.2. Factors contributing to the positive attitudes towards video advertisements

While being exposed to video advertisements every day on various social media networks, many find a lot of positive moments in this advertising format. Interviewees overall have good attitudes towards video advertising. People tend to think that this format is more catchy, lively, and has more "space" than other advertising formats. By saying that video ads have more

"space," interviewees feel that this format has more possibilities to entertain the viewer because it includes more components and engages all of the viewer's senses. The examples that would help to get more clear picture could be extracts from interviews, such as: "I'd say video ads are the most convincing. It engages all of your senses, and it can do the most job of convincing you with the least amount of time and resources." (interview 2). "The benefit is still the format itself as it has more room for creativity." (interview 3) or "Overall, video advertising is much better than the other forms. It anyways has more space and opportunity to reach its audience. And also it feels more lively." (interview 7). The most frequently cited characteristics of video advertisements that would make interviewees pay attention to ads, besides the ones already mentioned above, were: short videos, popular music, some well-known people starring in videos as well as aesthetics (if every component in video ads matches a harmonical way). More interview extracts are in Appendix 5, under the code "Mostly positive entertainment."

The informativeness of video advertisements was one of the other factors the author and the interviewees talked about during the interview. It was found that many people consider informativeness as an important factor contributing to the positive feeling toward an ad. "*It's nice and useful.*" (interview 5). "*I think that it is very important.*" (interview 7). Some people have conditions when they think that informativeness is important. They consider informativeness useful only if the product is already appealing to them or if it varies from one product to another. Many also feel like it's an important factor but as long as it does not tell everything, "*I would say that the advertisements should have some new information, but they should also leave you with a cliffhanger.*" (interview 3). "... *if you make it mysterious and appealing, and invite the consumer, meaning me to an experience, without giving it all away*" (interview 2).

Throughout the interview, people had to think about what makes them trust an advertisement. Quite a few interviewed people mentioned the format of advertisement when actual customers share their opinions about a product or a service. When just normal people talk about their experiences, it makes viewers trust them more as it does not feel like an actual advertisement, but more like a piece of advice from a friend. "I realized that most of the time it's when actual consumers are sharing their experience about a product, rather than when it's a direct advertisement from the brand. This format works for me." (interview 1). Another factor that would make people trust an ad is when some known people are starring in it. "Usually, what makes me buy a product is when I see someone whom I trust promoting it." (interview 8). "If a brand contacts some famous person, who has some respect for the audience to the other people

— *it shows some trust in this product.*" (interview 9). Interviews also found that people appreciate and trust video advertisements when a brand is transparent with its viewers, showing flaws and bad sides. More interview extracts can be found in Appendix 5, under code "Mostly positive credibility."

Personalization and interactivity features had different opinions about them. Talking about the positive sides, many interviewees emphasized that they are satisfied with personalized ads, and if the ad guesses their desires precisely, they believe it's very good. Also, personalized advertisements prevent people from being exposed to irrelevant ads, making content more exclusive for themselves and making people feel unique. "When advertisers choose the right target and I fit into that targeted audience, I feel very nice, of course. Because I feel as if it was chosen just right for me haha. I feel special in a way" (interview 9). Interactive advertisements mostly had positive feedback. People mostly stated that these advertisements are the ones that make them more invested in advertisements and make interviewees feel included and appreciated. "I think it's great! It makes me feel more invested in the advertisement, it makes me feel like I'm a part of the advertisement, and that makes me feel that the brand cares about their customer a little bit more" (interview 5). And some interviewees did not have any specific opinion about these ads. "I don't feel any type of special or super close to the brand. So I don't get any feelings about it" (interview 6).

3.1.3. Factors contributing to the negative attitudes towards video advertisements

While seeing a lot of positive sides of video advertisements, people have mentioned the disadvantages of the format. The first opinion, and the one that was mentioned the most through the interviews, is "long video advertisements." This is one of the factors that make people annoyed, and if it is not catchy enough (when it is a long one) — it will not grab interviewees' attention. "*I think that one of the biggest problems with video advertisements is the length of videos. It could be so long, and people will start losing attention very quickly.* " (interview 9). Nevertheless, people have mentioned that even if it's a long video advertisement, but it's done nicely, in good quality, and "*almost looks like a movie*" (interview 2), then this is something that would make people pay attention. Many also find video ads to be not eye-catching if they are badly done: "*If it's badly done, if it's cheap, then it feels like an ad.*" (interview 2). "*Bad quality*

of the advertisement in many aspects: too long, bad content quality, a bad play of an actor or too basic" (interview 1). In addition, some interviewees believe that video format is the most invasive one. As this format takes more time for people to get invested in it, people meet this advertising format more often, which makes it intrusive. It has been found through interviews that the factors which appeal to people in video format of ads — are exactly the factors that make people not like them. More interview extracts that support this can be found in Abstract 5, under codes "Negative entertainment" and "Irritation."

Opinions also differed to extremes regarding informativeness in advertisements. When some felt like an advertisement being informative is the most important thing, others thought that an ad is not a place to look for new information. People mentioned that they would rather conduct their research if they want to and find information through other sources rather than an advertisement. Some interviewees believe that advertisements are meant to make them interested in a product by having nice aesthetics and an interesting story rather than teaching them something. "I like to get information in some other ways [than through an ad]. I'd rather search for it [information] myself, read or talk to those close to me." (interview 6). "I am not seeking new information from an advertisement. If I need or want to know something, I will research it myself." (interview 8). It was also uncovered that advertisements bringing a piece of new information to people makes them feel dumb. "It makes me feel like I'm stupid or something. I pursue the fact that the people who created this advertisement do this for the purpose of making people feel silly." (interview 4).

When interviewees believe that advertisements that do not beautify themselves are the trustworthy ones, on the contrary, people do not trust an ad if a brand presents a product as a "perfect one." Interviewees believe that this way advertisement does not tell the whole truth and only tries to make a beautiful picture out of it, hiding all its flaws. "When you advertise something, you mustn't represent it as something perfect... If they're being too fake, too ideal, and too perfect — this is fake." (interview 7)

Regarding personalized advertisements, besides these ones having advantages, people mostly tend to think that these days they are way too invasive and "*creepy*" (interviews 1, 2, 5, 8). People, from time to time, feel uncomfortable and too exposed after seeing personalized advertisements. "*I would say that it reached a point where it's creepy and annoying*." (interview 1), "*There's a little feeling of how creepy it is when you start thinking about it a bit more*." (interview 5). Thus, this format is a very controversial feature to many interviewees.

3.2. Discussion and recommendations

According to Miller (2011), these days, people prefer watching videos rather than reading, which was also found out throughout the interviews. Some interviewees have claimed that the video format for them is the most engaging and the most interesting. They prefer this advertising format over other ones these days, as this is the one they meet the most. In addition, people also feel that this format takes over social media, and a person can meet it everywhere.

Both the content (informativeness) and form (entertainment) of the advertisement affect its effectiveness according to Ducoffe (1995). Furthermore, as previously mentioned in the Literature review section (Marti-Parreño et al. 2013), the mobile advertising study found a significant positive relationship between consumer attitudes and entertainment. Drossos et al. (2013) pointed out that consumers' intentions to buy products are influenced when they perceive advertising favorably and believe it will be beneficial to them. These patterns can be seen and confirmed by looking at what interviews have said. According to Shimp(1981) consumers are more likely to establish positive brand attitude through entertainment. Throughout interviews, it was found that people, indeed, are more invested in advertisements that they personally like. Depending on the music, aesthetics, and format of a video advertisement, people would be more likely to continue watching and checking out advertised products if they like how the video advertisement looks.

Bloom and Krips (1982) stated that an informativeness of an advertisement's is its most crucial and primary goal. In addition, Ducoffe (1996) stated that the capacity of advertising to deliver information is the aspect of advertising that gives the viewer the most satisfaction. In the analysis of the interviews, it was found that while informativeness is an important factor for people, it also is not the main component they enjoy in advertisements. People's opinions varied from thinking positively of this component to not wanting ads to bring them any piece of knowledge. Some were of the opinion that informativeness should be present in advertisements, but it should not give away a lot of information; there has to be a mystery and the unknown to truly interest interviewees.

Ducoffe (1996) defined that irritation is the negative component that influences consumer attitudes. In addition, according to Lin and Bautista's research from 2020, customers may become irritated when exposed to irrelevant or unwelcoming materials. This has also been

uncovered throughout the research of this thesis. People have negative emotions if advertisements do not correspond to people's personal likenesses. Music that is not in the consumer's favor or if the way that advertisement is presented is not in their favor, people are most likely not to enjoy the ad. The negative perception of an advertisement depends on many components. It also can include some factors of the Advertising Value model.

According to MacKenzie and Lutz (1989), the level of customer belief in a brand's claims made in ads as being true and dependable is known as credibility. As well as, that consumers are most likely to commit to purchasing if they trust in advertising. Interviewees have determined some factors which affect their decision to trust an advertisement. Some have said that it plays a significant role for them if an ad is transparent with them. When a brand is being honest about its own good or service, showing bad sides along with benefits — this plays as a reason to trust the ad. For some people, the characters of an advertisement are also an important component that helps to determine their trust. Suppose interviewees see some familiar faces in an ad, like famous people, bloggers, or even regular people, who just share their opinions, but these videos do not seem prepared in advance ads. In that case, they do put their trust in a product that is being advertised. On the contrary, when advertisements seem way too ideal and perfect — this gives a negative reaction and does not allow people to trust the advertisement.

Dwinanda (2022) has added a personalization component to the Advertising Value Model. In the study, it was found that personalization and interactivity, at the same level as credibility and entertainment, can affect consumers' attitudes positively. However, the study conducted within this thesis also found that besides the benefits of personalized advertisements, consumers also pay attention to the negative sides of the ads. Personalization can be perceived negatively when it is too invasive. Many people find it scary and feel very exposed, believing personalization has gone to extremes these days. Alalwan (2018) stated that most customers find it more enjoyable and helpful to follow an advertising if they can engage with it. Consequently, they will be more likely to buy the offered items or services. In the interviews with young people living in Estonian, it was found out that while undoubtedly some people consider interactivity as an essential component of video advertisement and like it, many at the same time do not have any specific feeling about it. People do like when a brand interacts with them, but at the same time, they do not pay much attention to it.

The study is constrained by the demographic (20–30 years old) and the three nationalities included in it. Increasing the age range to include more ages, and including new nationalities in the data collection procedure are the ideas for future research. This will enable the study to take into consideration a wider range of ethnic and racial groups residing in the country.

According to the gathered data, the suggestions for advertisers are:

• Focus on the quality of the content produced.

Good quality of video advertising is essential. At a minimum, it is important to ensure that the video quality is good, the audio is clear, and the music, that is used, fits the theme and the trends. Viewers expect video advertisements to be catchy within the first few seconds of the video. So a good first impression is essential, which can be achieved by quality.

• Choose the best video length for advertisements

The question "How long should a video advertisement be?" is a difficult one. The answer depends on a variety of different factors. Including the content of the video and advertiser's desired result. It's important to understand target audience and what it would want to see for a specific product. Jump straight into the action to keep viewers hooked or, on the contrary, make it mysterious and interesting.

• Increase transparency in video advertisements by being honest

To ensure the sustainability of relationships between a company and its audience, it's important to increase transparency and honesty between brands and viewers. This can result in higher engagement rates as well as an increase in purchasing behaviors.

CONCLUSION

The thesis aims to examine the attitudes of Internet users living in Estonia regarding online video advertisements and the role of video advertisements in their purchasing behavior. Overall, people living in Estonia, represented by nine people participating in this study, positively refer to video advertising in social media.

Three research questions "What are the overall perceptions of Internet users living in Estonia towards video advertisements, and what role do video advertisements play in their purchasing behavior?", "What factors contribute to the positive attitudes towards video advertisements?" and "What factors contribute to the negative attitudes towards video advertisements?" helped to reveal the attitudes.

Regarding RQ1: What are the overall perceptions of young people living in Estonia towards video advertisements, and what role do video advertisements play in their purchasing behavior? The young Internet users living in Estonia prefer video formats in advertising on social media to other formats. People have marked that video advertisements are getting increasingly popular these days. In addition, every person interviewed in this study has assured that they are exposed to video advertisements daily. As well as that they are being exposed to those while on Youtube, scrolling through Instagram, or TikTok. They find this format more catchy, lively, and convincing. As video format has more opportunities to engage users by capturing all of the senses, it appeals more to the users. People mostly have positive attitudes towards video advertisements as these have more opportunities, more time, and space to engage a viewer and make a viewer interested in the product that is being advertised. Young people living in Estonia also do commit purchases online through advertisements. However, it does not happen often, and the products purchased are usually insignificant. It could be some small things which do not cost much. After seeing an advertisement, people do not buy big, expensive, and essential products. Users prefer to conduct their own research, take time and give a long thought before purchasing something big, which is why they do not buy these types of products through advertisements. Interestingly, the products people pay the most attention to are the ones they are already familiar with. People like seeing ads about some areas that correspond to their interests.

As to RQ2: What factors contribute to the positive attitudes towards video advertisements? The research revealed that factors that affect positive attitudes toward video advertisements among young people living in Estonia are diverse. The most common factor that catches a person's attention is a short format of an advertisement. This way, advertisement catches people's attention, and they do not have time to get annoyed or tired. It would be interesting enough to finish watching the ad until the end. People prefer this format as it allows them to get to know what the product is about and not get bored with it. Informativeness in advertisements is also one-factor affecting people's attitudes. Interviewees appreciate when an advertisement brings them some piece of knowledge; it's good as long as it does not overwhelm them with information. Other factors influencing positive attitudes toward video format are familiar music and if people in an ad are aware and known to the viewer. When it's known, music makes people want to finish the ad and makes them feel as if it's already something they have met before. Famous people and celebrities starring in advertisements make people feel comfortable and trust an ad and a product. This factor also has a chance to increase purchasing willingness as people tend to believe that famous people are the ones they can rely on in their opinion of a product. Young people living in Estonia also believe that advertisements that do not seem like direct ones, for example, when ordinary people share their experiences with a product, are the ones that are trustworthy as well. This way, viewers get to see the actual truth about a product, with all its flaws besides the good sides. When brands are open about their product's disadvantages, people trust them. An interactive type of advertisement is also something that makes people feel appreciated by a brand, this way positively affecting their attitude. On the contrary interactive advertisements are also not something viewers pay much attention to. Personalized advertisements were found to be a pretty controversial type of advertisement as opinions on it differed among interviewees. The most significant part of the interviewees expressed their positive attitude toward this ad type. People believe it allows them to escape irrelevant advertisements and only be exposed to the ones they might be interested in.

Regarding RQ3: What factors contribute to the negative attitudes towards video advertisements? The most common irritation factors that cause consumers to skip ads are long advertisements, annoying music, and a bad image of an advertisement. Many have emphasized that long video advertisements are the ones that make them bored the quickest and have said that advertisements should catch an eye from the first seconds. It was also found that advertisements that are not to a person's likeness, meaning that it does not correspond to this person's style, are also expected to be skipped. When an advertisement does not pertain to the user's interests, it is more likely to be

ignored. Users will bypass ads that do not relate to topics they find interesting or appealing almost immediately. The informativeness of ads can also provoke negative emotions if it tells everything straight away. People believe that when there's too much information in an advertisement, this is unnecessary. Personalization, while getting some positive feedback, has mostly received negative comments. Some people believe it can be too invasive and scare people these days.

The suggestions for business companies are to focus on the quality of the content produced, choose the best video length for advertisements as well as increase the transparency in video advertisements. The study is limited by the age group (20–30 years old) and by the nationalities (3 presented in this study) of people. Suggestions for further studies could be increasing the age group to touch other ages and involving more nationalities in participating in the data-gathering process. This way the study can be more diverse and include more groups of people living in the country.

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APPENDICES

Appendix 1. Interview questions

Research question 1: What are the overall perceptions of young people living in Estonia towards video advertisements and what role do video advertisements play in their purchasing behavior?

Interview questions:

1.1. How often do you face video advertisements in your everyday life?

1.2. What do you think about video advertisements in social media compared to other forms of advertising? (such as static advertising (e.g., banners, pictures on social media), email advertising, etc.)

1.3. What are the benefits and disadvantages of video advertising in your opinion?

Research questions 2 & 3:

What factors contribute to the positive attitudes towards video advertisements?

What factors contribute to the negative attitudes towards video advertisements?

Interview questions:

2.1. Have there been cases when you purchased the product because of the advertisement you saw?

2.1.1. If yes, what made you want to do that?

2.1.2. If not, why have not you done it?

2.2. What products that are being advertised do you pay the most attention to? Why?

3.1. What makes an advertisement look interesting and eye-catching for you? What components (characters, music, length, story, personalization, etc.) of an ad do you pay the most attention to?3.2. How important is the informativeness of an advertisement for you? If an advertisement

brings you new knowledge, how do you feel about it?

3.3. What components of an advertisement make you want to skip it?

3.4. What makes you trust an advertisement (believe that the product is worth it)? And on the contrary, what does not?

3.5. What is your opinion on personalized advertisements?

3.6. Hand in hand with personalization comes interactivity of a "brand" with you as with the potential customer. Do you like to feel when a brand interacts with you through an advertisement?

Appendix 2. Interview transcripts

https://docs.google.com/document/d/1e-OubgCTLSArblL101F-HJpzP6GGnwqR3sDhckedICo/e dit?usp=sharing

Appendix 3. The first-level codes

https://docs.google.com/document/d/1ed-G_6UABF3O5teh1Zwa-GSl8nA4QhL5EBym_gzMq_I /edit?usp=sharing

Appendix 4. Similarities between the codes across the interviews

https://docs.google.com/document/d/1Tqq7d03Ln2t7ZkEgRI3V6BGy1SvoKkqV74V2szQ3104/ edit?usp=sharing

Appendix 5. Final codes with extracts from interviews

https://docs.google.com/document/d/1w7aUiqesEmBHnCjL8YxURuMhPdyTwX_q15o4J9pT-F 4/edit#

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