

# **The Impact of Algorithmic Literacy on Programmatic Advertising Effectiveness**

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In today's digital ecosystem, effectively capturing the attention of consumers is not an easy task. Millions of websites, many applications, and digital properties are being viewed across various channels every day. Using separate platforms to advertise on different media and select the best places to put the advertisements in the digital world is an increasingly daunting task. Programmatic advertising takes the whole process to an advanced level. It uses algorithmic software that handles the sales and placement of digital ad impressions through ad exchange platforms within a fraction of a second. Programmatic advertising holds massive potential for modern brands seeking to flourish in the digital age. To be specific, algorithm plays a predominant role in the web but often invisible and increasingly influence our choices.

At the same time, increased integration of consumers' data into the programmatic advertising ecosystem raised data security, consumer protection, privacy protection, and, more specifically, consumers' trust in digital advertising during net surfing. So, literacy on the algorithm in programmatic advertising practices makes consumers understand the working of programmatic advertising and feel that these practices are less threatening and more acceptable and develop relationships with consumers. Previous studies focused on algorithmic literacy for students and young people, fair and transparent algorithmic decision making (Lepri, Bruno, et al., 2018), algorithmic awareness (Gran et al., 2020). However, still, there is less attention on consumer algorithmic literacy in the programmatic advertising ecosystem. This study aims to examine the impact of algorithmic literacy on programmatic advertising effectiveness. This study focuses on content filtering, automated decision-making, human algorithm interplay, and ethical consideration as a dimension of algorithmic literacy. The research approach for the study is descriptive research design and quantitative. The main variables in this study are algorithmic literacy (independent variable) and programmatic advertising effectiveness (dependent variables). This study used the Algorithmic Media Content Awareness scale (AMCA- scale) (Zarouali, Brahim, et al., 2021) to measure the independent variable, i.e.) algorithmic literacy. The primary data are gathered using a structured questionnaire from samples selected by non-probabilistic sampling techniques. The target samples are YouTube users.

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