IJSRA

International Journal of Science and Research Archive

eISSN: 2582-8185

Cross Ref DOI: 10.30574/ijsra

Journal homepage: https://ijsra.net/

(Research Article)

Check for updates

THE INSTITUTIONAL CEILING: ADVERTISING EFFECTIVENESS AS A GOVERNANCE PROBLEM IN EMERGING DIGITAL MARKETS

Borono Bassey *

Department of Mass Communication, University of Uyo, Nigeria.
* Corresponding Author

ORCID Details
Borono Bassey: ORCID iD: https://orcid.org/0009-0001-6290-6970

International Journal of Science and Research Archive, 2026, 20(03), 135–142

Publication history: Received on 25 July 2026; revised on 02 September 2026; accepted on 05 September 2026

Article DOI: https://doi.org/10.30574/ijsra.2026.20.3.1713

ABSTRACT

Research on advertising effectiveness is largely a science of what advertisers do, of targeting, creative, media, and message, and it treats the institutional environment in which advertising operates as background or as a constraint on permitted practice. This paper argues that the environment is not background but a determinant, and that it sets an upper bound on effectiveness that no advertiser skill can exceed. It develops the construct of the institutional ceiling, the maximum advertising effectiveness attainable in a market given the credibility of the governance institutions that make transactions safe, including the enforcement of data protection, consumer protection, fraud and contract law, and the availability of redress. Advertisers optimise below the ceiling; the ceiling itself is set by public governance, which no single firm can raise. Where governance is credible the ceiling is high and advertiser skill has room to act; where governance is weak the ceiling descends and optimisation has little to work with, because the trust deficit that weak institutions produce suppresses response regardless of how well an advertisement is made. The paper distinguishes the ceiling from the restrictiveness of rules, since credible enforcement raises the ceiling by building trust while over-restrictive rules can lower effectiveness by limiting targeting, and it introduces regulatory reach asymmetry, the mismatch between the borderless reach of advertising platforms and the national reach of the regulators who could raise the ceiling. Survey evidence from an emerging Nigerian market, where effectiveness was bounded by trust and mistrust rather than by targeting, motivates the account. The paper offers six propositions, a conceptual model, boundary conditions, and a testing agenda, and it draws the methodological implication that cross-market comparisons of advertising effectiveness confound advertiser skill with institutional quality. Its contribution is to reframe advertising effectiveness in emerging digital markets as, in substantial part, a governance problem.

Keywords: Advertising effectiveness; Institutions; Governance; Institutional voids; Data protection enforcement; Emerging markets

1 INTRODUCTION

The study of advertising effectiveness is, for the most part, the study of what advertisers control. It asks how targeting precision, creative quality, message framing, media selection, and spend translate into attention, attitude, and purchase, and it has produced a detailed account of how to make advertising work better (Boerman et al., 2017; Varnali, 2021). The most recent evidence continues this tradition, showing that personalised advertising outperforms generic advertising and identifying the perceptions through which it does so (Yeo et al., 2025). Effectiveness, on this account, is something an advertiser produces by doing the controllable things well, and the institutional environment enters, if at all, as a constraint on what is permitted rather than as a determinant of what is achievable.

This paper argues that the environment is a determinant, and a decisive one where it is weak. The reason is that advertising does not act on a purchase in isolation. It acts on a consumer who must then complete a transaction, and the willingness to complete that transaction depends on whether the surrounding institutions make it safe. Where payment is secure, delivery is dependable, sellers are accountable, and the misuse of data meets a response, a consumer moved by an advertisement can act on that impulse at little risk, and advertiser skill translates into response. Where those institutions are absent or not credible, the same consumer hesitates, verifies, and withholds, and no refinement of the advertisement removes the reason for hesitation, because the reason lies outside the advertisement. Effectiveness in such a market is capped, and the cap is set by governance.

Survey evidence from web users in Akwa Ibom State, Nigeria, displays the cap (Bassey, 2026). In that market, exposure to behavioural advertising was high and its targeting was often accurate, yet effectiveness was governed not by the precision of targeting but by trust and its absence. Privacy concern and platform mistrust were the most intensely held attitudes measured and the strongest negative correlate of purchase, and advertising influenced purchase mainly through transparent economic appeals rather than through the discovery that precise targeting is meant to produce. Consumers verified before committing and withheld when verification could not be satisfied. What limited effectiveness was not a deficit of advertising skill but a deficit of institutional credibility, and the limit held regardless of how well the advertising was executed.

The advertiser-centred model has no place for this, because it treats effectiveness as a function of controllable inputs and leaves the institutional environment out of the production function. When the environment does not vary, as it does not within the mature markets where most effectiveness research is conducted, the omission is harmless. When the environment varies, and above all when it is weak, the omission is disabling, because the binding constraint on effectiveness is exactly the thing the model has left out. A model that explains effectiveness through what advertisers do cannot explain why skilled advertising fails in a market whose institutions consumers do not trust.

This paper supplies the missing element. It introduces the institutional ceiling, the maximum advertising effectiveness attainable in a market given the credibility of its governance institutions, and it argues that advertisers optimise below a ceiling they cannot raise, because the ceiling is a property of shared institutions rather than of any firm's practice. The contribution is fourfold. First, the paper reframes advertising effectiveness as jointly produced, by private optimisation below the ceiling and by public governance that sets the ceiling. Second, it distinguishes the ceiling, which credible enforcement raises by building trust, from the restrictiveness of rules, which can lower effectiveness by limiting targeting, so that the governance that matters is enforcement credibility rather than regulatory stringency. Third, it introduces regulatory reach asymmetry, the mismatch between the borderless reach of advertising platforms and the national, bounded reach of regulators, as a structural reason the ceiling is under-supplied. Fourth, it draws the methodological implication that cross-market comparisons of advertising effectiveness confound advertiser skill with institutional quality, and it states the argument as propositions open to test.

The remainder of the paper proceeds as follows. Section 2 reviews the advertiser-centred model and what it holds constant. Section 3 develops the market-enabling role of institutions and the concept of institutional voids. Section 4 sets out the emerging-market anomaly. Section 5 develops the institutional ceiling and its propositions. Section 6 discusses implications, Section 7 sets out boundary conditions and a testing agenda, and Section 8 concludes.

2 THE ADVERTISER-CENTRED MODEL AND WHAT IT HOLDS CONSTANT

The literature on advertising effectiveness is organised around the levers advertisers control. Reviews of behavioural advertising catalogue how targeting, message, format, and the consumer- and advertiser-level factors that moderate them shape response (Boerman et al., 2017; Varnali, 2021), and the meta-analytic record confirms that personalisation, executed well, raises persuasion through the relevance it generates (Yeo et al., 2025). This body of work is a genuine achievement, and nothing in the present argument disputes its findings within their scope. The point concerns the scope itself.

Two features of the tradition define that scope. The first is that its dependent variable, effectiveness, is treated as a product of advertiser inputs. The independent variables are things a firm decides, and the implicit production function maps those decisions onto response. The institutional environment is not among the inputs. Where it appears, it appears as a boundary on what is legally permissible, a rule about what data may be used or what disclosures must be made, rather than as a determinant of how much response a given advertisement can command. The second feature is the setting in which the tradition's evidence was generated. Effectiveness research has been conducted overwhelmingly in mature markets whose transactional institutions function well enough to be ignored. In those markets a consumer persuaded by an advertisement can act with little risk, so the environment does not intervene between persuasion and purchase, and its role in permitting that translation is invisible precisely because it does not vary.

The consequence is a model that is accurate where it was built and misleading where it is exported. Because the environment was held constant, effectiveness appears to be produced entirely by the advertiser, and the natural prescription is to optimise the controllable inputs. Carried to a market where the environment is weak, the model continues to attribute effectiveness to advertiser inputs and continues to prescribe optimisation, even though the binding constraint has moved outside the firm. The advertiser-centred model does not need to state that it assumes credible institutions, for the same reason a model of swimming need not state that it assumes water; the assumption becomes visible only when it fails.

3 INSTITUTIONS, UNCERTAINTY, AND THE POSSIBILITY OF EXCHANGE

To see why the environment can bind, it helps to recall what institutions do for markets. Institutions exist because human exchange is shot through with uncertainty, and they are the constraints devised to structure interaction and make its outcomes predictable enough to act on (North, 1990). Among the uncertainties they address, the most corrosive for exchange is uncertainty about quality and honesty. When a buyer cannot verify the quality of what is offered or the honesty of who offers it, and when no institution bounds the resulting risk, good offerings cannot be distinguished from bad, buyers discount accordingly, and the market can unravel toward its worst participants (Akerlof, 1970). Akerlof's original analysis observed that this dynamic explains, in part, why business is difficult in underdeveloped economies, and that its remedy is the presence of counteracting institutions, guarantees, reputations, licensing, and enforcement, that restore the confidence on which exchange depends.

Emerging markets are defined, in significant measure, by the thinness of these institutions. The literature on emerging-market strategy names the condition institutional voids, the absence of the specialised intermediaries, information systems, and contract-enforcing and regulatory mechanisms that mature markets take for granted, and it treats these voids, rather than size or growth, as the defining feature that firms must contend with (Khanna & Palepu, 2010). Marketing scholarship has drawn the parallel conclusion. Emerging markets differ from industrialised ones along characteristics that include sociopolitical governance and inadequate infrastructure, and these differences require rethinking marketing's core assumptions rather than transplanting them (Sheth, 2011). Trust, in this setting, cannot be assumed as a background condition; where institution-based assurances are weak, the belief that a transaction will be safe must be built rather than presumed (McKnight et al., 2002).

The mechanism by which institutions permit exchange runs through the kind of trust they make available. Trust can rest on prior dealings and reputation, or on shared background and membership, but neither scales to the anonymous, large, and dispersed exchange that digital markets require. What scales is institution-based trust, the confidence that impersonal structures, guarantees, licensing, enforcement, and redress, stand behind a transaction between strangers who have no history and no common tie (Zucker, 1986). Institution-based trust is what lets a consumer buy from an unknown seller in a distant town, because the assurance comes not from the seller but from the institutions surrounding the sale. Where those institutions are thin, this form of trust is unavailable, and consumers fall back on the reputation- and relationship-based trust that cannot reach beyond people they already know. That is why the institutional void is felt, at the point of purchase, as a reluctance to transact with the unfamiliar, and why advertising, whose ordinary work is to introduce the unfamiliar, runs directly into it.

The implication for advertising is direct and, in the effectiveness literature, largely unstated. Advertising is an instrument for persuading a consumer to enter a transaction. It is not an instrument for making that transaction safe, and it cannot resolve, by persuasion, an uncertainty that only institutions can resolve. A brilliant advertisement for a seller the buyer cannot verify, offering a payment the buyer cannot secure and a delivery the buyer cannot count on, is an invitation into exactly the risk that the absence of institutions makes rational to refuse. Advertising cannot fill an institutional void; at most it can signal around one, and the limits of that signalling are the subject of Section 5. The deficit that weak institutions produce is, in the first instance, a trust deficit, and it is that deficit, operating through the consumer's reluctance to bear an unbounded risk, that suppresses response (Dinev & Hart, 2006).

3.1 The Anomaly: Effectiveness Capped by Trust, Not Targeting

The emerging-market evidence shows the ceiling in operation. In the survey of web users across six urban areas of Akwa Ibom State, the variation in advertising response was not organised by the variation in targeting (Bassey, 2026). Exposure was high and targeting was frequently accurate, but the attitudes that moved purchase were trust and mistrust. Privacy concern and platform mistrust were the most strongly held constructs and the strongest negative correlate of purchase, and their magnitude exceeded that of the positive association between exposure and purchase. Where advertising did influence purchase, it did so through transparent, checkable economic appeals rather than through the brand discovery that precise targeting is designed to deliver, and consumers subjected advertisements to verification before committing.

The diagnostic feature of this pattern is that effectiveness was insensitive to the lever the advertiser-centred model treats as primary and sensitive to a factor that model omits. Better targeting did not lift response, because the reason for withholding was not that the advertisement was poorly matched but that the transaction was not trusted. The recent finding that the chilling effects of dataveillance are stronger in some regulatory settings than others points in the same direction, showing consumer response tracking the credibility of the governance environment rather than the properties of the message (Strycharz &Segijn, 2024). What was binding was not a deficit of advertising but a deficit of institutional credibility, and the statute nominally addressing part of that deficit had not, in consumers' perception, supplied the credibility that would relax it. A recently enacted data-protection regime, administered by an authority still building capacity, exists on paper without yet functioning as a credible guarantee (Nigeria Data Protection Act, 2023).

This is not a pattern the advertiser-centred model can absorb by adding a moderator, because the factor at work does not modulate the effect of advertising so much as cap it. However well the advertising is done, response cannot exceed what the trusted safety of the transaction permits, and where that safety is low the permitted maximum is low. Effectiveness has an upper bound, the bound is set outside the firm, and characterising it is the task of the next section.

3.2 The Institutional Ceiling

This paper proposes the institutional ceiling to describe that bound. The institutional ceiling is the maximum advertising effectiveness attainable in a market, given the credibility of the governance institutions that make its transactions safe: the enforcement of data protection, the enforcement of consumer protection and of fraud and contract law, the verifiability and accountability of sellers, and the availability of redress. Advertisers operate below this ceiling, and the levers they control determine where below it a given campaign lands. The ceiling itself is not among those levers. It is a property of the shared institutional environment, and it rises and falls with the credibility of institutions that no advertiser controls.

Four claims give the construct its structure. The first is that the ceiling binds. No amount of advertiser optimisation can lift response above the level that the trusted safety of the transaction permits, because the barrier to response is the untrusted transaction, not the unpersuasive message. The second is that the ceiling is set by enforcement credibility rather than by the enactment of rules. A statute that is not credibly enforced does not raise the ceiling, because it does not change the consumer's expectation that misuse will go unanswered; enactment without enforcement is, from the consumer's standpoint, indistinguishable from absence. The third is that the ceiling compresses the room for advertiser skill. Below a high ceiling, advertiser-controlled factors have a wide range over which to raise response; as the ceiling descends, that range narrows, until under severe institutional voids optimisation has little to work with because the permitted maximum is close to the floor. The fourth is that the ceiling is a public good. Because it is a property of shared institutions, no single firm can raise it, and the returns to any firm's private effort to build trust are bounded by an environment the firm did not create.

The distinction between enforcement credibility and regulatory restrictiveness deserves emphasis, because the two pull in opposite directions and conflating them produces error. Restrictive privacy rules can lower advertising effectiveness by limiting the data available for targeting, as when a privacy directive reduced the effectiveness of online advertising by constraining the use of behavioural data (Goldfarb & Tucker, 2011). Credible enforcement, by contrast, raises the ceiling by assuring consumers that data and transactions are protected, which builds the trust on which response depends. A market can therefore fail its advertisers in two opposite ways, by regulating targeting so heavily that advertising loses its informational edge, or by enforcing so weakly that consumers withhold response for want of protection. The institutional ceiling is the second of these, the failure of enforcement credibility, and the governance that raises it is not the quantity of regulation but the believability of its enforcement.

Firm-level signalling operates against this ceiling and illustrates its limits. Under information asymmetry, a seller can attempt to signal quality and trustworthiness through costly, credible cues (Spence, 1973), and in a weak-institution market such signals, visible seller verification, secure and recognisable payment, transparent prices, accessible redress, are the rational response to the trust deficit. But their returns are bounded by the ceiling, because a signal from one firm cannot supply the general assurance that only credible institutions provide, and consumers who cannot trust the environment discount even genuine signals within it. The robustness of the negative reaction to surveilling personalisation, which resists managerial attempts to mitigate it once triggered, is consistent with this bound on private remedy (Petrova et al., 2026).

Two objections sharpen the claim. The first is that the ceiling merely restates economic development, so that advertising is less effective in poorer markets for the ordinary reason that they are poorer. The construct is narrower than that. What sets the ceiling is the credibility of governance, not the level of income, and the two can diverge: a middle-income market with weak enforcement can have a lower ceiling than a poorer one with credible institutions, and the prediction concerns the enforcement, not the wealth. The second objection is that advertising, and the brands it builds, can generate trust over time, so the ceiling is not binding but only slow to lift. This conflates two kinds of trust. A firm can build trust in itself, and a strong brand does raise a consumer's confidence in that brand's offerings, but brand trust operates below the ceiling and does not extend to the unfamiliar sellers, novel platforms, and one-off transactions that make up much of a market's exchange. Brand-building can move a firm toward the ceiling; it cannot raise the ceiling, because the ceiling is the general, institution-based assurance that no single brand supplies.

A structural feature of digital advertising deepens the problem. Advertising platforms operate across borders, assembling and acting on data at a global scale, while the regulators who could raise the ceiling operate within national jurisdictions. This regulatory reach asymmetry means that the governance capable of bounding the privacy and transactional risks a platform creates is systematically out of proportion to the reach of the platform itself, so that a single national regulator cannot supply, for a borderless platform, the credible enforcement that would raise the ceiling. Platform reach without matching regulatory reach leaves the ceiling under-supplied, and it does so most severely in markets whose regulatory capacity is already thin.

The asymmetry is itself uneven across jurisdictions. A jurisdiction large enough to make access to its market conditional on compliance can project its rules globally, so that platforms adopt its standards worldwide rather than forgo its consumers, a dynamic documented for the European Union's data-protection and consumer rules (Bradford, 2020). But this power belongs to the few markets whose size compels it. Most emerging markets are rule-takers rather than rule-makers, individually too small to bend a global platform to their enforcement and unable to raise their own ceiling against firms that answer to standards set elsewhere. For them, regulatory reach asymmetry is not a temporary gap to be closed by legislating but a structural position, which points toward coordination among such markets, or reliance on the standards that larger jurisdictions project, as the more realistic routes to a higher ceiling.

Figure 1 presents the framework. Advertising effectiveness rises with advertiser effort but saturates at a ceiling set by governance credibility; higher governance credibility raises the ceiling and widens the range over which advertiser effort can act, while weak governance lowers the ceiling and compresses that range.

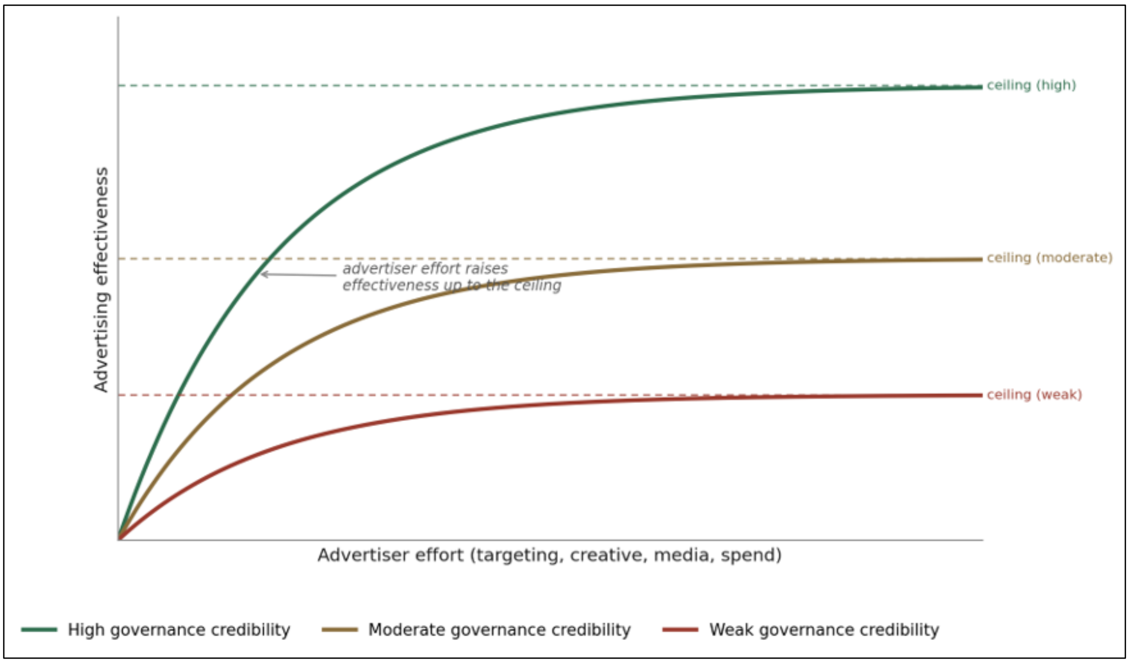

Figure 1: The institutional ceiling. Advertising effectiveness rises with advertiser effort but is bounded above by a ceiling set by the credibility of governance institutions; as governance credibility falls, the ceiling descends and the range over which advertiser optimisation can raise effectiveness narrows.

The following propositions state the account's claims.

- **Proposition 1.** Advertising effectiveness in a market is bounded above by an institutional ceiling set by the credibility of the governance institutions that secure transactions. No advertiser optimisation can raise response above this ceiling.
- **Proposition 2.** The ceiling is set by the credibility of enforcement, not by the enactment of rules. Enacting law without credible enforcement does not raise the ceiling.
- **Proposition 3.** Below the ceiling, advertiser-controlled factors determine effectiveness. As governance credibility falls, the ceiling descends and the range over which advertiser factors can raise response narrows, until under severe institutional voids optimisation has little room to act.
- **Proposition 4.** Because the ceiling is a property of shared institutions, it is a public good that no individual firm can raise. Firm-level credibility signalling yields bounded, below-ceiling returns.
- **Proposition 5.** Regulatory reach asymmetry lowers the effective ceiling. Where advertising platforms operate across borders but enforcement is national and bounded, the governance that could raise the ceiling is systematically under-supplied.
- **Proposition 6.** Observed differences in advertising effectiveness across markets partly reflect differences in the institutional ceiling rather than in advertising practice. Cross-market comparisons of effectiveness therefore confound advertiser skill with institutional quality.

Propositions 1 through 4 state the ceiling, its source in enforcement credibility, its compression of advertiser room, and its character as a public good. Proposition 5 adds the structural reason the ceiling is under-supplied in the digital setting. Proposition 6 draws the methodological consequence, that effectiveness cannot be compared across markets without accounting for the institutions that set their ceilings.

4 DISCUSSION

4.1 Theoretical Implications

The framework reframes advertising effectiveness as jointly produced. Effectiveness is not the output of advertiser optimisation alone, as the received model implies, nor of institutions alone, but of optimisation operating beneath a ceiling that institutions set. This joint account subsumes the received model as the special case in which the ceiling is high and non-binding, which is the case that mature-market research has studied, and it explains what that model cannot, namely why skilled advertising underperforms in markets whose institutions consumers distrust. The contribution is to add the institutional environment to the production function of advertising effectiveness, not as a moderator of advertiser inputs but as a bound on their yield.

The framework connects advertising scholarship to institutional economics and to the study of emerging-market strategy. The market-enabling role of institutions (North, 1990), the unravelling of exchange under unbounded quality uncertainty (Akerlof, 1970), and the institutional voids that define emerging markets (Khanna & Palepu, 2010; Sheth, 2011) are not usually brought to bear on the question of whether an advertisement works, yet they determine the ceiling within which that question is decided. Reading advertising effectiveness through this literature clarifies that the trust deficit which suppresses response is not a marketing variable to be managed but an institutional condition to be remedied, and that the remedy lies substantially outside marketing's control. It also gives signalling theory a boundary condition: the classic result that firms can signal quality under asymmetry (Spence, 1973) holds within the ceiling but not through it, because private signals cannot manufacture the public assurance that only institutions supply.

The methodological implication is worth isolating, because it bears on how the field builds cumulative knowledge. If effectiveness is bounded by an institutional ceiling that varies across markets, then comparisons of advertising effectiveness across markets confound two distinct sources of variation, the skill of advertisers and the quality of institutions. A finding that advertising is less effective in one market than another may reflect not weaker advertising but a lower ceiling, and prescriptions derived from high-ceiling markets may fail in low-ceiling ones for reasons that have nothing to do with the prescriptions. Effectiveness research that aspires to travel across markets must therefore measure the institutional ceiling rather than assume it, a requirement the field has not generally recognised.

4.2 Practical Implications

For firms, the framework counsels a reallocation of effort and a tempering of expectation. Where the ceiling is low, the returns to optimising targeting and creative are compressed, and the higher-return investment is in the credibility signals that allow verification to succeed, seller verification, secure payment, transparent terms, and accessible redress. But the framework also sets a realistic bound on what these can achieve, since Proposition 4 holds that firm-level signalling cannot raise the ceiling, only approach it. This implies a role for collective action, in which firms, platforms, and industry bodies build shared assurance structures, trustmarks, escrow, dispute resolution, that individual firms cannot provide alone, and it supports hybrid models that lean on the offline institutions consumers already trust where the online ones are not yet credible.

For policy, the framework identifies enforcement credibility as advertising infrastructure. A market that wants its digital advertising to work, and the commerce it supports to grow, must supply the credible enforcement that raises the ceiling, and it must recognise that enacting law is not the same as raising the ceiling, because it is enforcement rather than enactment that consumers respond to (Nigeria Data Protection Act, 2023). The regulatory reach asymmetry the framework identifies further implies that national enforcement alone may be insufficient against borderless platforms, and that raising the ceiling may require coordinated or supranational governance whose reach matches the reach of the platforms it must bound. The governance of advertising effectiveness, on this account, is not only a matter of protecting consumers from advertising but of building the institutional conditions under which advertising, and the exchange it serves, can function at all.

4.3 Boundary Conditions and an Agenda for Empirical Testing

The account is bounded in scope. The ceiling is expected to bind most where transactions carry risk that institutions would otherwise absorb, and to bind least for low-risk, habitual, or institutionally insulated exchanges, so its force varies by product category and transaction type. The ceiling is defined over perceived institutional credibility, which is appropriate for explaining consumer response but leaves open its relationship to objective institutional quality, a relationship that governments and platforms can influence and that is therefore itself strategically contested. And the ceiling concerns the credibility of governance, which is distinct from, though correlated with, the general level of economic development, so the argument is not that advertising is simply less effective in poorer markets but that it is bounded by institutional credibility wherever that credibility is low.

The propositions are open to test. The institutional ceiling can be operationalised as a market-level construct combining perceived enforcement credibility across the relevant domains, and its relationship to effectiveness can be estimated across markets that differ in institutional quality. Proposition 1 predicts a bound rather than a slope, so tests should look for a saturation of effectiveness that varies across markets in its level, using designs that hold advertiser inputs comparable while institutions vary. Proposition 2 can be tested by comparing markets that have enacted similar rules but differ in enforcement credibility, which should differ in their ceilings despite similar statutes. Proposition 3 predicts that the estimated effect of advertiser-controlled factors shrinks as governance credibility falls, a moderation of the advertising slope by the ceiling that can be estimated directly. Proposition 4 can be tested by comparing the returns to firm-level credibility signalling across high- and low-ceiling markets, with the prediction that such signalling helps but cannot close the gap where the ceiling is low. Proposition 5 can be examined by relating the effective ceiling to the match between platform reach and regulatory reach across jurisdictions. Proposition 6 is as much a caution as a hypothesis, and it implies that any cross-market comparison of effectiveness should measure and adjust for the institutional ceiling before attributing differences to advertising practice, and, to separate governance from development, should compare markets of similar income that differ in enforcement credibility.

Two caveats apply. Because the ceiling is a market-level construct, its estimation requires variation across markets or across time within markets as institutions change, and single-market studies can motivate the construct, as the present one does, but cannot establish its cross-market structure. And because perceived and actual institutional credibility can diverge, tests should measure perception directly rather than infer it from institutional indicators, while treating the gap between the two as a substantive object of study.

5 CONCLUSION

Advertising effectiveness has been studied as something advertisers make, and within the markets where that study was conducted, the account is sound. This paper has argued that it is incomplete wherever institutions are weak, because effectiveness is also something institutions permit. In a market whose governance is not credible, the trust deficit that weak institutions produce sets a ceiling on how much any advertisement can achieve, and beneath that ceiling the advertiser's craft decides only how close to it a campaign comes. The ceiling is raised not by better advertising and not by more law, but by the credible enforcement that makes transactions safe, and it is lowered, in the digital setting, by the mismatch between platforms that reach across borders and regulators who do not. Naming this ceiling, and locating it in governance rather than in marketing, reframes a familiar question. The question of why advertising works less well in emerging digital markets is, in substantial part, not a question about advertising at all, but a question about the institutions within which advertising must operate, and it will be answered by building those institutions as much as by refining the advertising they contain.

STATEMENTS ON COMPLIANCE WITH ETHICAL STANDARDS

Disclosure of conflict of interest

The authors declare no conflicts of interest regarding this manuscript.

REFERENCES

[1] Akerlof, G. A. (1970). The market for "lemons": Quality uncertainty and the market mechanism. The Quarterly Journal of Economics, 84(3), 488-500.

[2] Bassey, B. (2026). Online behavioural advertisements and purchase decisions of web users in Akwa Ibom State [Unpublished doctoral dissertation]. University of Uyo.

[3] Boerman, S. C., Kruikemeier, S., & Zuiderveen Borgesius, F. J. (2017). Online behavioral advertising: A literature review and research agenda. Journal of Advertising, 46(3), 363-376.

[4] Bradford, A. (2020). The Brussels effect: How the European Union rules the world. Oxford University Press.

[5] Dinev, T., & Hart, P. (2006). An extended privacy calculus model for e-commerce transactions. Information Systems Research, 17(1), 61-80.

[6] Goldfarb, A., & Tucker, C. E. (2011). Privacy regulation and online advertising. Management Science, 57(1), 57-71.

[7] Khanna, T., & Palepu, K. G. (2010). Winning in emerging markets: A road map for strategy and execution. Harvard Business Review Press.

[8] McKnight, D. H., Choudhury, V., & Kacmar, C. (2002). Developing and validating trust measures for e-commerce: An integrative typology. Information Systems Research, 13(3), 334-359.

[9] Nigeria Data Protection Act, 2023 (Nigeria).

[10] North, D. C. (1990). Institutions, institutional change and economic performance. Cambridge University Press.

[11] Petrova, A., Malär, L., Krohmer, H., & Hoyer, W. D. (2026). The phenomenon of creepiness in a digital marketing world. Psychology & Marketing, 43, 834-851.

[12] Sheth, J. N. (2011). Impact of emerging markets on marketing: Rethinking existing perspectives and practices. Journal of Marketing, 75(4), 166-182.

[13] Spence, M. (1973). Job market signaling. The Quarterly Journal of Economics, 87(3), 355-374.

[14] Strycharz, J., & Segijn, C. M. (2024). Ethical side-effect of dataveillance in advertising: Impact of data collection, trust, privacy concerns and regulatory differences on chilling effects. Journal of Business Research, 173, Article 114490.

[15] Varnali, K. (2021). Online behavioral advertising: An integrative review. Journal of Marketing Communications, 27(1), 93-114.

[16] Yeo, T. E. D., Chu, T. H., & Li, Q. (2025). How persuasive is personalized advertising? A meta-analytic review of experimental evidence of the effects of personalization on ad effectiveness. Journal of Advertising Research, 65(4), 616-631.

[17] Zucker, L. G. (1986). Production of trust: Institutional sources of economic structure, 1840-1920. Research in Organizational Behavior, 8, 53-111.