

Abstract

The thesis analyses the phenomenon of targeted political advertising and its influence on policy. In addition, it is concerned with incentives for candidates to breach the privacy of voters. To aid my analysis, I build a simple voting model with imperfect information, where extreme and moderate candidates compete to maximise their proportional electorate support. I show that the information aggregation process on the side of the candidate significantly changes voting outcomes, and insufficient privacy protection increases equilibrium support for the extreme candidate. Further, I show that the extreme candidate has a higher incentive to breach the privacy of the voters in comparison with his moderate opponent. The result of my analysis might have policy implications regarding the regulation of targeted political advertisements on social media. My results rely on the assumption of behavioural conformity of political discourse on social media, which is an empirically documented phenomenon. My thesis adds to a sparse strain of theoretical literature on targeted political advertising.

Key words: Targeted political advertising, Online privacy protection, Policy polarisation, Social media, Micro-targeting

1 Introduction