

Field Experiments of Online Consumer Behavior

Jamie Murphy, The University of Western Australia
Steffen Zorn, The University of Western Australia
Subroto Roy, University of New Haven
Sanjoy Ghose, University of Wisconsin-Milwaukee
Humaira Mahi, San Francisco State University
Piyush Sharma, Hong Kong Polytechnic University
Amitava Chattopadhyay, Insead

Abstract

A decade has passed since consumers began using the Internet in decision-making and advertisers targeted online consumers. Yet despite the medium's ability to track consumer behavior and conduct field experiments, a quick literature review reveals few scholarly papers with online field experiments. For example, a study of design elements in business-to-business and business-to-consumer banner advertisements closed with a call for experimental research to test design elements (Lohtia, Donthu, & Hersberger, 2003). This roundtable serves two broad purposes: introduces simple methods to conduct online field experiments of consumer behavior and develops a dialog on fruitful theoretic approaches to online consumer behavior.

Online Field Experiments

Online advertising grew sporadically early this century, but continues to show record revenue and should top US\$ 20 billion in 2007. A 2007 Internet Advertising Bureau Report shows search advertising as the top format, followed by banner advertising.

As the most popular search engine, Google helps drive trends in online advertising – particularly segmenting and targeting – through its flagship product, AdWords. According to Google financial statements, its advertising revenue should top US\$16 billion in 2007 or about eight out of every ten online advertising dollars; AdWords accounts for over 95% of Google's revenue. Google AdWords exemplifies the segmentation, targeting and consumer research possibilities of online advertising.

Traditional AdWords advertising uses simple text-based ads with four lines of copy, usually shown on the right-hand column of Google search results. The first line, or headline, has a maximum of 25 characters. The next two lines and the final line with the website address, each have a maximum of 35 characters. Two sample AdWords ads for a fictitious Vanderbilt Flowers follow. The copy is identical except for the second half of the second line, *reasonable prices* versus *wedding specials*. The first AdWords ad should appeal to value conscious market segments while the latter would target consumers interested in weddings.

Vanderbilt Flowers Great flowers, reasonable prices Central location near Vanderbilt VanderbiltFlowers.com	Vanderbilt Flowers Great flowers, wedding specials Central location near Vanderbilt VanderbiltFlowers.com
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Two major AdWords' advantages over traditional advertising media such as print or television are enhanced segmentation and targeting. Advertisers select the keywords used in the Google search and the geographical location of the person doing the search. For

geographic segmentation, a florist in Nashville might want its AdWords ads to appear on search results only for people within 40km of Nashville's central business district. To target consumer interests, the florist could use keywords such as *florists*, *flowers* and *weddings*.

AdWords provides detailed campaign statistics that enable businesses, or consumer behavior researchers, to compare results across keywords and AdWords ads. The Florist could use AdWords' campaign statistics to know which AdWords copy, *reasonable prices* versus *wedding specials*, and keywords – *florist*, *flowers* or *weddings* – led to more clicks on the ad, more clicks on Vanderbilt Flower's website and ideally, sold more flowers.

Developing a Dialog

The ACR Knowledge Exchange (ACRKE) has a thread on theoretic approaches to online field experiments. For example, dual process theory (McCoy et al, 2007), the Elaboration Likelihood Model (Lohtia, Donthu, & Hersberger, 2003), psycholinguistics (Luna and Perachio, 2001) and serial position (Murphy, Hofacker & Mizerski, 2006) are possible theoretic approaches. ACR members, attending or not attending the 2008 ACR Conference, can post to the ACRKE discussion.

To bring interested researchers up to speed on the capabilities of conducting consumer behavior experiments with AdWords, they may contact Jamie Murphy <jmurphy@biz.uwa.edu.au> or members of the Google Online Marketing Challenge's Global Academic Panel <<http://www.google.com/onlinechallenge/panel.html>> for a US\$ 50 voucher to test-drive AdWords.

References

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