

THE IMPACT OF KEYWORD SEARCH ADVERTISING ON CONSUMERS' BRAND AWARENESS, CLICK THROUGH AND SUBSEQUENT BEHAVIOURAL INTENTIONS

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ABSTRACT

Dramatic structural changes are taking place within the rapidly growing web advertising sector, the most notable being the rise to prominence of Keyword Search Advertising (KSA). KSA emerged from the pressure to create new, more effective and non-intrusive web advertising formats. Presumably, advertisers prefer KSA because of favourable consumer responses but it seems that no scholarly research has explored such consumer behaviour. The purpose of this research is to propose a theoretical model identifying the impact of KSA on consumers' cognitive and behavioural responses.

KEYWORDS: Keyword search advertising, consumers' attitudes.

1. INTRODUCTION

Web advertising is growing at a fast pace with expenditures expected to reach \$15.9 billion by the end of 2007 (Bearden et al., 2004). Within this rapidly growing sector, dramatic structural changes are also taking place, the most notable being the rise to prominence of *keyword search advertising* (KSA). Simply, KSA is a process by which search engines place advertising in the search results of certain keywords whereby companies pay fees to search engines when users click on a link to their web sites. Presumably, advertisers like KSA because of favourable consumer responses but it seems that no scholarly research has explored such consumer behaviour, so it is this gap that this study will try to fill. Therefore, the essential problem driving this research is:

RP: *How and why does keyword search advertising affect consumers' brand awareness, click through and subsequent behavioural intentions?*

An answer to this question is important to advertising practitioners and theorists. The former will be able to frame more effective web advertising strategies, while the latter will be able to develop better advertising models. To answer this question, a theoretical model of six constructs is proposed: an independent variable called keyword search advertising, two moderating variables called ad copy and Internet experience and finally three dependent variables including click through, brand awareness and behavioural intentions. These are discussed in the ensuing sections.

2.1 Keyword Search Advertising (KSA)

KSA is now an important source of revenue for the web advertising industry (Scott, 2003) with revenues climbing from more than \$2 billion in 2003 and to an expected \$7 billion by 2007 (Marshall, 2003) worldwide. KSAs are more likely to effect web users than banner ads in terms of increasing brand

awareness (Mack, 2004), online purchasing intentions (Mara, 2004), and driving high traffic to a company's website (Cotlier, 2001) especially when a marketer occupies the top position on a search results page.

2.2 Click through rate (CTR)

CTR is used for measuring an advertisement's effectiveness because better messages would lead to more clicks (Bhat et al., 2002). There is also considerable evidence that targeting can improve CTR (Chandon et al., 2003). *Practitioner* studies suggest that since Web users are exposed to a high number of search results during browsing (Puetz, 2006), effective and suitable advertising copy provokes the right consumer to click on the link (Gold, 2005).

2.3 Brand awareness

Advertising builds brand awareness (Keller, 1994), that in turn reinforces consumer attitudes toward the brand and purchasing intention (Dahlen & Lange, 2005). Particularly, KSA helps to improve brand awareness (Mack, 2004) specifically when advertisers hold the top position on a search results page.

2.4 Behavioural intentions

Consumer's behavioural intentions describe the most likely actions to be taken by consumers after clicking on an advertisement such as gathering more information, requesting e-mail updates, subscribing or registering their interest, downloading documents, of Internet users after click on the KSA links, which is the entry page that consumers are first exposed to when they click through.

2.5 Moderating variables

Ad copy. Ad copy refers to the text of an advertisement (Ellam and Ottaviani, 2004). Indeed; KSA ad copy description and title are the main determinants of ad relevancy for consumers (Jansen and Resnick, 2005). Additionally, conversion rates will be higher if the search terms are included in the advertisement title and descriptions (Burns, 2005; Gold, 2005). Based on the foregoing, the following is proposed:

Proposition 1: There is a positive relationship between KSA in which the keyword is included in the advertising copy and click through rates.

Proposition 2: There is a positive relationship between KSA in which the keyword is included in the advertising copy and brand awareness.

Proposition 3: There is a positive relationship between KSA in which the keyword is included in the advertising copy and behavioural intentions.

Internet experience. Novice and experienced Internet users differ in their behaviour and response to various marketing stimuli. Experienced Internet users are becoming more focused in their web usage (Hoffman & Novak, 1996), are less likely to react to unexpected stimuli (Bruner and Kumar, 2000) such as web advertising, and have a higher intention to purchase on the web (Huizingh and Hoekstra, 2003). In turn, less experienced users are easier to attract by online advertising and they exhibit greater brand awareness than experienced users (Dahlen, 2001). Based on the foregoing, the following is proposed:

Proposition 7: There is an inverse relationship between Internet experience and the level of brand awareness resulting from being exposed to KSA.

Proposition 8: There is an inverse relationship between the level of Internet experience and click through on KSA.

Proposition 9: There is a positive relationship between Internet experience and behaviour intended after clicking on KSA links.

3. METHODOLOGY

A laboratory experiment is proposed in order to manipulate the independent variable (KSA) and the moderators. Three dependent variables will be examined: brand awareness, click through, and behavioural intentions. However, click-through will be measured with the aid of scripts developed in active server pages, which will record each click through that the respondents conduct on the link of KSA throughout the experimental sessions. Chi-square analysis or logistic regression will be used as a statistical measure since both the independent variable and the dependent variable are categorical variables and produce nominal data.

4. CONTRIBUTIONS

This research is designed to contribute to the knowledge of web advertising by understanding KSA, which emerged as a result of the pressure to create new, more effective and non-intrusive web advertising formats. Little attention has been paid by the scholarly literature to consumers' attitudes toward KSA and to the effectiveness of search engines in delivering targeted advertising despite its essential role in targeted online marketing and its importance in advertising campaigns. This research endeavours to fill this gap. Therefore, conclusions from this research will be of significant value to the web advertising industry and to academics as well.

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