

Influence of Display Ads on Additional Product Purchase

TREO Talk Paper

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Abstract

E-commerce in India is on the rise. Leading e-commerce sites like Flipkart and Amazon are offering newer avenues for advertisers to advertise their products. Auschaitrakul & Mukherjee(2017) show that online display advertising is more effective in terms of attitudes toward the ad and brand when it appears on commercial Web sites such as Walmart or Amazon, compared to social Web sites such as LinkedIn or Facebook. The paper develops and tests the theory - with hedonic product in shopping cart, display advertisements will have a stronger influence on the purchase likelihood of hedonic rather than utilitarian products, for add-on purchases in the same/ alternate category (refer Fig. 1). Multiple exploratory studies conducted. Initial findings support the research.

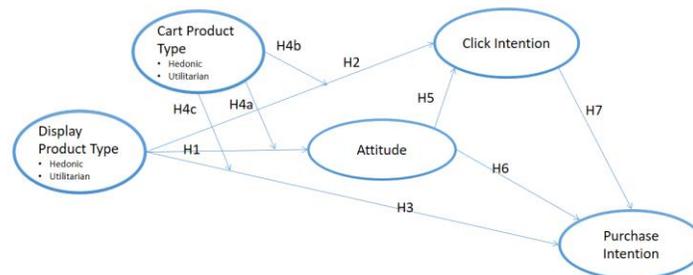


Fig. 1 – Conceptual Model

Exploratory Studies

Study A was carried out to identify and assess customer perception on relative hedonic (utilitarian) value of products. 30 respondents participated in the study. The products chosen for the study were used basis this study. Subsequently, Study B was carried out to assess customer perception on the hedonistic/utilitarian value of the pairs chosen for cart product and display product. Another pilot study was carried out to select and validate the scales used in main studies.

Initial Findings

2x2 experimental design with identified product categories were conducted with both moderation and mediation. The mobile category was chosen as it is the highest selling category on some of the major e-commerce sites in the country. Preliminary results validate significant moderating role of category of product in shopping cart on customer's attitude and purchase intention towards recommended product. This will further be followed by a large scale study to replicate the results for multiple product categories.

References

Auschaitrakul, S., & Mukherjee, A. (2017). Online display advertising: The influence of web site type on advertising effectiveness. *Psychology & Marketing*, 34(4), 463-480.