Ad click-through rate lower than previously thought

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The rate of ad clicks from sponsored and non-sponsored links was reported in a recent study conducted by researchers from Penn State and the Queensland University of Technology.

Jim Jansen, assistant professor of information science and technology, Penn State, along with Amanda Spink, professor of information technology, Queensland University of Technology, studied the rate of ad clicks through on Dogpile.com, a meta-search engine that combines the search results from larger search engines such as Yahoo!, Google, Ask and MSN.

Jansen examined more than seven million interactions from hundreds of thousands of users to analyze the click-through patterns on both sponsored and non-sponsored links. Specifically studying the rate of clicks where the sponsored and non-sponsored ads are presented together, Jansen was investigating what effect this had on consumer behavior.

"I was expecting that an integrated list of sponsored and non-sponsored ads would have a higher click through on the sponsored ads," Jansen said. When the click-through rate turned out to be only 15 percent, Jansen was astounded.

The findings also showed that for more than 35 percent of queries, there were no clicks on any result.

"I wasn't hoping for anything," Jansen said. "I expected a big increase and when that didn't happen, I was surprised." Jansen's research also gives new insight into the behavior of Web consumers.

"The result seems to show that Web searchers are smart," Jansen said. "They have a good idea what Web ads are and how to distinguish them from other links."

Findings from the study, which was published in a recent issue of the International Journal of Internet Marketing and Advertising, question the validity of other reports stating that ad click through rates are around the 30 percent mark. It also suggests that most consumers are distrustful of the ads. However, the findings provide a benefit to advertisers.

"It opens the door to other forms of keyword advertising," Jansen said. "More research can be done on effective advertising, and search engine companies can improve ad mechanisms."

One challenge Jansen and Spink faced in this project was analyzing through the data.

"There were more than seven million records of user interactions" Jansen said. "That's a fairly large amount of data, and it took some time to go through them, even using automated methods."

Other challenges include the fact that Dogpile may not be representative of web search engine users in general.

Jansen hopes to use the results to further examine the ways to leverage and monetize web searching. He believes that there is a light at the end of the advertising tunnel.

"There is a potential for growth…if they (Web search users) can

overcome the trust issues," he said. "It's just something that the search engine companies will have to work to overcome."

Source: Penn State

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