

Online ads can get too close for comfort says new study

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Trying to have an impact in the brave new world of web advertising? You could match an ad to a web page's content - such as putting a car ad on an auto consumer website. Or, you could make it stand out with eye-catching pop-up graphics and video.

But don't waste your marketing budget putting the two strategies together. The first large-scale study looking at thousands of online ad campaigns says that in combination, these approaches make viewers feel like their privacy is being invaded - and turns them off.

"Usually more is better," says Avi Goldfarb, an associate professor of marketing at the Rotman School of Management at the University of Toronto, who wrote the paper with Catherine Tucker of MIT's Sloan School of Business. "If targeting works and visible [ads](#) work, you'd think visible, targeted ads would work even better - but they didn't."

The study, which will be published in a forthcoming issue of *Marketing Science*, used data from nearly 3,000 web advertising campaigns across a wide variety of product categories. It found that high-visibility ads were associated with better consumer recall, while content-linked ads led to higher consumer purchase plans. But although consumers still had good recall when the strategies were used together, their purchase intentions were worse than if the ad had not been particularly visible at all.

The effect was strongest in more private product categories - such as financial products - and among consumers who declined to offer

information about their incomes when asked in an [online survey](#). The results may explain the unexpected success of [Google](#) AdSense, says the study, which uses unobtrusive text-based ads that are tied to a webpage's content.

At \$6 billion U.S. in revenue a year, Google AdSense generates more than half of the total online display market, worth about \$11.2 billion.

"Our results show privacy matters in something of a subtle way in online advertising," says Goldfarb. "Sometimes privacy violations are fine, sometimes they're not."

More information: The complete study is available at:
www.rotman.utoronto.ca/~agoldfarb/er-intrusiveness.pdf

Provided by University of Toronto

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