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Deal-Seeking Versus Brand-Seeking: Search Behaviors and Purchase Propensities in Sponsored Search Platforms

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Abstract

Using a database of 11,001 unique sponsored search keywords, we investigate the relationship between the characteristics of keywords oriented around deal-seeking and brand-seeking and consumer search behaviors and buying propensities. On the basis of the search depth versus search breadth framework, we hypothesize that deal-seeking keywords elicit a search of greater breadth, whereas brand-seeking keywords induce a search of greater depth. We also explore the moderating effect of product type (search or experience goods) on the relationship between keyword characteristics and consumer search behaviors and how high-demand seasons (e.g., scheduled sales) influence consumers’ search and purchase behaviors. In addition, we estimate the effectiveness of keywords on the basis of their sales-per-cost performance. The findings indicate that search queries containing deal-seeking keywords are associated with higher click-through rates and conversion rates than are search queries without such keywords. We also find that the positive effect of deal-seeking keywords on click-through rates is more pronounced for experience goods than for search goods. However, we identify a negative interaction between experience goods and brand-seeking keywords. A comparison of deal-seeking and brand-seeking keywords in terms of cost effectiveness reveals that deal-seeking keywords generate approximately three times the sales of those produced by brand-seeking keywords.

Keywords: Sponsored search, deal-seeking, brand-seeking, experience goods, click-through rate, conversion rate, hierarchical generalized linear model, propensity score weighting