

MARKETING COLLOQUIA

Spring 2025 - Abstract

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Where: 741 JMHH
When: 12:00 PM to 1:20 PM

AMBIGUITY IN DIGITAL ADVERTISING

Abstract: We explore the effect of digital ambiguous ads on consumers' behavior throughout the purchase funnel, considering a multi-modal perspective of the display ad's visual banner and its textual caption. Collaborating with a display ad platform, we first examine the consumers' click-through rates (CTRs) for tens of thousands of cross-category digital ads. To operationalize ambiguity, we develop two custom deep learning-based ambiguity prediction models, each for one data modal. We find that beyond a rich set of ad characteristics (e.g., photographic attributes, language features, and image-text coherence), ambiguous ads receive higher click-through rates but lower conversion rates and efficiency. Next, to verify the causal links suggested in the field data, we conduct a pre-registered randomized field experiment, where we manipulate the amount of ambiguity of in a campaign. In particular, we create four versions of ads for a hearing-aid product with very similar images and texts but different levels of ambiguity. Our analysis further reveals a negative impact of ad ambiguity on consumer conversion rate. Overall, our findings suggest that advertisers and scholars are well-advised to assess images and texts together rather than individually and use ambiguity with care.