Consumers' Social Learning on Videogame Consoles through Multiple Website Browsing

Abstract

This study investigates the micro-level correlation between traditional marketing actions (TV ads and public relations (PR)) and consumers' social learning about newly launched videogame consoles (Wii and PS3 in 2006) via browsing on product community websites. We postulate that consumers learn about these products in two ways - from other consumers ("social" learning) and from product review websites ("reason-based" learning). We assume that pageviews of community websites indicate the level of consumer's engagement via social learning. We also assume that the social learning is correlated with regular reason-based learning which is measured by other pageviews of videogame related websites. We expect that inferences from the two learning processes affect consumer's purchase decisions differentially. In summary, our working research questions are (a) do traditional ads and PR campaigns enhance consumer learning and, (b) what is the relative importance of the two types of learning on consumer purchase choice.

We use pageview data from multiple websites using a clickstream panel to calibrate the consumer learning process via online communities. We propose a bivariate Bayesian learning model combined with complementary purchase choices. From preliminary results we find that companies' traditional marketing actions (TV ads and PR) have positive impact on social learning at the pre-launch period. This suggests that firms can manage to enhance consumers' learning and promote higher engagement with the product, potentially resulting in product purchase.