

MISQ Archivist

TV's Dirty Little Secret: The Negative Effect of Popular TV on Online Auction Sales

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Abstract

Timing online auctions to attract a large number of prospective buyers is important for sellers. This study examines whether online auction sellers need to account for exogenous effects like TV viewing when timing and predicting their auction results. An ongoing debate questions whether TV viewers can spread their attention across multiple devices while watching TV, for example, by concurrently shopping online or posting on social media. Recent research has focused on understanding cross-media effects; however, little attention has been given to TV viewership's relationship with a very important economic activity, namely participation in online auctions.

We examine this potential cross-media effect by analyzing the four-year sales history of a German online auction platform and addressing potential endogeneity problems with an instrumental variable approach. We use three different instrumental variables that have different advantages and disadvantages but can, in sum, be used for triangulation as they lead to the same result. The analyses reveal a significant negative cross-media effect between TV consumption and online auction sales, indicating that TV consumption and online auction sales might compete for the scarce attention of consumers and are thus substitutes for each other rather than complements.

Keywords: Cross-media effects, online auctions, attention economy, instrumental variable approach, second screen, electronic commerce