Social Advertising Effectiveness Across Products: A Large-Scale Field Experiment

by

Ms Shan Huang
MIT Sloan School of Management

Date: 9 February 2018 (Friday)
Time: 3:15 - 4:45 pm
Venue: Room 3003, LSK Business Building

Abstract: Almost all of the empirical evidence of a lift from social advertising focuses on a single product at a time. As a result, we know little about how social advertising effectiveness varies across product categories or how product characteristics impact social advertising effectiveness. We therefore collaborated with WeChat to conduct a randomized field experiment measuring social ad effectiveness across 71 products in 25 categories among a random sample of more than 37 million users of WeChat Moments Ads. We found that some product categories, like food, clothes, and cars, experienced significantly stronger social advertising effectiveness than other categories like financial services and electrical appliances. More generally, we found that status goods, which rely on normative social influence, displayed strong social advertising effectiveness, while social ads for experience goods, which rely on informational social influence, did not perform any better or worse than their theoretical counterpart search goods. The status and expertise of the user displayed in the ad also moderated these effects differently across different products. Understanding the heterogeneous effects of social advertising across products will help marketers differentiate their social advertising strategies and lead researchers to a more general theory of social inuence in product adoption.

Bio: I am a PhD Candidate in the IT group at MIT Sloan School of Management, advised by Erik Brynjolfsson. My research interests focus on social networks and digital strategy. My work aims to rethink the role of social networks in economics and organizations, leveraging the phenomena, data and research tools enabled by new technologies. I am currently working on social advertising and product virality (i.e., how products go viral in social networks). I combine large-scale randomized network experimentation with other approaches (e.g., econometrics, statistics and machine learning) to identify the causal relationships among products, social influence, and network-embedded human behavior. Before beginning my studies at MIT, I received a bachelor degree from Tsinghua University and a Master’s degree from University of British Columbia.