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Speaker: Jing Peng, University of Pennsylvania

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**Participation vs. Effectiveness of Paid Endorsers in Social Advertising Campaigns: A Field Experiment**

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**Abstract:** We investigate the participation and effectiveness of paid endorsers in viral-for-hire social advertising. We conduct a field experiment with an invitation design in which we manipulate both incentives and a soft eligibility requirement to participate in campaigns. The latter provides a strong and valid instrument to separate participation from outcomes effects. Since likes, comments, and retweets are count variables, and since potential endorsers can self-select to participate in multiple campaigns, we propose a Poisson lognormal model with sample selection and correlated random effects to analyze variations in participation and effectiveness. There are three main findings. (1) Payments higher than the average reward a potential endorser received in the past (gains) do not increase participation, whereas lower payments (losses) decrease participation. Neither gains nor losses affect effectiveness. (2) Potential endorsers who are more likely to participate tend to be less effective. (3) Which endorser characteristics are associated with effectiveness depends on whether success is measured in likes, comments, or retweets. These findings provide new insights on how marketers can improve social advertising campaigns by better targeting and incenting potential endorsers.

**Bio:** Jing Peng is a Ph.D. candidate in Operations, Information, and Decisions. His dissertation concentrates on business analytics related to social media and digital marketing. He also has particular interests in data mining and statistical methodology. He has published a number of journal and conference papers in the area of data mining. He is the author of two high performance statistical packages on CRAN.