Title:

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

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 influence in product adoption.

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