

# Fall 2013 IM Guest Lecturer Series

### Kartik Hosanagar The Wharton School, University of Pennsylvania

## The Effect of Social Advertising Content on Consumer Engagement: Evidence from Facebook

Friday, November 1 GSB 5.142A 10:00 – 11:30 AM

### **Abstract**

We investigate the effect of social media content on customer engagement using a large-scale field study on Facebook. We content-code more than 100,000 unique messages across 800 companies engaging with users on Facebook using a combination of Amazon Mechanical Turk and state-of-the-art Natural Language Processing algorithms. We use this large-scale database of advertising attributes to test the effect of ad content on subsequent user engagement - defined as likes and comments - with the messages. We develop methods to account for potential selection biases that arise from Facebook's filtering algorithm, EdgeRank, that assigns posts non-randomly to users. We find that inclusion of persuasive content - like emotional and philanthropic content-increases engagement with a message. We find that informative content - like mentions of prices, availability and product features - reduce engagement when included in messages in isolation, but increase engagement when provided in combination with persuasive attributes. Persuasive content thus seems to be the key to effective engagement. Our results inform advertising design in social media, and the methodology we develop to content-code large-scale textual data provides a framework for future studies on effects of advertising content.

#### Bio

Kartik Hosanagar is the Associate Professor of Internet Commerce in the OPIM department at Wharton. Professor Hosanagar's research focuses on Internet commerce, studying how consumers choose products and media on the Internet using information filters like search engines and recommenders ("Internet marketing") and how firms in turn distribute media to the consumers over the Internet ("online media delivery"). Dr. Hosanagar has published extensively in many top journals like Management Science, Operations Research, Information Systems Research, and Journal of Marketing Research. He has served on the editorial board of ISR and Management Science.