

THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

Departmental Research Seminar



Reputation Burning: Analyzing the Impact of Brand Sponsorship on Social Influencers By

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Date : 22 Feb 2022 (TUE)
Time : 9:30 am – 11:00 am
Venue : Online via Zoom

Abstract

As social media platforms expand, the influencer marketing industry is growing at a remarkable rate, and brands increasingly seek to work with influencers to promote their products. How is an influencer's reputation affected when the influencer posts a sponsored video? We collect a novel dataset of 85,692 user-generated YouTube videos created by 861 prominent English-speaking influencers in the beauty and style category. We extract a rich set of theory-driven features and use DiNardo-Fortin-Lemieux reweighting to construct comparable treatment and control groups that are matched at the influencer-video level. A difference-in-differences analysis on the matched sample finds that a sponsored video, compared to an equivalent organic video, costs the influencer 0.17% of their reputation on average, though brand sponsorship is most harmful to mid-status influencers and is not harmful to low-status influencers. We explore the underlying mechanisms by analyzing two types of audience response variables: audience engagement (likes and comments) and emotions (captured in the comment text). The treatment coefficient becomes insignificant when we add the audience response variables to the model; an analysis of audience comments suggests that the negative effect of brand sponsorship on reputation involves less engagement with sponsored (vs. organic) videos and less trust in the video/influencer. Our study empirically tests an assumption of several theoretical works, contributes to the literature on influencer marketing and celebrity endorsements, and provides managerial implications for both influencers and social platforms.

Dr Shunyuan Zhang is an assistant professor in the Marketing unit at Harvard Business School. She teaches the first-year Marketing course in the MBA required curriculum.

She studies the sharing economy and the marketing problems that the dynamics of this new economy present. She deploys machine learning methods including deep learning to extract useful information from unstructured data. Combining this information with structured data, Shunyuan conducts thorough analysis and policy simulations to examine important issues emerging in the sharing economy arena.

She earned a Ph.D. in Marketing/Business Technology from Carnegie Mellon University, Tepper School of Business. She has a B.S. in Physics from the University of Science and Technology of China.

All interested are welcome.



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