

# Different Behavior on User-Generated Content Networks

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## Abstract

Consumers use user-generated content networks to serve a range of purposes in their day-to-day lives. This special session focuses on research projects that explore the different behavior occurring on such networks and that impact marketing outcomes.

### **“The Rise and Fall of Influencers: Evidence from Social Trading”** by Verena

**Schoenmueller** (Bocconi University), Barak Libai (IDC), and Shimon Kogan (IDC): Based on the increasing interest in social media influencers and the large majority of past research that investigated influencers in a static manner, we investigate the lifecycle of influencers over time using data from a social trading platform. This dynamic view as well as our access to actual behavioural followership (how much money a person "puts" on the influencer) allows to shed light on the life cycle of influencers, its drivers and the relative effect of adoption and churn.

**“Do Ads Harm News Consumption?”** by Shunyao Yan, **Klaus Miller**, and Bernd Skiera (Goethe University Frankfurt): News are often bundled with ads, but whether ads impact news consumption is not well known. Using 1.8 million browsing sessions from 76,348 users on a news website and the quasi-random variation created by ad blocker adoption, we find that seeing ads results in 20% decrease in the quantity and 10% decrease in the variety of news consumption. The effect persists over time and is largely driven by the decreasing consumption of hard news.

**“Quality Competition in the Fast Food Chain Industry: Evidence from Online Reviews”** by Prasad Vana (Dartmouth College), **Sungtak Hong** (Bocconi University), and Dirk Hovy (Bocconi University): This research uses online restaurant reviews from *Yelp* to explore how restaurants compete in a domain of product and service quality. By focusing on the fast food businesses, which offer a similar menu of products with varying quality, we document how fast food chain restaurants (e.g., McDonald’s and Burger King) adjust their service quality in the presence of higher-quality competitors (e.g., In-N-Out Burger) in the local market.

**“Seeking for the Bias: The Informativeness of Online Reviews”** by **Andreas Lanz** (HEC Paris), Daniel Shapira (Ben-Gurion University), and Amos Schurr (Ben-Gurion University): Given the ubiquity of information, online reviews are crucial for consumers to be able to form preferences in today’s world. Naturally, the more online reviews are available, the better consumers can form preferences, which is why incentivizing reviews is considered an effective measure. Increasing the number of ratings would ultimately converge to a more centered rather than an extreme distribution, which we find to be less helpful for consumers.