Thursday, June 11, 8:30 AM - 10:00 AM

TA01

B002

The Costs of Doing Good (and Bad): How Corporate (Mis)Conduct Shapes Human Capital and Innovation

Invited Session

Special Session

Chair: Gijs van Bussel, KU Leuven, Naamsestraat 69, Leuven, 3000, Belgium

1 - Does ESG Performance Hinder Product Innovation?

Rodrigo Farinha, FGV , Sao Paulo, Brazil, Anatoli Colicev, Yakov Bart

As firms increasingly embrace sustainability goals, a critical question arises: does ESG performance unintentionally hinder product innovation? Drawing on the attention-based view of the firm, we argue that ESG initiatives demand substantial managerial attention and governance effort, which can crowd out focus on uncertain and long-cycle innovation activities. Using a panel of 457 publicly listed U.S. firms over 15 years (2007–2021), comprising 19,340 firm-quarter observations, we examine the relationship between ESG performance and product innovation. We find that ESG performance is negatively associated with product innovation. This relationship is strongly contingent on firms' internal investment structures. High R&D intensity mitigates the negative association by providing capabilities and routines that allow firms to absorb ESG demands without sacrificing innovation. In contrast, financial leverage amplifies the negative relationship, as financially constrained firms experience a sharper decline in new product innovation when ESG performance increases. Additional analyses show that high-ESG firms reallocate innovation effort away from new products and toward safer, more incremental activities such as packaging changes, variety extensions, and ESG-claimed products. Together, our findings reveal an unintended consequence of ESG performance—its potential to reshape firms' innovation portfolios away from exploratory innovation—and offer guidance on how firms can better align sustainability commitments with long-term innovation objectives.

2 - Too Comfortable To Innovate? Collective Employee Satisfaction, Its Dispersion, and Innovation Output

Lennart Reissner, University of Mannheim, Mannheim, Germany, Arnd Vomberg, Andreas Bayerl

Innovation is a central driver of firm performance, yet many firms struggle to convert innovation intent into innovation output. This research positions collective employee satisfaction (CES) - an observable and manageable organizational resource - as a key but potentially double-edged innovation driver. Integrating employee-driven innovation with self-determination theory, we argue that increasing CES initially promotes motivation, creativity, and risk taking, but that very high CES can breed complacency and reduce employees' impetus for change, suppressing innovation output.

We test these predictions by linking 123,821 employee reviews from an employer-rating platform to 87,015 granted patents for 705 firms (2,848 firm-year observations). Using pooled models and addressing potential endogeneity through a control-function approach with peer-instruments, we document a robust "too-much-of-a-good-thing" effect: CES exhibits an inverted U-shaped association with innovation output. Dispersion in CES within the firm plays a dual role: it directly depresses innovation, yet it attenuates the high-CES downturn by shifting the turning point outward and delaying the onset of declining innovation.

Complementary natural language processing of review texts provides convergent evidence for the proposed mechanism: achievement- and work-orientation language follows a similar inverted-U pattern, and highly satisfied firms receive fewer improvement suggestions. These results advance marketing strategy research by linking CES to objective innovation outcomes at scale. Overall, the findings highlight an actionable tension in

employer branding and innovation strategy: managers should manage - not maximize - employee satisfaction and monitor not only its mean level but also its distribution within the firm.

3 - Employee Reactions to Corporate Misconduct: Evidence from Employer Review Platforms and Firm Response Strategies

Lars Gemmer, University of Cologne, Cologne, Germany, Andreas Hamann, Andreas Bayerl

This study examines how employees respond to corporate misconduct when expressing opinions on online employer review platforms, and whether firms can influence these reactions through active response strategies. While prior research has extensively documented external stakeholder reactions to corporate wrongdoing, employee responses remain underexplored—despite employees' dual role as internal stakeholders and external brand ambassadors. We address this gap using a large-scale dataset that combines more than 100,000 employer reviews from a major European platform with over 2,000 globally reported misconduct incidents.

The study pursues three objectives: (1) to assess how employee-related versus non-employee-related misconduct affects the volume and valence of employer reviews; (2) to identify the psychological mechanisms underlying these reactions; and (3) to examine whether firms can mitigate negative employee responses through active management of their employer review profiles.

Using a monthly panel of 867 firms from 2007 to 2021, we analyze review volume, ratings, and textual content with fixed-effects regressions and LLM-based text classifiers. Results reveal strong asymmetries: employee-related misconduct leads to sharp and persistent declines in review volume and valence, driven by current employees and lasting up to 24 months. In contrast, non-employee-related misconduct generates only small, short-lived declines. Textual evidence indicates psychological contract breach as the dominant mechanism. Importantly, firms can fully offset long-run negative effects through active review management, frequent responses, and substantive reply content.

Overall, employer review platforms emerge as critical arenas for managing employee perceptions and reputational risk following corporate misconduct.

4 - Human Capital Consequences of Corporate Violations

Gijs van Bussel, KU Leuven, Leuven, Belgium, Alexander Edeling, Anatoli Colicev, Yakov Bart

Corporate violations, i.e., legal or regulatory breaches resulting in fines, penalties, or other formal enforcement actions, represent a growing source of negative firm events with potentially wide-ranging organizational consequences. This paper examines how such violations affect human capital flow of the firm, including workforce composition, employee mobility, and retention. We leverage a large-scale, longitudinal dataset capturing individual-level employee positions, career trajectories, and demographic characteristics over time, together with detailed records of corporate violations and firm-level financial outcomes. The data span more than a decade and encompass millions of employee careers and hundreds of thousands of corporate violations, providing a granular and comprehensive view of workforce dynamics before and after misconduct events. The granularity and breadth of the data allow us to track how firms and employees respond to violations, highlighting patterns that have implications for employer branding, talent attraction, and the alignment between organizational purpose and human capital strategy. We aim to develop a framework for understanding the human capital consequences of corporate violations. By integrating insights from human capital management, corporate governance, and organizational behavior, the study highlights the often-overlooked role of employees as a channel through which corporate violations may influence firm performance and market outcomes.

TA02

B003

Managing Brand Visibility and Performance in Times of Generative AI

Invited Session

Special Session

Chair: Andreas Hamann, University of Mannheim, Mannheim, Germany

1 - Chatgpt Referrals to E-Commerce Websites: How Do LLMs Compare Against Traditional Channels?

Maximilian Kaiser, University of Hamburg Business School, Hamburg , Germany, Christian Schulze

We investigate organic Large Language Model traffic (oLLM) versus traditional digital channels in e-commerce. Analyzing 12 months of first-party data from 973 websites with $20 billion combined revenue, we examine over 50,000 transactions from ChatGPT referrals alongside 164 million transactions from traditional channels. Using regression models that account for data sparsity, we assess financial metrics (conversion rate, average order value, revenue per session) and engagement metrics (bounce rate, session duration, page views). Results are consistent across extensive robustness checks. One year after launch, oLLM exhibits conversion rates and revenue per session above paid social but below all other traditional channels. Product complexity moderates the effects: oLLM's financial outcomes and traffic shares are stronger in complex product categories. Engagement metrics show favorable bounce rates but lower session duration and page views. Temporal analysis shows increasing conversion rates but declining average order values, yielding only moderate revenue-per-session gains over time. Cross-website analyses support growing consumer LLM proficiency as the underlying mechanism. The descriptive analyses position oLLM as a new and developing channel. With low volumes and modest revenue per session, oLLM currently serves niche informational needs of proficient consumers and does not yet function as a broad conversion channel.

2 - Winning the Chatbot: How Businesses Can Optimize Content for LLM Search

Gabriela Makar, Vienna University of Economics and Business, Vienna, Austria, Martin Reisenbichler, Thomas Reutterer, David Schweidel

Conversational AI is transforming online search. Instead of browsing “ten blue links,” users increasingly rely on chatbots that deliver synthesized, interactive answers. This shift creates new challenges for businesses, where visibility directly drives success. Yet, even in traditional search engines, competition is intense: rankings fluctuate, zero-click searches are rising, and algorithms disproportionately favor large brands, making it harder for smaller firms to stand out. We propose a novel content generation workflow for businesses’ websites, designed to improve visibility in large language model (LLM)–driven search systems. Building on established insights from SEO, our approach iteratively tunes the focal company’s website content against top-ranked outputs for given prompts, automatically aligning text with LLM-specific optimality factors. Experiments with industry partners demonstrate that optimized content can significantly boost visibility across LLM-based platforms. Crucially, our findings show that success in classic Google rankings does not guarantee success in generative search: visibility differs widely across models (e.g., strong presence in Perplexity but little to none in Gemini). Our research contributes conceptually by introducing a novel generative workflow for LLM content optimization, and practically by providing businesses with actionable methods to secure visibility in conversational search environments where classical SEO alone is no longer sufficient.

3 - Mind the Gap: How Repositioning Alters Brand Representations and Recommendations in Large Language Models

Andreas Hamann, University of Mannheim, Mannheim, Germany, Florian Stahl, P. K. Kannan

Large language models (LLMs) are increasingly emerging as new touchpoints in the customer journey, shaping how consumers discover and evaluate brands. Yet, little is known about how LLMs adjust brand representations and recommendations when firms engage in strategic brand meaning-changing actions. In this study, the authors examine how LLMs update brand portrayals following a repositioning. They show that, unlike consumers, LLMs do not learn from gradual exposure but construct brand representations through the retrieval and synthesis of external information at the moment of response. Findings of a controlled synthetic field experiment in which they systematically vary repositioning behavior across brands and track their LLM representations over time align with theoretical predictions. First, LLMs differ systematically in how quickly and accurately they reflect repositioned brand positions. Second, repositionings temporarily reduce brand salience in LLM recommendations. Third, firms can influence LLM-based brand representations by managing how repositioning information becomes retrievable, such as through repositioning communication cues and indexing mechanisms, with effectiveness depending on whether the LLMs rely on cached or real-time information sources. Theoretically, these findings extend traditional positioning theory on brand meaning formation to generative AI-

mediated contexts. Managerially, they provide guidance for managing LLM-based brand visibility during major strategic brand changes.

4 - Does AI Displace OR Complement Web Traffic?

Carlo Reggiani, Univversity of Manchester, Manchester, United Kingdom, Nestor Duch-Brown, Christian Peukert, Maximilian Schäfer

We investigate whether generative AI features in search engines, specifically Google's AI Overviews, displace or complement traffic to online publishers. Using web traffic data from July 2022 to December 2025 and exploiting the staggered global rollout of the feature, the authors find that AI Overviews are associated with a decline in visits and unique visitors, particularly for websites highly dependent on search traffic. However, the study also notes that while traffic volume decreases, the remaining user behavior becomes more targeted with less exploratory browsing, suggesting that AI summaries improve search efficiency and matching quality.

TA03

B004

Peer-to-peer Platforms

Contributed Session

Contributed

Chair: Guofang Huang, Purdue University

1 - Professionalization in the Sharing Economy: Evidence from Airbnb

Yoon Sang Moon, Kellogg School of Management, Evanston, IL, United States, Daniel Ershov, Abhishek Rishabh

Over time, peer-to-peer markets have shifted from predominantly casual participation toward more professionalized supply. This paper investigates the effect of changes in supplier composition on equilibrium price outcomes by studying how heterogeneous suppliers adjust their pricing in response to the number of competitors and their composition. Using property-level data on AirBnB rentals in California, we leverage the introduction of the short-term regulation in San Francisco and its asymmetric impact on casual and professional rental hosts to identify the effects of professionalization in local markets. We find evidence that only the professional hosts induce significant competitive price effects, and that these effects are mainly driven by the professional hosts lowering prices in response to competition from other professionals. Altogether, increasing professionalisation in peer-to-peer markets is shown to lead to a more competitive environment, likely driven by more frequent and optimal price responses to local demand conditions.

2 - When Payments GO Social: How Public Transaction Visibility Drives Engagement on Peer-to-Peer Payment Platforms

Pantelis Loupos, Graduate School of Management, UC Davis, Davis, CA, United States

Peer-to-peer (P2P) payment apps have transformed the way individuals exchange money. While most focus on convenience and privacy, Venmo uniquely integrates public transaction visibility, creating a hybrid between financial utility and social media. This study quantifies the causal economic value of that social visibility—defined as the incremental utility users derive from observing and being observed by peers. We develop a dynamic structural model of user engagement, leveraging a novel friends-of-friends (FoF) instrumental variable to isolate the causal effect of peer visibility on transaction activity. Using the full Venmo transaction history from 2012–2014 (over four million user-months), we show that publicly visible transactions increase a user’s monthly likelihood to transact by roughly 25\% relative to baseline, corresponding to a 9–11 percentage-point higher cumulative user base within three years. These findings reveal social visibility as a core mechanism in digital platform growth and provide strategic implications for privacy–design trade-offs in financial technologies.

3 - The Impact of Supply-Side Subscriptions on The Gig Economy

Bhoomija Ranjan, Monash Univesity, Melbourne, Australia, Yongdong Liu, Benedict Dellaert

Two-sided gig economy platforms face persistent challenges in retaining a reliable supplier base, and mitigating moral hazard. One emerging response is supply-side subscription models, where providers pay a fixed fee in exchange for reduced commissions and priority access to jobs. We study the impact of such a model using data from a major Indian at-home services platform that shifted from a pure commission scheme to a two-part tariff in one focal category, while maintaining commission-only pricing in five control categories. The new scheme combines a monthly subscription fee with a lower per-job commission and preferential assignment for subscribed providers. Using the census of transactions, assignments, subscription choices, and provider histories, we construct weekly market-level aggregates for 36 city-category markets over 58 weeks and estimate the impact of the program with a synthetic differences-in-differences design.

The subscription program induces substantial supply-side sorting: the active provider base in the treated category shrinks by half, as less loyal providers churn out. Simultaneously, provider-related outcomes improve in aggregate: providers are 9.5pp more likely to participate on the platform, deliveries and revenue per provider rise by 35%, and the incidence of jobs with extra payments- a key moral hazard margin- declines by 7.7 pp. On the demand side, the platform raises prices and experiences a moderate decline in job demand, leaving total platform revenue in the treated category unchanged.

Overall, supply-side subscriptions can reconfigure the provider base toward more committed providers and improve behavioral outcomes, even when they do not increase short-run platform revenues.

4 - Seller Badges Matter: How Host-Level Status Reshapes Demand and Behavior Across Seller Portfolios

Guofang Huang, Purdue University, WEST LAFAYETTE, IN, United States, Rajan Mishra, Manohar Kalwani

Digital platforms increasingly supplement listing-level reputation systems with seller-level reputation badges. However, it remains unclear whether a host-level badge adds incremental information beyond listing-level reviews and how transparent qualification thresholds reshape host behavior. Using a quasi-experimental difference-in-differences design that compares listings whose hosts have recently received Superhost status to otherwise similar listings that have not yet received the badge, we identify the impact of host-level status on property performance. The effect is strongest for multi-property hosts, for listings with thin review histories, and for ‘marginal’ portfolio listings that would not qualify based on their own metrics, suggesting that guests extrapolate seller status across the seller’s portfolio. We further show that badge criteria induce strategic responses concentrated in the month before evaluation: hosts expand availability and discount prices, while cancellations decline for hosts still short of the threshold but rise for hosts who have effectively secured the badge. Taken together, the findings characterize seller-level badges as both signals and dynamic incentives and imply nontrivial design trade-offs: across marketplaces with multi-product sellers, seller-level status can add value beyond product-level reputation, create portfolio spillovers, and induce strategic behavior around transparent thresholds.

TA04

B005

Sustainability I

Contributed Session

Contributed

Chair: James Dearden, Lehigh University, Bethlehem, PA, United States

1 - Does Behavioral Spillover Follow Policy Changes? a Longitudinal Perspective on Changing Plastic Regulation

Mengfei Ye, University of Groningen, Groningen, Netherlands, Jenny Van Doorn, Hans Risselada

Governments have enacted various regulations to curb plastic use, yet these regulations are frequently subject to change: either the same regulation becomes more or less stringent (e.g., increasing a charge on single-use plastic bags), or a different regulation that affects stringency is implemented (e.g., moving from a charge to a ban). How such changes affect consumers' plastic use beyond the targeted product category—a phenomenon known as

behavioral spillover—remains underexplored. This research contributes to the literature by examining how changes in regulations targeting plastic use in one product category spill over to influence plastic use in other product categories.

Focusing on plastic bag regulations and applying interrupted time-series analysis and synthetic control methods to scanner data from England (2005–2022) and Belgium (2015–2023), the findings show a gradual decrease in the use of other plastic products over time when governments introduce a more stringent regulation involving a charge. Conversely, increasing the stringency of an existing regulation—by raising charges or expanding bans—triggers an immediate counterproductive response, temporarily increasing plastic bottle consumption and delaying overall progress in reducing plastic use.

This research offers insights for retailers and manufacturers by showing that regulatory changes create opportunities to promote no- or low-plastic products, especially when shifts toward more stringent regulations involve charging consumers, as consumers will seek alternatives in other categories. For policymakers, the findings demonstrate that environmental regulations can have longer-term effects beyond their targeted products. However, caution is warranted when making existing regulations stricter, as this may delay broader reductions in plastic use.

2 - ***Cancelled***Signaling Sustainability in Regulated Markets: the Effects of Cause-Related and Product-Focused Ngo Co-Branding

Denise Demisch, HSBI - Bielefeld University of Applied Sciences and Arts, Bielefeld, Germany, Nadine Schröder

Consumers increasingly expect firms to demonstrate credible commitments to sustainability. Although offering sustainable products and supporting social or environmental initiatives are common strategies to meet these expectations, consumers have grown skeptical toward corporate “green” claims, a trend amplified by several greenwashing scandals.

One established response is company–NGO co-branding in advertising or product communication, intended to signal sustainability engagement and enhance consumer buying behavior. However, little is known about whether different co-branding approaches vary in their effectiveness. This question is particularly salient in the European Union following the adoption of the EmpCo Directive, which aims to curb greenwashing. Effective from September 2026, the regulation substantially restricts product-related sustainability claims, allowing such claims only when NGO partners are third-party certified. As most NGOs currently lack logo certification, product-focused co-branding is likely to become severely constrained, increasing the strategic importance of alternative approaches.

This research examines how consumers respond to cause-related marketing (CM), which emphasizes support for a social or environmental cause, and product-focused (PF) co-branding, which highlights sustainability attributes of a specific product.

Building on prior research on CM and green consumption, we hypothesize positive effects for both strategies on consumer attitudes and behavioral intentions. We test these hypotheses using a between-subjects laboratory experiment combining eye-tracking data (visual attention to claims and NGO logos) with survey measures (advertising, brand, and product attitudes, as well as purchase intention). Participants are recruited from a mid-sized German university and exposed to mock Instagram advertisements representing CM, PF, and control conditions.

3 - Prices, Consideration, & Choice: Substitution Patterns Between Animal-Based and Plant-Based Burger Patties

Daniel Guhl, Humboldt University Berlin, Berlin, Germany, Steffen Jahn, Maja Murr

Plant-based meat alternatives (PBMAs) are promoted as a lever for dietary change, yet they remain uncommon in routine grocery shopping. We quantify substitution between animal-based and plant-based burger patties as

prices vary. Utilizing a large-scale choice experiment, 1,918 U.S. consumers completed 15 shopping tasks with randomly varied prices, choosing among beef, chicken, plant-based beef, falafel, and veggie patties. Half of the sample was randomly assigned to an information intervention highlighting the environmental consequences of different protein sources.

We estimate individual-level preferences and recover substitution patterns from own- and cross-price effects. Results reveal a clear “protein hierarchy”: beef is strongly preferred, whereas PBMAs have lower baseline utilities. Price responsiveness is higher for PBMAs (elasticities < -2) than for beef (≈ -1.2). Median WTP mirrors this ordering, \$6.3 for beef versus \$3 for PBMAs, with substantial heterogeneity (MAD \$2–\$3), implying meaningful overlap in valuations across respondents. Substitution is structured: conditional on staying in-market, consumers primarily switch from beef to chicken, while substitution among PBMAs is strongest within their own group. Chicken shows broadly distributed cross-substitution, consistent with a “bridge role” between conventional and plant-based proteins.

The information intervention increases PBMA-WTP by about \$1 and shifts demand away from beef. We outline extensions to a two-stage consideration-choice framework and to equilibrium pricing counterfactuals (meat taxes, PBMA subsidies, information). Preliminary simulations suggest that information-induced WTP gains cannot be fully monetized: higher valuations intensify price competition among PBMA firms, so equilibrium price changes are substantially smaller than WTP shifts that ignore competitive adjustment.

4 - Label Uncertainty and Socially Responsible Market Behavior: An Experiment

James Dearden, Lehigh University, Bethlehem, PA, United States, Felipe Araujo, Ernest Lai, Ben Murphy-Schmehl

Firms increasingly rely on socially responsible (SR) labels to signal ethical behavior and attract socially conscious consumers. However, many labeling schemes lack transparent standards, potentially weakening their informational value and enabling strategic firm behavior. We examine how uncertainty about labeling standards affects prices, consumer willingness to pay, and externalities.

We conduct a product-market experiment using a posted-price design. Sellers are randomly assigned products that generate either a large negative externality, a small negative externality, or no negative externality on a third party. In each round, a labeling standard is randomly determined. Under a high standard, only products with no externality can be labeled; under a moderate standard, products with no or small externalities qualify; and under a low standard, all products can be labeled. Sellers may choose whether to obtain a label at a cost. Buyers observe whether a product is labeled; in the uncertainty treatment, buyers do not observe the labeling standard, whereas in the certainty treatment they do.

We find that buyers are willing to pay a higher price for labeled goods under both certainty and uncertainty. However, buyers are willing to pay the highest difference when labels are perfectly informative of low externalities. Under uncertainty, sellers of higher-externality products strategically obtain labels under low standards and charge higher prices. This strategic response increases aggregate externalities. Total negative externalities are lowest when labeling standards are transparent. Our results highlight the importance of standard transparency in SR labeling schemes for both market efficiency and total welfare.

TA05

B008

Game Theory- Information Design, Incentives, and Decision-Making

Invited Session

Special Session

Chair: Rob Waiser, University of Kansas, Lawrence, KS, United States

Co-Chair: Yi Zhu, University of Minnesota, Minneapolis, MN, United States

1 - Internal Herding

Z. Eddie Ning, UBC Sauder, Vancouver, BC, Canada, Mark Dean, Benjamin Enke, Pietro Ortoleva, J. Miguel Villas-Boas

Decision makers often remember their past choices but forget the specific reasons that led to those choices. We study a model of sequential decision making in which agents have imperfect recall: they remember past actions but not the signals that informed them. We show that such agents can endogenously exhibit several well-documented behavioral anomalies, including reference dependence, loss aversion, the sunk cost effect, and coherent arbitrariness. Extensions of the model also generate the endowment effect, status quo bias, and default effects. The model highlights imperfect memory as a simple cognitive mechanism capable of generating a wide range of behavioral phenomena.

2 - Design of Sales Incentive Contracts with Clawbacks

Rob Waiser, University of Kansas, Lawrence, KS, United States, Kissan Joseph, Paul Parker

What happens when a customer cancels an order or fails to make payments after a salesperson has already received their commission for the sale? Or when the commission is based on a full year of subscription revenue but the customer cancels after six months? Many sales incentive contracts require salespeople to return commissions paid for unrealized revenue. This is known as a “clawback” or “chargeback” clause. We use an analytical model to identify the conditions under which clawbacks are beneficial for firms and to explore the optimal design of sales incentives with clawbacks. Intuitively, we find that in the absence of clawbacks, salespeople will sell to any available prospect, rather than exerting costly effort to identify and target those with a lower likelihood of cancelling. However, that can be optimal for the firm under certain conditions, such as when targeting is difficult or ineffective. When firms do use clawbacks, we find that it is not necessary for them to reclaim 100% of commissions paid for unrealized revenue. In contrast to common practice, we recommend that firms consider partial clawbacks, and we identify the minimum recovery rate necessary to motivate salespeople to target effectively.

3 - Puffery as Occlusion: A Story of Rational Inattention

Anthony Dukes, University of Southern California, Los Angeles, CA, United States, Weining Bo, Ping Xiao

We ask whether non-persuasive puffery can affect purchase decisions. This question is motivated by legal strategies that are used by marketers accused of false advertising and rely on a presumption that consumers dismiss puffery as sales bluster. But if consumers dismiss puffery, then why is it such a staple of marketing communication? In contrast to prior research on the persuasive role of puffery, we treat puffery as the portion of the marketer’s message that is pure noise. A buyer seeks match value realizations from a seller’s offering and an outside option. Puffery is effective if and only if the buyer has limited attention and has an *ex-ante* preference toward the seller’s product. By using puffery, the seller discourages the buyer from learning realizations that would otherwise sway her away from the seller’s product. This result undermines the “puffery doctrine” used to defend allegations of false advertising in court.

4 - Strategic Design of Shopping LLMs Under Prompt-Induced Evaluation Gap

Weize Yin, University of Minnesota - Twin Cities, Minneapolis, MN, United States, Yi Zhu

We study how to strategically control prompt sensitivity in shopping large language models (LLMs) when their product evaluations shape consumer demand and market outcomes. Through controlled experiments, we document a prompt-induced evaluation gap: meaning-preserving syntactic variations in consumer prompts systematically shift LLM product evaluations. Using an analytical model, we then find that eliminating the evaluation gap is not universally optimal. With a monopoly seller, a nonzero evaluation gap can benefit consumer surplus by increasing dispersion in the distribution of willingness to pay. With duopoly sellers, a nonzero evaluation gap can increase total seller profit by mitigating price competition. Finally, using an inference-time intervention that steers the LLM’s internal representations, we show that the evaluation gap is controllable. Overall, this paper shows that the prompt-induced evaluation gap can be strategically managed in shopping LLM design.

TA06

B009

The Behavioral-AI Feedback Loop: Improving Systems and Science I

Invited Session

Special Session

Chair: Madhav Kumar, MIT, Cambridge, United States

Co-Chair: Yuyan Wang, Stanford Graduate School of Business, Stanford, CA, United States

1 - Modeling Serialized Content Consumption: Adversarial IRL for Dynamic Discrete Choice

Peter Lee, Yale University, New Haven, CT, United States, K. Sudhir, Tong Wang

Serialized content—such as episodic fiction, TV series, or educational courses— presents consumers with a dynamic choice: pay for immediate access, wait for free access, or quit. These decisions are shaped not only by platform policies but also by the content itself. Understanding how these factors jointly influence consumption is critical for platforms aiming to optimize engagement and monetization. Content, however, is high-dimensional—capturing multiple layers of meaning and narrative structure—posing challenges for traditional estimation methods. We address this challenge by extending adversarial inverse reinforcement learning (AIRL)—a GAN-based estimator that recovers reward and policy functions from observed behavior. Methodologically, we (i) incorporate unobserved consumer heterogeneity, (ii) prove identifiability of action-dependent utilities, and (iii) develop a scalable approach to representing unstructured content that is suitable for adversarial reward learning.

We apply the model to 15 months of reading data from a serialized fiction platform (24,000 users, 6,000 chapters, 151 books). Estimates reveal two dominant segments—``Pay & Read" and ``Wait & Read"—that together account for 72% of consumption and 96% of purchases. Validation against field experiments shows that the estimated rewards are stable and disentangled from environment dynamics. Counterfactuals yield three key insights. First, providing content for free can counterintuitively increase purchases within the consumer, by allowing them to move past likely churn points and creating additional purchase opportunities. Second, customized policies based on heterogeneous patience can increase purchases by 7%. Third, leveraging unstructured content to align pricing with narrative peaks can significantly boost monetization.

2 - Can Explanations Improve Recommendations? Evidence from Prediction-Informed Explanations

Yuyan Wang, Stanford Graduate School of Business, Stanford, CA, United States

Modern recommender systems rely on large-scale ML models that are data-hungry and black-box. Recent advances in LLMs suggest that explicit reasoning can improve learning efficiency, yet it remains unclear how generative LLMs can systematically improve recommendation tasks that are discriminative in nature. Moreover, in personalized settings, LLMs tend to hallucinate. Existing explainable recommender systems either generate explanations independently of predictions or provide post-hoc rationales; in both cases, explanations do not improve accuracy over black-box recommenders. We argue that when properly calibrated to prediction outcomes, natural-language explanations can in fact improve recommendations. We propose RecPIE (Recommendation with PredictionInformed Explanations), a framework that jointly optimizes predictioninformed explanations and explanation-informed predictions. In RecPIE, the recommendation task guides the learning of consumer representations, which are used by a trainable LLM to generate explanations for why a consumer may or may not like a product; these explanations are then fed back into a neural recommender to improve predictions. The two components are trained alternately, allowing explanations to be progressively refined based on how much they improve recommendation accuracy. Empirically, on next point-of-interest recommendation using Google Maps data, RecPIE improves accuracy by 3–4% over state-of-the-art baselines and matches the best baseline using only 12% of the training data. Human evaluations show that RecPIE's explanations are preferred 61.5% of the time among five competing methods. To our knowledge, this work is among the first to demonstrate that generative explanation and discriminative recommendation tasks can be jointly learned to outperform standalone approaches on either task.

3 - Content Characteristics, Plan Design, and User Engagement on An Instructional Art Platform: a Randomized Field Experiment with Double Machine Learning

Vineet Kumar, Yale School of Management, New Haven, CT, United States, Sreelata Jonnalagedda

We investigate the impact of exogenously varying plan tiers on engagement in a moving-arts instructional platform. Specifically, we study how video-level content characteristics mediate user engagement under different free-access tiers (corresponding to free minutes per video). Users are randomized to a tier; engagement is measured by time spent per class and premium conversion. Human-interpretable features (e.g., motion density, hand-gestures, speech rate) are extracted via machine learning techniques. To estimate the causal effect of plan tier while controlling for a high-dimensional set of content covariates, we use double machine learning (DML). Outcome regressions are estimated with regularized learners to evaluate the impact of different content features based on plan tiers. Overall, we evaluate and contrast the engagement of free and premium users, as well as the kinds of videos that drive such engagement across tiers.

TA07

B010

Digital Platforms, User Generated Content and AI - I

Invited Session

Special Session

Chair: Shrabastee Banerjee, Tilburg University, Tilburg, Netherlands

Co-Chair: Marco Kotschedoff, KU Leuven, Leuven, Belgium

Co-Chair: Martina Pocchiari, Esade Business School, Barcelona, Spain

1 - From Reviews to Responses: Bridging Pre- and Post-Purchase Consumers Through AI-Enhanced Qa with Rag

Ishita Chakraborty, University of Wisconsin Madison, Madison, WI, United States, XingJian You, Neeraj Arora

Question Answering (QA) on customer-facing platforms (e-commerce, travel, education, and brand websites) often suffers from delayed, low-quality responses and limited user participation. While customer reviews are abundant, their unstructured nature limits direct use to answer specific questions, and Large Language Models (LLMs) alone lack product-specific details and subjective insights. To address these challenges, we propose and evaluate a novel QA framework that integrates LLMs with reviews through Retrieval-Augmented Generation (RAG). Our framework incorporates three components: (1) RAG for dynamically retrieving relevant reviews at inference time; (2) a question–review type matching module that enhances topical alignment; (3) an answerability classifier that determines whether a reliable answer can be generated. Using a data set of 500 Amazon questions, 2000+ human responses, and 14,000 review sentences, we systematically evaluate different model variants for both lexical similarity metrics (ROUGE-L) and human judgments. Our full model improves lexical similarity scores by 50% from baseline LLM answers, matches or exceeds 72% of human responses, and approaches the best human answers in clarity, relevance, and informativeness. In particular, human evaluations show that our full model performs particularly well on subjective questions and lexical similarity metrics fail to capture this performance gain. Overall, our findings show how LLMs and reviews can be combined to build scalable QA systems, while also revealing the limits of lexical similarity metrics and highlighting the importance of human-centered evaluation.

2 - Why Do Online Protests Fail? Evidence from the Reddit "GO Dark" Protests

Shrabastee Banerjee, Tilburg University, Tilburg, Netherlands, Mimansa Bairathi, Justin Huang, Qinglai He

Platform governance involves mechanisms to encourage desirable behaviors among platform participants and to co-create value. In this project, we utilize the 2023 Reddit "Go Dark" protest as an exogenous shock to governance efficiency and study its effect on community outcomes. These protests were a significant event in the platform's history, involving a mass blackout of thousands of subreddits in response to changes in Reddit's API pricing policy. Utilizing a comprehensive dataset encompassing millions of posts and comments across more than 3000 subreddits, we find that although the protests cause a temporary drop in user engagement (number of posts and comments), activity returns almost entirely to baseline a few weeks after the protests. However, there is substantial heterogeneity depending on whether users expressed support for the protest, and users who are

moderators themselves. These results can inform platform owners and policymakers about the governance of online communities and the role of moderators and active users in driving volatile protest movements online.

3 - Consumer Review Updating and the Evolution of Online Opinions: Evidence from 30 Digital Platforms and a Field Experiment

Martina Pocchiari, Esade Business School, Barcelona, Spain, Verena Schoenmueller, Yaniv Dover

Consumer opinions evolve consumption experiences and information about performance and quality accrue, yet online reviews are often treated as early, static snapshots. This perspective overlooks a common platform feature: many major sites allow consumers to modify previously posted reviews, enabling evaluations to change as experiences unfold. We document the prevalence and dynamics of the “review updating” phenomenon, using data from more than 16 million reviews across major digital platforms, and examine when and how consumers revise their public feedback. We complement these archival analyses with a large-scale field experiment on an online review platform involving over 700,000 users, which provides exogenous variation in prompts to update at different delays. Across settings, we provide the first large-scale evidence that existing reviews are systematically revised over time and that the propensity to update is lower with longer delays. Conditional on updating, revisions exhibit a robust pattern of “affective cooling”: initially emotion-laden reactions shift toward more balanced, cognitively elaborated assessments, consistent with reappraisal. We further show that updating behavior and content changes vary across key managerial dimensions, highlighting tradeoffs for platforms and firms. Overall, our results reconceptualize online reviews as dynamic artifacts and suggest new levers for managing public feedback over the customer lifecycle.

4 - Fake Reviews and Competition in Digital Markets: Fraudulent Behavior and Market Inefficiency

David Kusterer, Rotterdam School of Management, Erasmus University Rotterdam, Rotterdam, Netherlands, Janina Kraus, Jan Philipp Kruegel, Matthias Greiff, Fabian Paetzel

Online feedback systems reduce information asymmetries in platform markets, but fake reviews can undermine their effectiveness. We study how fake reviews affect market efficiency and how competitive pressure shapes sellers’ incentives to purchase them. Using controlled laboratory markets, sellers compete by setting prices and privately choosing quality, while buyers observe posted prices and feedback profiles. We vary market competition (two versus three sellers), the availability of fake reviews to sellers, and sellers’ competitive positions through incumbents and entrants. Allowing fake reviews substantially reduces efficiency: realized surplus decreases from 68% of the potential market surplus without fake reviews to 43% when fake reviews are available. Prices decline, but quality declines more, reducing buyer surplus and overall welfare. The level of market competition has no significant effect on efficiency. About 30% of sellers purchase fake reviews, mainly early in the market. While aggregate competition does not increase fake review demand, sellers facing higher individual competitive pressure – particularly entrants – are significantly more likely to use fake reviews. These results provide causal evidence that fake reviews reduce value in platform markets and highlight the vulnerability of entrants’ reputational signals, with implications for platform design and regulation.

TA08

B011

AI Meets Advertising: What to Create, What to Show, and Where to Spend

Invited Session

Special Session

Chair: Edlira Shehu, University of Groningen, GRONINGEN, Netherlands

Co-Chair: Jaap Wieringa, University of Groningen, Groningen, Netherlands

1 - Looking for Creative Insights in Tight Spaces: Human vs. AI-Generated Novelty in Metaphor-Based Advertising

Demetrios Vakratsas, McGill University, Montreal, QC, Canada, Fuxuan Jia

Although the literature on the impact of AI on advertising is growing, most studies focus on the effect of AI on advertising production quality. Less is known about how AI can contribute to generating creative advertising ideas, in other words how AI can become truly creative rather than being merely generative. In this study we

evaluate the novelty of human vs AI-generated advertising ideas. We focus on metaphor-based advertising, which has been shown to be a popular and effective style for advertisers. We evaluate the novelty of an advertising idea based on the novelty of the metaphor vehicle used to represent a product attribute or benefit (e.g. volcano to represent spicy flavor). We compare 2,380 pairs of human and AI-generated metaphor ideas. Human ideas are extracted from actual ads launched before the emergence of LLMs. We find that AI-generated ideas are more novel than human-generated ones when the metaphor vehicle choice is constrained (e.g. the vehicle for a food product should be food-related) and when the product attribute advertised is more concrete (e.g. chocolatey vs desirable). We attribute the better performance of AI-generated ideas under constraints to the lack of limitations in cognitive resources, which are required to solve constrained problems. In the case of advertising, constraints can play a critical role since they are frequently imposed by advertisers or agency strategists in creative briefs. The findings of our study suggest that AI can be used to increase the novelty of ideas and aid humans in solving constrained creative problems.

2 - The Sound of Influence: The Effects of Audio-Video Congruency in Influencer Videos

Ali Boluki, University of Groningen, Groningen, Netherlands, Edlira Shehu, Tammo Bijmolt

Video where creators communicate through both sound and imagery has become the dominant format in influencer marketing. Yet little is known about how alignment between what audiences see and hear shapes engagement. This project examines how audiovisual congruency, the degree of similarity between structured representations of audio and visual content, affects user responses to influencer videos. We define audiovisual congruency as the extent to which sound and imagery match at perceptual and semantic levels, capturing whether audio types (e.g., music or speech) naturally correspond to visual content (e.g., an influencer dancing to music or speaking). Using 439 Instagram Stories provided by a global influencer marketing agency, we develop scalable and managerially interpretable measures of audiovisual congruency by combining state-of-the-art multimodal embeddings. We validate these measures with human-in-the-loop labeling and estimate the effects of audiovisual congruency on engagement. The results show that cross-modal congruency between audio and video plays a central role. Effective influencer videos exhibit lower overall audiovisual congruency. Together, these findings show that "what you see" should not always be "what you hear." Thus, the intuitive strategy of strict audiovisual matching is suboptimal. Engagement increases when creators strategically introduce selective audiovisual misalignment.

3 - Understanding Visual Narrative Features of Movie Posters and Their Impact on Box-Office Performance

Ruilin Xiao, University of Groningen, Groningen, Netherlands, Evert de Haan, Jaap Wieringa

Narrative advertising is recognized as an effective form of marketing communication. Existing research has examined text- and audio-based narratives and consumers' self-reported psychological responses, while neglecting the persuasive power of visual narratives and their impact on market-level performance. Drawing on narrative transportation theory, this study investigates whether and how visual narrative features of movie posters are associated with box-office revenue. Results show that the effects of visual narrative features are systematic yet highly genre contingent. Color diversity, compositional harmony, and visual realism are positively associated with box-office performance, whereas violence level, human presence, character number, and character saliency are weak or inconsistent predictors. Compared with commercial blockbusters primarily driven by visual spectacle and sensory stimulation, narration-based features—color diversity and compositional harmony—are less effective in genres emphasizing leisure and fun, psychological tension, or humanistic authenticity. Actor-based features, including character number and saliency, exhibit effects that contrast with those of narration-based features across leisure-oriented, psychologically intense, and emotionally focused genres. Resonance-based features, visual realism and violence level, demonstrate genre-specific effects that depend on narrative contexts. This study extends narrative transportation theory to visual advertising, examines objective market performance, develops a framework of effective visual narrative features, and offers actionable guidance for image design and advertising strategy.

4 - Synthesizing Customer Journeys to Optimize Media Mix: A Multimodal Transformer Approach

P. K. Kannan, University of Maryland, College Park, MD, United States, Zipei Lu, Michael Trusov, Liye Ma

This research answers the key question: Do individual-level customer journeys provide any additional value in guiding a firm's media mix allocation, especially with missing touchpoints? Compared to MMM with aggregate data only, can one obtain a better estimate of outcome–spending elasticity by taking into account how lower-level customer journeys form under different spending levels? This paper provides a transformer-based integrated framework that incorporates both granular journey data and aggregate media mix data to guide firms' media mix allocation. Multimodal transformers are designed to capture the relationship between two modalities, such as text and image. The concomitant variations between a firm's media mix allocation and the touchpoints in customer journeys make it possible to use a multimodal transformer to capture the relationship between the two —for example, when spending on search increases, more search touchpoints appear in customer journeys. When planning future allocations to optimize outcomes, the model is able to generate customer journeys conditional on a media mix allocation, similar to an LLM generating text conditional on contextual image input. We develop an adapted REINFORCE algorithm to optimize the media mix allocation so that the model-generated journeys reflect the most desired outcome. Another key contribution of the method is its ability to handle missing touchpoints in customer journeys. To demonstrate the model's validity, we conduct a simulation study and apply the framework to an empirical dataset, while comparing with MMM from industry benchmarks. Results show superior performance in estimating spending–outcome elasticity and optimizing media mix.

TA09

B127

AI Adoption and Marketing

Contributed Session

Contributed

Chair: Jianing Li, Harbin Institute of Technology, 92 Xidazhi Street, Nangang District, Harbin, Heilongjiang Province, China, Harbin, 150001, China, People's Republic of

1 - Generative AI Risk Assessment Model for the Media Sector

Christine Balague, Institut Mines-Télécom Business School, EVRY-PARIS, France, Ahmad Haidar

The rapid expansion of generative artificial intelligence (GAI) has transformed various economic sectors and introduced significant risks that remain insufficiently understood. This study focuses on GenAI risks in the media industry. It applies the Intergovernmental Panel on Climate Change (IPCC) risk framework to GAI, structuring risk assessment through three primary determinants: exposure, hazard, and vulnerability. We propose that exposure to GAI risks in the media sector encompasses information integrity, copyright material, privacy concerns, safety, content integrity, environmental impacts, and unemployment. The hazards of GAI include opacity, failure in reliability, poor data quality, misuse of training data, inadequate validity checks, and coding errors. Finally, vulnerability is conceptualized through affected stakeholders, encompassing individuals, businesses, policymakers, and broader societal institutions. Our analysis leverages real-world incidents from the OECD AI Incident Monitoring (AIM) database to illustrate how the IPCC framework can offer a structured, quantifiable, and policy-relevant perspective on GAI risks. This study aims to help policymakers, corporations, AI developers, and researchers, by providing a systematic methodology for risk assessment, guiding regulatory choices, and formulating responsible AI governance initiatives.

2 - AI Adoption Readiness in Marketing

Ke Li, Keene State College, Keene, NH, United States, Bei Kang

With rapid development in artificial intelligence and firms' increasing investments in marketing through AI which is changing the competition landscape, this study explores how the adoption of different types of AI applications in different industry impact marketing efficiency for companies with different sizes. Our study helps companies to understand the customer experience in the new digital interactions, to recognize the under-engaged organizational systems, and to prepare organizational change to adopt AI-driven insights and solutions so as to maintain competitive advantage.

TA10

B128

Big Data and Machine Learning I

Contributed Session

Contributed

Chair: Junhao Li, Huazhong University of Science and Technology, Luoyu Road 1037, Wuhan, China, Wuhan, N/A

1 - Shadows Beyond the Standard: a Systematic Framework for Assessing Franchise Quality Standardization Using Voice of Consumer

Kyungdon Choi, KAIST College of Business, Seoul, Korea, Republic of, Minki Kim, Sunghoon Kim

The authors propose a novel framework to address a crucial challenge in franchise management: assessing the status of quality standardization and identifying non-standardized stores through 'Voice of Consumer.' Integrating group variable selection and principal component–based perceptual mapping, the framework generates highly interpretable map dimensions. The resulting store locations on these maps correlate more strongly with consumer ratings than those produced by existing approaches. Furthermore, the framework systematically identifies outlier stores using the Local Outlier Factor. Finally, it evaluates rating distribution patterns across standardized and four types of non-standardized stores (categorized as homogeneity, positive, negative, or two-sided outliers) to assist in designing franchise management strategies. An empirical application to *Jack in the Box* stores identifies three primary dimensions: 'Food', 'Attitude', and 'Service & Environment'. The result reveal that Jack in the Box is a two-sided non-standardized chain. These findings demonstrate that non-standardization reflects both operational deficiencies (negative outliers) and locally adaptive practices (positive outliers). Interestingly, negative outliers consist of franchised stores, whereas positive outliers are primarily company-operated. By providing interpretable perceptual maps and objective dispersion metrics, the framework advances research on franchise governance and offers franchisors a scalable tool for balancing standardization with local responsiveness.

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2 - Receipt Embedding: Modeling Joint Demand and Multilevel Market Structures for Large Market Baskets

Yinxing Li, Tohoku University, SENDAI, Japan, Nobuhiko Terui

This paper proposes a dynamic model for embedding customer receipts to capture joint product demand in store-level market baskets. Unlike the conventional Prod2Vec approach, which examines all product pairs within a receipt, the proposed model treats the entire receipt as a pivot and links it to individual products using the skip-gram with negative sampling (SGNS) technique and this reduces computational cost and enables fully Bayesian inference on large datasets.

A key innovation is the integration of embedding model and state-space model with time-varying coefficients that capture how the factors—such as marketing promotions, seasonal effects, and customer preferences — influence purchasing behavior over time. This dynamic setup addresses the so-called Lucas critique by allowing marketing strategies to remain relevant even as customer behavior evolves.

Furthermore, the model decomposes receipt embedding vector into the sum of sub-vectors of shopping factor such as customer preference, promotion, and seasonality.

Then, we visualize the products over these shopping factor dimensions in the form of multilevel product maps and they provide actionable insights into how products respond to different shopping factors.

Empirical analysis using ID-POS data demonstrates that the proposed model outperforms standard methods in forecasting customers' future shopping baskets. The product maps also offer marketers insights into how products and customer segments respond to various factors at both individual and aggregated levels. This provides actionable guidance for store-level marketing and inventory decisions.

3 - Bull vs. Bear Voices: Adapting Service Communication Strategies to Stock Market Volatility

Ye Zheng, University of Sydney, Sydney, Australia, Steven Lu, Jiang Qian, Jake An

This study investigates how stock market volatility fundamentally alters the effectiveness of service representatives' vocal cues on customer loyalty. By linking macro-economic health to micro-interpersonal dynamics, the research explores how market fluctuations prime customers with a "distorted mindset" characterised by financial threat and cognitive scarcity. Moving beyond self-reported surveys, we utilise actual net investment activity to measure behavioural loyalty in a high-stakes context. The methodology combines Large Language Models (LLMs) with advanced audio mining tools to analyse over 2,000 call recordings from an Australian investment company between 2019 and 2021.

The findings reveal that the optimal vocal strategy relies entirely on market conditions. During positive ("Bull") markets, when customers focus on aspiration, vocal warmth significantly increases loyalty among stressed clients. However, this dynamic inverts during "Bear" markets. In downturns, stressed customers shift toward "security and loss-avoidance" to conserve resources; consequently, warmth becomes ineffective. Instead, vocal competence emerges as the primary driver of retention, likely because it restores a sense of agency to customers feeling a loss of control. These results challenge "one-size-fits-all" empathy training, suggesting financial firms should instead implement "Dynamic Scripting" and AI-driven vocal routing to match agent styles with the prevailing economic environment.

4 - Vertical Generative AI (Vai) Development, Openness, and Data Sharing in An Asymmetric Competition Market

Junhao Li, Huazhong University of Science and Technology, Wuhan, China, People's Republic of, Jun Yang, Hongchen Duan

Vertical Generative AI (VAI) fine-tunes foundation models on proprietary, industry-specific data, enabling capabilities beyond “plug-and-play” generic AI. However, the development firm faces several development and operational strategy choices, each with its own advantages and disadvantages: closed strategy (own data, self-used), openness strategy (own data, open-used), or data sharing strategy (pooled data, open-used). This paper extends the Salop model to analyze a mass firm’s VAI development strategy under asymmetric competition with niche firms. Compared with the closed strategy, the openness strategy can generate additional revenue. And the pooling effect of the data sharing strategy can be further profitable, but it may also erode the mass firm’s competitive advantage. We show that final equilibrium strategy choice depends jointly on data contribution and data processing cost. When data processing cost is moderate, the mass firm prefers closed strategy when data contribution is either sufficiently low or sufficiently high, reflecting a trade-off between the competitive-advantage effect and the openness-revenue effect. Counterintuitively, data sharing may induces a low innovation trap of VAI performance because of crowding-out effect: additional data can dilute fine-tuning effort investment, lowering performance despite larger training datasets. Moreover, Niche firms are disadvantaged under closed strategy but benefit from both openness and data sharing strategies, explaining their stronger incentives to collaborate. Finally, when data-processing cost is low and data contribution is moderate, the data sharing strategy yields a win–win–win outcome for the mass firm, niche firms, and consumers.

TA11

B129

Online Reviews I

Contributed Session

Contributed

Chair: Lara Lobschat, N/A

1 - Words that Convince? the Inverted U-Shaped Effect of Sensory Language on the Helpfulness of Product Reviews

Nadine Eckel, University of Muenster, Muenster, Germany, Manfred Krafft, Harald van Heerde

As consumers rely heavily on online product reviews to inform purchase decisions, managers can strategically leverage the most helpful reviews as marketing tools. This research examines sensory language, i.e., words that engage the five senses (sight, smell, audio, touch, taste), in shaping review helpfulness. Prior studies offer mixed evidence: sensory language can enhance helpfulness by providing more diagnostic and authentic information,

yet too much sensory language in a review can reduce helpfulness by undermining objectivity. We reconcile these seemingly contradictory findings by proposing an inverted U-shaped relationship between sensory language and review helpfulness.
Using a large-scale dataset of 450k Amazon reviews across multiple categories, we demonstrate that sensory language increases helpfulness up to an optimal point, after which further increases in sensory language reduce helpfulness. Beyond establishing this inverted-U relationship, we investigate how contextual factors moderate this relationship. Specifically, we examine the extent to which a review's sensory language deviates from the use of sensory language in (1) prior consumer reviews and (2) seller-provided product descriptions. Our findings reveal that when levels of sensory language in a review deviate from the surrounding informational context, the inverted U-shape changes.
These results contribute to the literature by identifying when sensory language helps or hurts review effectiveness. From a managerial perspective, the findings offer actionable guidance: firms should promote and curate reviews that employ appropriate, medium levels of sensory language to maximize helpfulness and support consumer decision-making.

2 - Personalized Online Reviews and Market Competition

Yaping Shan, Adelaide University, Adelaide , Australia, Fiona Yang

Digital platforms increasingly personalize consumers' exposure to online reviews, replacing shared reputation signals with algorithmically curated subsets of user-generated content. While prior research treats reviews as symmetrically observed information, little is known about how personalized review exposure reshapes competition and welfare. We develop a theoretical model of price competition in a differentiated goods market where consumers rely on personalized review recommendations to infer product fit. A platform intermediates information by recommending reviews based on inferred preferences, and the accuracy of this personalization depends on the quantity and composition of available review data. We show that higher personalization accuracy improves matching efficiency but reduces consumers' perceived substitutability between competing products, thereby softening price competition, increasing prices and profits, and reallocating surplus away from consumers. When data quality is endogenized, firms' incentives to generate reviews create positive externalities and give rise to free riding, resulting in underinvestment in personalization accuracy. Platform-coordinated incentives can mitigate this inefficiency. Extensions incorporating negativity bias in review generation, targeted solicitation of reviews, and rational consumer beliefs reveal that the competitive effects of personalization critically depend on how review data are produced and interpreted. Overall, our results highlight a fundamental trade-off in personalized review systems: while improved information enhances matching, it can also amplify market power. The analysis underscores that algorithmic personalization is a strategic determinant of competition, not merely an informational feature.

3 - The Impact of Data-Usage Disclosure on Consumer Review Behavior

Johanna Verenkotte, LMU Munich School of Management, Munich, Germany, Nastasia Gallitz, Martin Spann

This research investigates how disclosures of apps' data-use practices influence consumer review behavior. While prior research has primarily focused on first-order outcomes of privacy disclosures, such as data sharing and advertising effectiveness, we study online reviews as an important yet understudied downstream consumer response. We exploit Apple's introduction of Privacy Nutrition Labels (PNL), a platform-mandated policy requiring standardized disclosure of apps' data practices, as a quasi-experiment. Using a difference-in-differences design and a large-scale panel dataset spanning the Apple App Store and the Google Play Store, we compare review volumes and ratings before and after the rollout of PNL. Our results show that review volumes in the App Store decline relative to the Play Store following the introduction of PNL, while average review ratings remain largely unchanged. Further analyses indicate that disclosures signaling tracking-related data use amplify this decline, whereas disclosures indicating less intrusive data practices attenuate it. We interpret these findings as consistent with a reciprocity-based mechanism, whereby salient data collection is perceived as an implicit access fee that reduces consumers' willingness to engage in review provision. These findings contribute to the literatures on privacy, electronic word of mouth, and platform design by showing that privacy disclosures can generate meaningful downstream effects on consumer behavior. We discuss implications for platform owners, app developers, and policymakers.

4 - More than Time Spent: Disentangling Experience and Expertise in Online Reviews

Lara Lobschat, Maastricht University, Maastricht , Netherlands, Raoul Kübler, Lina Welke

Online reviews are a central input into consumer decision making, yet the credibility of peer reviewers is often difficult to assess in digital marketplaces. Although prior research emphasizes reviewer experience, marketing scholarship has frequently treated experience and expertise as interchangeable constructs, leaving their distinct roles theoretically underdeveloped and empirically unresolved. We address this gap by disentangling product-specific experience from product-specific expertise and examining how each shapes perceived review helpfulness.

We analyze more than 7.7 million reviews from the Steam gaming platform, leveraging detailed behavioral data that allow us to observe reviewers' cumulative product usage (experience) and demonstrated task proficiency (expertise) at the time a review is written. Using a zero-inflated negative binomial model to account for excess zeros and overdispersion in helpfulness votes, we find that reviewer expertise exhibits a strong, positive association with review helpfulness, above and beyond the effect of experience. While experience displays a non-monotonic relationship with helpfulness, expertise emerges as a more consistent and informative credibility signal. Moreover, we show that experience and expertise function as partially substitutable cues: as experience increases, the marginal effect of expertise diminishes.

Our findings contribute to research on online reviews and source credibility by clarifying the distinct informational content of experience and expertise within peer-generated environments. The results also inform platform design by highlighting the value of incorporating product-specific expertise signals into review-ranking and information disclosure mechanisms.

TA12

B130

Retailing I

Contributed Session

Contributed

Chair: Maria Poiaganova, University of Zurich, Zurich, Switzerland

1 - Beyond Image--Text Congruence: Mapping Visual Design Space and Demand Using POS Data in the Japanese Picture Book Market

Masayoshi Moteki, Waseda University, Tokyo, Japan, Masakazu Ishihara, Hiroshi Kumakura

This study extends machine-learning-based measures of image–text congruence and proposes a framework that captures product images and titles along two visual dimensions: congruence and semantic ambiguity. We define visual semantic ambiguity as the extent to which a visual stimulus allows multiple plausible interpretations.
In picture book studies, the relationship between images and text has been classified into classified into symmetric, complementary, expanding (or enhancing), and counterpointing types, reflecting interpretive dynamics that range from univocal meaning to open-ended interpretation. Relatedly, research in consumer behavior and psychology shows that whether stimuli afford immediate understanding or require interpretation affects depth of processing and evaluation. Despite these insights, such theoretical ideas have rarely been operationalized or tested using field demand data.
Using daily POS data from the Japanese picture book market in 2024 and cover images collected from public bibliographic databases, we construct two theory-based measures via multimodal representation learning. Congruence is defined as the similarity between image and title embeddings in a shared space. Semantic ambiguity is defined by the dispersion of meaning representations associated with a cover in that space, capturing whether interpretation converges on a single meaning or spans multiple semantic neighborhoods. We examine how these two dimensions relate to demand.

2 - How Do Short-Term Rentals Affect Local Retail Revenues?

Habin Jung, INSEAD, Fontainebleau, France, Abhishek Rishabh, Pradeep Chintagunta

Short-term rentals (STRs), such as Airbnb, have been shown to influence labor and real estate markets. This study investigates their impact on local retail markets, specifically on everyday consumer goods that travelers are likely to purchase. We combine data on STR bookings and retail purchases from Nielsen in California (2015–2019) and use Home Sharing Ordinances (HSOs) as an exogenous shifter to estimate the causal impact of STR activity on retail sales. We find that a) HSOs lead to an average of 4 percent decline in retail sales revenue, equivalent to a loss of approximately USD 24,126 per store per month, and b) decrease in STR activity leads to significant declines in retail sales across various categories. For example, if a zip code experiences 1,000 fewer tourists in a month (average monthly tourists = 4148), beer sales (average monthly beer sales = USD 68,146) in each store within the zip code would decrease by approximately USD 854. These findings are valuable for retailers, enabling them to adjust inventory and pricing strategies to respond to STR-driven demand fluctuations. Additionally, our results provide policymakers with insights into the impact of home-sharing regulations on sales tax revenues.

3 - Disentangling Intrinsic Brand Performance from Consumer Potential: A Dual-Latent Stochastic Approach

Yuki Kotakeyama, Hakuhodo DY Holdings, Tokyo, Japan, Ryoma Yasunaga, Masahiro Shinohara, Nobuhiko Terui, Yinxing Li, Ryo Domoto

Standard performance metrics in scanner panel analysis often confound a brand's intrinsic strength with consumer heterogeneity in purchasing potential. This confounding makes it difficult to discern whether a brand’s observed performance is attributable to its inherent power to attract a broad market and retain users, representing its true "intrinsic performance," or primarily reflects the high purchasing capacity of a specific segment of frequent users.

To address this challenge, we propose a probabilistic generative model that decomposes observed purchasing behavior into latent consumer potential and brand-specific traits. By explicitly modeling the underlying stochastic processes for both purchase incidence and quantity, we extract intrinsic brand performance while accounting for individual consumer purchasing propensity. By adopting a hierarchical structure, the proposed model integrates consumer attributes and historical purchasing data, providing high interpretability.

In an empirical application to consumer scanner panel data within the alcohol category of a major CPG market, the proposed method reveals structural patterns in the customer base, such as the latent quality of support from high-potential users, which remain hidden in aggregate analysis. Furthermore, the model demonstrates superior predictive performance for future customer acquisition compared to existing benchmarks. These findings provide a robust framework for a multifaceted understanding of brand-specific purchasing characteristics, supporting precise branding and targeting strategies based on individual-level consumer purchasing traits.

4 - Adaptation Effects in Grocery Retail Sales to Extreme Weather Events: Long-Run Evidence Under Climate Change

Satoshi Nakano, Chuo University, Tokyo, Japan, Takashi Teramoto

With climate change accelerating, the impact of weather on sales has attracted growing attention from retailers seeking to optimize merchandising, staffing, and promotional strategies. Previous research has primarily focused on the short-run effects of weather variables, such as temperature and precipitation. However, as the frequency of extreme weather events, including extreme heat and heavy rainfall, continues to increase, it becomes crucial to examine how retail sales adapt to these conditions from a long-run perspective. Ignoring such adaptation effects, which mitigate short-run weather effects, may lead to a risk of overestimating the impact of the weather.

This study addresses this gap by examining adaptation to temperature and precipitation using 20 years of daily store-level sales data from multiple grocery retailers across various regions in Japan, combined with 40 years of regional weather data. In particular, this study is novel in identifying heterogeneity in adaptation effects across time trends and seasons. The data from Japan, which is characterized by four distinct seasons, enables us to account for seasonal variations. Using panel data analysis with store and time fixed effects, we confirm the short-run weather effect and further evaluate the decay of the sensitivity through interaction terms with historical

normals. Our results show the existence of adaptation effects for temperature and precipitation. Furthermore, when evaluating non-linear extreme weather events, we observe temporal heterogeneity in temperature adaptation effects, indicating that these effects have weakened over time. Our findings offer insights for retailers regarding inventory and promotion management in response to weather conditions.

5 - Design of Product Discovery Systems for Digital Retail Platforms: A Systematic Review and Research Agenda

Maria Poiaganova, University of Zurich, Zurich, Switzerland, Manuel Sebastian Mariani, Rene Algesheimer

Digital retail platforms increasingly rely on search and recommender systems to shape what consumers see, consider, and purchase. Although a growing literature examines specific design choices, such as personalization or ranking logic, these effects are typically studied in isolation, with limited consideration for broader context in which they operate. As a result, managers risk adopting design choices that perform well in one setting but fail or backfire in another.

This paper develops a unifying conceptual framework for a holistic, context-aware understanding of the effects of product discovery systems (PDS) - the integrated set of search and recommender tools governing product exposure in digital retail. Drawing on a systematic literature review of causal evidence and in-depth interviews with managers from leading e-commerce firms, we identify three core design levers: Presentation (how recommendations are communicated), Placement (how algorithms select and order products), and Portfolio (how multiple discovery systems are orchestrated within the platform), and specify key design choices within each lever.

We show that no design choice is universally beneficial. Even widely praised features, such as personalization or explainability, can enhance consumer experience and platform performance in some contexts but undermine them in others when misaligned with user expertise, product characteristics, or institutional constraints. Our framework integrates these contextual boundary conditions for all the design choices, serving as a managerial decision-making paradigm for PDS design. By synthesizing these findings with insights from managerial interviews, we propose a comprehensive research agenda at the intersection of system design and consumer behavior.

TA13

B131

Marketing-Finance Interface I

Contributed Session

Contributed

Chair: Fengtao Wan, UCL School of Management, London, United Kingdom

1 - Odd Pricing in Housing Markets

Sridhar Moorthy, University of Toronto, Toronto, ON, Canada, Lu Han, Ben Sand, Yuwen Ji

We examine home sales in Chicago, Minneapolis, San Diego, Seattle, and Toronto during 2008–2018. Despite the high stakes, sellers often list at “odd prices”—prices just below round numbers, such as $499,900. While this strategy is known to increase demand for low-ticket consumer goods, it backfires in housing markets: odd-priced homes are 4 percentage points less likely to sell, sell for 0.7% less, and stay on the market 7 days longer than their round-priced counterparts. These effects are robust across cities, price thresholds, and years, and cannot be explained by omitted variables bias. Rather, the underperformance of odd pricing seems to be due to its adverse effect on the search process: odd-priced houses attract fewer, lower willingness-to-pay, buyers than adjacently round-priced houses.

2 - Buy Now, Play Never: Why Consumers Purchase Things They Don't use

Nan Li, Shanghai University of Finance and Economics, Shanghai, China, People's Republic of, Avery Haviv

In this paper, we study non-usage, where consumers purchase products that they never use. This behavior may lower consumer welfare and lead to consumer churn. Using an Empirics-First approach (Golder et al., 2023), we assemble and analyze a rich panel data set from Steam, the leading digital PC gaming platform, linking purchases to subsequent usage over an eight-year horizon for tens of thousands of users. We estimate that 36.8 percent of purchased games are never played, representing 28.9 percent of platform revenue and approximately $849 million in 2017 spending.

Combining model-free evidence with descriptive regressions, we document empirical patterns in non-usage and assess which mechanisms align with them. The evidence is most consistent with behavioral mechanisms, particularly inattention and overestimation of variety seeking, suggesting that non-usage largely reflects consumer mistakes rather than utility-maximizing behavior.

We also test whether unused purchases reduce future engagement and find non-usage raises short-run revenue without eroding longer-run platform revenue or engagement. We conclude with recommendations for how consumers, platforms, and regulators can manage non-usage.

3 - When Good Intentions Backfire: Can Gifts Undermine Donor Retention and Can Charities Fix It?

Sai Siddharth vk, BITS Pilani Mumbai Campus, Law School, Mumbai , India

Donor retention is critical for nonprofits as donor attrition exceeds 60%. Charities extensively use gifts for donor retention; however, its effectiveness has not been empirically examined. This paper leverages four field experiments (two large-scale experiments with 20,000 donors); three lab studies and advanced methods such as BSTS, PSM Matching Difference to examine the effectiveness of gifts for donor retention across different types of donors and charities. We show that although gifts can be counterproductive at an aggregate level, as it decreases donor retention and subsequent charitable giving, its impact is highly heterogeneous. Specifically, a substantial subset of donors are averse to gifts, and negative aggregate effects of gifts are driven by donors who are averse to gifts. As donors' weightage on altruistic (egoistic) motives increases (decreases), donors are more likely to be averse to gifts because they are more likely to perceive a communal relation with the charity and, hence, are more likely to perceive gifts as overhead costs. Importantly, we provide an easy-to-implement intervention and, in a large scale field experiment, show that it reverses the adverse effects of gifts, boosting donor retention and subsequent giving.

4 - Investor Reactions to Labour Exploitation In Supply Chains: Contextualizing Moral Judgment and Strategic Risk

Amrita Mitra, The University of Melbourne, Melbourne, Australia, Divya Anand, Yi-Lin Tsai

Firms responsible for reported exploitative labour practices face reputational damage and risk widespread consumer backlash, which can translate into deterioration of their stock market performance. However, not all firms encounter uniformly negative financial repercussions. We posit that heterogeneity in the effect may be explained by how the incident is attributed—whether directly to the firm or to its supply-chain associates—as well as by the location of the reported incident, specifically whether it occurs in a developing or a developed country. Firms may mitigate the negative impact through their governance mechanisms, particularly the presence of a CEO with a marketing background, and their response strategies, specifically the speed with which the firm responds to the incident. We collect and collate data from several sources, including social transgression incidents and companies' risk ratings from RepRisk and stock prices from CRSP, and arrive at a final data set spanning 2007-2024 for 2,325 firms (and 56,875 incidents). We first find that an average social transgression incident is associated with negative cumulative abnormal returns (-.077%). Second, labor violations related to UNGC principles 4 and 5 show a slightly bigger magnitude (-.081%), although the difference is not statistically significant. This research advances theory by integrating insights from marketing, finance, and labour economics to explain systematic heterogeneity in responses to firms' exploitative labour practices. It offers managerial actions by demonstrating that negative market reactions can be tempered by the right governance mechanisms and appropriate incident responses.

5 - Holiday or Hangover? Housing Market Responses to a Temporary Tax Cut

Fengtao Wan, UCL School of Management, London, United Kingdom, Yongdong Liu, Anja Lambrecht, Yiting Deng

We study how the 2020-2021 UK Stamp Duty Land Tax Holiday affected housing market behavior and long-term resale outcomes. Using data from the UK's largest online housing platform, we combine propensity score matching (PSM) with a difference-in-differences (DiD) design to compare properties exposed to the tax cut with those already exempt. The holiday caused a sharp short-run tightening of market conditions: prices rose, transactions accelerated, and the probability of sale increased. Price effects were strongest in more deprived areas, where market pressure intensified most. Yet the boom did not translate into lasting gains. Properties bought during the holiday experienced lower RoI at resale than comparable exempt properties, indicating that treated buyers paid a temporary premium that reduced long-run returns. Overall, temporary transaction tax relief can stimulate activity and amplify short-run pressures, but delivers limited long-run benefits to buyers.

TA14

B132

Consumer Search

Contributed Session

Contributed

Chair: Xinyue Luo, The University of Hong Kong, Hong Kong

1 - The Ever-Evolving Online Customer Journey: Bridging Academic and Industry Perspectives Through a Systematic Review

Amir Khan, University of Salford, Manchester, United Kingdom, Magdalena Marchowska-Raza, Mirage Islam

The online customer journey has evolved into a non-linear and dynamic process that is constantly being shaped by digital environments, platforms and frequently shifting customer expectations. In the era of agentic ecosystem, consumers travel with their digital proxies, giving more control to their AI agents (Becca Coggins, 2025). Future interactions will increasingly be between consumer agents and merchants' agents, leading to multi-agent interactions in the agentic world (McKinsey, 2025). Online Consumer buying, controlled by AI agents acting on behalf on consumers, will have a huge impact on the online market. Human thinking may increasingly be surrendered to AI-negotiated deals. In this agentic driven-economy, brands will have to make major shifts in their approach to creating, positioning and delivering highly personalised customer journey experiences. These changes will no longer be limited to product evaluation by consumer agents but will also impact companies' customer acquisition and retention systems, as AI agents will become new gatekeepers in the evolving customer journey (Marie Claude Nadeau, 2025)
This study conducts a systematic review of academic and industry publications to synthesise current knowledge and identify key conceptual and empirical gaps in the understanding of the online customer journey. While Industry research explains practical approaches that combine analytics with customer touchpoint management, it still lacks strong theoretical grounding, whereas academic research provides conceptual depth but insufficient detail on rapidly evolving digital practices.

2 - Search Prominence and Product Design

Ruitong Wang, Tongji University, Shanghai, China, People's Republic of, Yuanchen Su

Internet search traffic is largely dominated by a select few major companies. This dominance raises questions about product quality and pricing from a consumer perspective. The uncertainty lies in understanding how these firms modify their product design and pricing strategies in response to their significant search presence, and whether these adjustments are detrimental to consumers. This study introduces a game-theoretical model designed to explore the effect of search prominence within the consumer search framework, specifically focusing on its impact on a firm's product design and pricing decisions. Key findings from our model indicate that: (1) a prominent firm tends to charge higher prices than less visible competitors, possibly even deliberately reducing its product quality; (2) a firm may experience diminished profits after gaining prominence; and (3) overall, prominence can boost consumer welfare by fostering greater competition among firms.

3 - Pricing Biases in Competitive Search Markets

Jiajun Meng, Beihang University, Beijing, China, People's Republic of, Lin Liu, Tongyuan Shen, Juncai Jiang

We examine how sellers' regret—a behavioral bias arising from pricing under valuation uncertainty—affects competitive search markets. When setting prices without knowing individual consumer valuations, sellers anticipate ex-post regret: feeling they priced too low when sales occur or too high when consumers depart without purchasing. We model this bias in a market where consumers sequentially search across sellers by incurring search costs to evaluate products. Our analysis reveals that regret-biased sellers set lower equilibrium prices than their rational counterparts, but the profit implications are non-monotonic and depend critically on search cost magnitude. Specifically, seller profits increase (decrease) with regret intensity under high (low) search costs, while exhibiting an inverted-U relationship at intermediate levels. Notably, sufficiently high search costs enable regret to generate Pareto improvements, simultaneously benefiting sellers, consumers, and social welfare. We extend the model to incorporate a strategic platform that optimizes search frictions. The platform's profit-maximizing search cost exhibits complex patterns—monotonically increasing, decreasing, or non-monotonic—as seller regret varies. We further characterize optimal commission rate policies. Managerial implications are discussed.

4 - Beyond Preference: Home Style as a Gating Constraint in Product Consideration

Hyunhee Woo, Korea University, Seoul, Korea, Republic of

Standard discrete choice models typically treat design and aesthetic features as preference-shifting attributes that enter utility in a compensatory manner. This paper builds on this view by showing that style may operate as a structural constraint that governs consideration prior to preference-based choice. Focusing on compatibility with consumers' current living environment, the author proposes a two-stage choice framework in which stylistic fit probabilistically determines consideration set formation prior to any utility comparison, followed by preference-based choice among the remaining options. To examine this mechanism, the author adopts a process-oriented approach that directly observes stage-wise exclusion prior to choice. Using controlled experimental tasks with visually differentiated products, the study separately measures aesthetic liking, perceived viability, and consideration before any choice is made. In addition, simulation analyses are used to illustrate how collapsing this screening process into a single-stage utility framework would conflate constraint-driven exclusion with weak preferences, thereby implying systematic misspecification and potentially inflating inferred preference heterogeneity. The results show that stylistic mismatch with the current living environment substantially reduces consideration probabilities even when aesthetic liking is high, while conditional evaluations among considered options remain largely compensatory. These findings suggest that what appears as preference heterogeneity in standard one-stage interpretations may partly reflect unmodeled consideration-stage gating. By conceptualizing aesthetic fit as a pre-choice constraint and making consideration observable, this research provides a tractable framework for understanding aesthetic choice processes and clarifies why consumers frequently reject products they find attractive.

5 - Pressure or Bonus? How Time Constraints Drive Consumer Exploration in Airports

Xinyue Luo, The University of Hong Kong, Hong Kong, Hong Kong, Xuesong Lu, Zsolt Katona, Tuan Phan

Airports provide a unique setting to study how consumers explore unfamiliar environments under time constraints and a salient primary goal, i.e., catching a flight. However, it remains unclear when consumers perceive such time limits as pressure versus as a bonus, and how information uncertainty affects their exploration decisions in this context.

We analyzed traces of 13,994,822 devices on 13,481 departing flights at a major airport in Asia in May 2019. Exploiting exogenous variation in departure gates and departure times, we estimate a structural model that captures passenger exploration procedure, specifically, how expected time and distance affect passengers' shopping and dining behaviors. The model identifies time and distance thresholds that discourage exploration and allows for heterogeneity across passengers and points of interest.

Using the estimated model, we conducted counterfactual analyses to optimize the spatial layout of POIs, maximize visits to shopping and dining categories, and shed light on gate allocation decisions during flight delays. Our results have implications for other environments in which consumers face a primary task under time constraints, such as amusement parks and shopping malls where consumers browse while waiting for scheduled activities or queues.

TA15

B133

Frontiers in Marketing Science

Contributed Session

Contributed

Chair: Shaowei Chai, Huazhong University of Science and Technology

1 - Platform Levers for Copyright Compliance in Generative AI: Evidence from a Natural Experiment?

Vincent Lefrere, Institut Mines Telecom, Business School, Evry-Courcouronnes, France, Ehsan Valavi, Dokyun Lee, Sinan Aral

Generative AI (GenAI) platforms significantly expand opportunities for scalable, user-driven innovation while simultaneously raising concerns about intellectual property (IP) infringement. This paper examines how strategic platform design, particularly monetization policies, can influence user behavior in ways that reduce the risk of IP violations. Using observational data and quasi-experimental variation from a leading GenAI image-generation platform, we conduct both platform-level and user-level event studies, supported by Difference-in-Differences (DiD) analyses, to evaluate user responses to the removal and temporary reintroduction of free trials. Our findings show that requiring users to pay for access leads them to produce more differentiated outputs, thereby reducing visual similarity to existing online content that could be protected by copyright. Crucially, these changes persist even within fixed prompt topics, suggesting that the behavioral shift reflects genuine adjustments in user strategies rather than changes in the types of tasks being performed. These results underscore the importance of user agency and strategic prompting as internal mechanisms for managing copyright risk within GenAI ecosystems. We finally propose a governance approach that combines incentive-aligned nudges with technical safeguards, offering actionable insights for platform designers, IP policymakers, and managers seeking to promote responsible GenAI adoption in digital innovation environments.

2 - Potential Customer Lifetime Value in Financial Institutions: The Usage of Open Banking Data to Improve CLV Estimation

Cleo Silveira, Universidade Federal do Rio Grande do Sul, Porto Alegre, Brazil, João B. G. de Brito, Rodrigo Heldt, Matthias Bogaert, Guilherme Bucco, Fernando Luce, Joao Becker, Filipe Jaeger Zabala, Michel Anzanello

Financial institutions increasingly adopt customer-centric strategies to enhance profitability and build long-term relationships. While Customer Lifetime Value (CLV) is a core metric, its calculations often rely solely on single-entity data, missing insights from customer activities across multiple firms. This study introduces the Potential Customer Lifetime Value (PCLV) framework, leveraging Open Banking (OB) data to estimate customer value comprehensively. We predict retention probability and estimate Potential Contribution Margins (PCM) from competitor data, enabling PCLV calculation. Results show that OB data can be used to estimate PCLV per competitor, indicating a potential upside of 21.06% over the Actual CLV. PCLV offers a strategic tool for managers to strengthen competitiveness by leveraging OB data and boost profitability by driving marketing efforts at the individual customer level to increase the Actual CLV.

3 - Restructuring Frontline Communication: Evidence from a Field Experiment on Low-Tech Marketing Tools

Yifan Pan, Shanghai University of Finance and Economics, Shangahai , China, People's Republic of, Siqi Pei, Feng Yang

Digital marketing research and practice have largely emphasized online tools such as targeting algorithms and AI-driven personalization. In contrast, we provide field evidence that seemingly low-technology and low-cost marketing tools can exert substantial effects when they reshape the structure of frontline work. We study a randomized field experiment conducted in collaboration with a global leading automobile manufacturer, in which a randomly selected half of sales consultants at automobile dealerships were provided with a simple printed one-page product information sheet. Importantly, the content on the sheet consists entirely of information that sales consultants are required to communicate to customers even in the absence of the tool. Process evidence from speech transcripts of follow-up calls shows that the mechanism does not operate through increased information exposure or stronger consumer recall. Instead, the printed one-page sheet improves sales performance by restructuring sales communication, with spillover effects on subsequent sales behaviors and follow-up interactions. By externalizing and stabilizing information organization, the tool increases communication fluency and helps sales consultants develop more structured interaction rhythms. Treatment effects are heterogeneous across sales consultants. Using synthetic difference-in-differences and causal forest methods, we show that the intervention significantly benefits consultants with high latent conversion potential but relatively unstructured communication practices, while yielding only marginal improvements for moderately structured consultants. Our findings highlight the importance of alignment between marketing tools and workers' existing communication structures, and suggest that the value of marketing interventions lies not only in technological sophistication, but in how they reorganize frontline decision-making and work.

4 - ***Canceled***Limitations of AI Technology or Consumer Bias? An Attribution Study of Generative AI Advertising Attitudes

Haoqi Lu, South China University of Technology, Guangzhou, China, People's Republic of, Chunlin Duan

With the widespread application of generative AI technology in advertising, consumer acceptance of its generated content has become a hot topic. Based on the ABC attitude model and attribution theory, this study explores the mechanisms by which generative AI aversion, generated ad quality, and task context influence consumer attitudes toward advertising. A questionnaire survey collected 237 valid data points, and analysis using structural equation modeling and paired-sample t-tests revealed that the quality of AI-generated ads is a core factor in shaping consumers' positive advertising attitudes. Consequently, this study proposes that reducing consumers' aversion to generative AI, segmenting different consumer decision-making scenarios, and enhancing ad quality through human-machine co-creation can improve consumer attitudes toward generative AI ads. This, in turn, helps advertising practitioners cope with the challenges brought about by technological change and provides theoretical support and practical guidance for the application of generative AI in the advertising industry.

5 - How Consumers Respond to AI- Versus Human-Generated Review Summaries: the Moderating Role of Verbal Versus Numerical Probability Expressions

Shaowei Chai, Huazhong University of Science and Technology, Wuhan, China, People's Republic of, Yaping Chang, Han Wang

While AI-generated review summaries are increasingly prevalent on digital platforms, their influence on consumer behavior remains insufficiently understood. This research examines when and why AI-generated review summaries outperform human-generated ones under two common probability formats: verbal probabilities (e.g., most) and numerical probabilities (e.g., 89%). Across four studies, we demonstrate that when review summaries are presented in verbal probability, consumers respond more positively to AI-generated summaries than to human-generated ones. In contrast, when the review summaries are presented in numerical probability, the difference in consumer responses between AI-generated summaries and human-generated ones is not significant. This occurs because consumers infer that humans, when using verbal probability to generate review summaries, are prone to making subjective judgment and overestimation to promote consumers' purchase behavior (Collins & Mandel, 2019; Dhami & Mandel, 2022). In contrast, AI agents, perceived as less mindful and with limited experience and agency capacity (Gray et al., 2007; Gray & Wegner, 2012), are less likely to make subjective judgment when generating review summaries using verbal probability, thereby increasing consumers' perceived objectiveness and trust for the AI-generated summaries, and thus eliciting more positive

consumer responses. Our findings differ from prior research showing that consumers hold negative attitudes toward AI because it has limited capacities for experience and agency. This research advances literature on AI-human communication, AI adoption, and probability expressions of uncertainty, and further offers actionable guidance for marketers deploying AI in dispersive information communication.

TA16

B134

AI Agents and Consumer Journeys

Contributed Session

Contributed

Chair: Hang XU, Hong Kong University of Science and Technology, Hong Kong, N/A

1 - When AI Reconfigures Status Coping: Social Status Threats and Compensatory Responses in Ai-Mediated Metaverse Environments

Nan-Hee Jeong, Institute for AI and Social Innovation, Yonsei University, Seoul, Korea, Republic of, Se-Bum Park

Individuals frequently experience threats to their social status through upward social comparison and often respond with compensatory behaviors aimed at restoring threatened self-worth, power, or social standing (Gal 2015). Extending this literature, Goor, Keinan, and Ordabayeva (2021) proposed status pivoting, whereby individuals cope with status threats by seeking affirmation in alternative life domains, guided by motivated trade-off beliefs that construe success as zero-sum across domains. As social interaction increasingly occurs within AI-mediated metaverse environments, it remains unclear whether such compensatory mechanisms generalize beyond the real world. Unlike offline contexts, the metaverse is shaped by intelligent systems that curate social information and mediate evaluations (Barrera and Shah 2023), potentially altering how social status threats are interpreted.
Across two experiments, we examine whether status pivoting persists in AI-mediated metaverse contexts relative to the real world. Study 1 employed a 2 (context) × 2 (power) between-subjects design and revealed a significant interaction ($b = -2.08$, $p < .01$). Low-power participants in the real world pivoted toward alternative domains, whereas no such effect emerged in the metaverse. Study 2 replicated these findings using a 2 (context) × 2 (status threat) design, again showing attenuated status pivoting in the metaverse ($b = -1.37$, $p < .05$). Mediation analyses (Hayes and Scharkow 2013) showed that motivated trade-off beliefs accounted for this divergence. By conceptualizing the metaverse as an AI-mediated social environment, this research identifies a boundary condition for status pivoting and demonstrates how AI reshapes responses to social status threats.

2 - Understanding the Dynamics of User-Bot-Crowd Interaction in Social Media Conversations

Xupin Zhang, East China Normal University, shanghai, China, People's Republic of, Chenjing Zou, Jinxuan Ma

With the growing commercialization of social media platforms and the increasingly prominent role of algorithmic gatekeeping, users' motivation to create content and interact with others has declined. To promote user participation and sustain engagement, more platforms have turned to social robots. Yet, previous research has not systematically examined the dynamic structure of user-robot-crowd interaction, leaving the mechanisms of diffusion and influence insufficiently understood. Using publicly available interaction data collected from the Weibo social robot "CommentRobert" between December 2023 and April 2025, we applied large language models (LLMs) to automatically categorize users' motives for engaging and the robot's response styles, and to measure how deeply other users participated and how widely their discussion evolved. The findings show that demographic attributes, account features, and regional contexts affect why users interact with the robot. These motivations then shape the robot's response patterns and increase user satisfaction, which subsequently stimulates additional user participation and broader social diffusion. This study advances marketing theory on bot-enabled engagement and provides actionable guidance for platform managers on designing response

strategies that deepen user engagement, strengthen retention, and improve the long-term health of platform communities.

3 - From Access to Agency: Optimal Pricing for the Agentic Economy

Yi Wang, Tianjin University, Tianjin, China, People's Republic of, Jiong Sun, Jianxiong Zhang

The emergence of autonomous AI agents is precipitating a structural shift in the digital economy from "selling tools" to "selling work." As AI agents gain autonomy, the fundamental economic friction shifts from user adoption to incentive alignment. Specifically, we identify a critical trade-off between Usage-Based Pricing (UBP) and Outcome-Based Pricing (OBP). Under UBP, vendors face an efficiency Moral Hazard: because revenue is tied to compute consumption (tokens), vendors are incentivized to deploy inefficient, bloated agentic workflows that maximize volume rather than speed. Conversely, OBP aligns vendor incentives with computational efficiency but imposes a verification cost on the user—the friction of auditing probabilistic outputs to confirm that inquiries are genuinely resolved. This paper develops a principal-agent model to analyze this tension, focusing on the interplay between AI model maturity (autonomous success probability), vendor inefficiency (token inflation), and the user's verification burden. We address three core questions: First, under what conditions, does OBP dominate UBP as the equilibrium strategy? Second, how does the transition to OBP impact consumer welfare? Third, we propose a verification-adjusted two-part tariff mechanism to resolve the efficiency hazard by subsidizing the user's audit burden, thereby approximating the first-best outcome in an autonomous economy.

4 - Dynamic Consumer-AI Love Relationship: Formation and Continuation

Hang Xu, HKUST, Kowloon, Hong Kong, Zijun Shi, Mengze Shi

Large Language Models (LLMs) have transformed functional chatbots into AI companions capable of imitating human-like relationships. Grounded in Triangular Theory of Love, we study emotional bonding between consumers and AI companions by analyzing the dynamics of three love components: intimacy, passion, and commitment. Using a panel dataset of consumer-AI interactions, we quantify expressed love in each of these three components through an analysis of conversational data for each consumer-AI pair. Our findings reveal *emotional bonding with saturation*: As consumers engage in more interactions with an AI, they express stronger intimacy, passion, and commitment, but at a diminishing rate. Moreover, the expressed love is greater when consumers engage with AI companions designed for relational roles (e.g., romantic partners) than for functional roles (e.g., service providers). We also identify *relationship-sustaining love balances*: While higher mutual intimacy drives relationship formation, the continuation of dyadic relationship favors asymmetry. Specifically, consumers are more likely to continue relationships with AI companions when they express higher intimacy and commitment, while the AI companion express higher passion. In this research, we also conduct experiments to establish causality and further explore potential mechanisms. These nuanced consumer preferences in bonding with AI offer critical insights for designing adaptive, engaging, and responsible AI companions.

TA17

B135

Luxury Products

Contributed Session

Contributed

Chair: Robert Kreuzbauer, University of Stavanger, N/A, Norway

1 - How Visual Indulgence Impacts Content Virality: the Role of Brand Luxury

Zitian Adam, University of Manchester, Manchester, United Kingdom, Ying Feng

Brands aim to create social media content that consumers are motivated to share (i.e., repost), as such sharing fuels content virality and boosts product visibility and brand awareness. With visuals playing a central role in digital communication, many brands design indulgent imagery (e.g., using

decadent desserts or sensual couples) to attract attention. But is this strategy effective? Are consumers actually more likely to share such indulgent visuals?

To address this question, we construct a large-scale panel dataset of 179,398 social media posts from 898 brands. We develop a machine-learning–based computer vision pipeline, calibrated with human-coded training data, to detect and quantify visual indulgence in each image, yielding a continuous indulgence score per post. To estimate its effect on content sharing, we run negative binomial regression models with brand-level fixed effects, controlling for 21 covariates across brand, image, caption, timing, and content type. To strengthen identification and address potential selection bias, we implement propensity score matching as a robustness check. Results reveal a moderating role of brand luxury: for low-end mainstream brands, indulgence reduces sharing, but this effect weakens as brand luxury increases, and ultimately reverses for high-end luxury brands, where indulgence boosts sharing.

Two lab experiments replicate and extend the findings, revealing that anticipated reputational cost and emotional arousal jointly mediate the indulgence–sharing link, with their effects varying by brand luxury.

Together, this research advances work on social media virality, visual content marketing, and luxury branding, while demonstrating how machine-learning–based computer vision can uncover large-scale visual patterns in consumer behavior.

2 - Luxury, Art, and Social Media: Luxe-Art Collaborations in the Digital Age

Charles Lawry, Emlyon Business School , Lyon, France

Collaborations between luxury brands and art institutions are increasingly viewed as effective strategies for enhancing brand prestige in the twenty-first century. Prior research attributes the success of luxe-art collaborations to a cognitive effect, whereby consumers perceive luxury stores as museum-like and luxury goods as art-like. However, researchers do not fully understand how social media awareness and digital culture inform these collaborations, even though they generate hype and occasional virality for luxury brands (e.g., Yayoi Kusama × Louis Vuitton). To address this gap, we conducted ethnographic fieldwork and an audience analysis at a viral art installation sponsored by Prada (Study 1), followed by a thematic analysis of #GucciArtWall on Instagram (Study 2).

Drawing on Public Culture Theory, we identify three distinct audiences—cognoscenti, aesthetes, and sojourners—who share both positive and negative word-of-mouth about these collaborations. Notably, darker sentiments are largely absent from earlier studies, which focus on traditional luxury clientele and do not examine the effects of social media diffusion. We also find that creators often post about these collaborations and leverage them to promote their own talents or products. This outcome suggests that luxe-art collaborations can elevate the prestige of human brands, who borrow cultural capital from these experiences. Overall, our findings raise important questions about new challenges facing luxury brands in the digital age. While such collaborations can enhance cultural relevance and desirability, they can produce negative word-of-mouth and subtle content hijacking, which may dilute brand meaning or conflict with luxury brand values.

3 - *Luxury as Equilibrium: Quality, Competition, Scarcity, And a Revealed-Preference Index of Luxury*

Robert Kreuzbauer, University of Stavanger, Stavanger, Norway, Sadat Reza, Xueli Zhang

When does a category sustain luxury behavior rather than behaving as a scalable premium? Empirically, some markets exhibit persistent markups, waitlists, and secondary-market premia, while in others any residual premium vanishes once quality is transparent and capacity expands. Existing research typically isolates one force, either quality signaling and reputation, or demand-side status and exclusivity, leaving unclear when luxury is a stable equilibrium outcome.

We develop a unified equilibrium framework in which durable luxury arises if and only if two conditions jointly hold: (i) high quality is credible, via certification or reputation incentives, and (ii) high-tier capacity is binding.

The first condition establishes feasibility; the second governs equilibrium behavior. With convex capacity costs and monopolistic competition, the model generates a sharp regime split. When capacity is slack, the category behaves like a scalable premium: demand shocks expand quantities and residual image premia disappear. When capacity binds, shocks translate into prices rather than quantities, producing allocation frictions, waitlists, and resale premia. Competition compresses rents but does not alter the mechanism.

The integration yields three contributions. First, we formalize a supply–information complementarity: tight capacity endogenously sustains the premium required for credible high quality, while elastic capacity undermines both profitability and credibility. Second, we introduce a revealed-preference Luxury Index that maps the theory's primitives - income elasticity of demand and high-tier supply tightness - into a continuous diagnostic classifying categories along a scalable premium–to–luxury spectrum. Third, we illustrate core implications empirically, showing that premia vanish in categories but persist when quality is noisy and capacity binds.

TA18

B136

Gen AI and Content Production

Contributed Session

Contributed

Chair: Haihao Guo, Washington University in St. Louis, 728 De Mun Ave, Saint Louis, MO, 63105, United States

1 - When Generative Artificial Intelligence Enhances the Quality of Human Output: Workplace Implications

Prithwiraj Mukherjee, Ahmedabad University, Ahmedabad, India, Souvik Dutta

In many workplace scenarios like market research, consulting and new product development, generative artificial intelligence (GenAI) enhances the quality of output by an employee, who can expend costly effort via prompt engineering, and subsequent error-checking due to possible hallucination by the tool. We model a principal-agent setting where a principal (manager) contracts an agent (employee) to do some work. The principal is unable to observe the agent's inherent ability (type), and thus offers a payment contingent on the quality of the output generated. When GenAI is available to the agent, she augments her baseline (non-AI) work quality with prompt engineering, thus enhancing the total quality of the work. We solve for the optimal contract using control theory. We demonstrate the counterintuitive finding that, in the optimal contract, the agent actually expends more baseline effort when GenAI is available, than if it were not available. This is because the optimal contract acts as a screening mechanism that allows agents to credibly signal their underlying ability to the principal, who sorts them by ability. We also model the effect of the GenAI algorithm's accuracy on the agent's output quality. Our work is important for compensation mechanism design at the workplace in the era of generative artificial intelligence.

2 - What-if Analysis for Product Line Extension Using Conditional Deep Generative Models

Tsukasa Ishigaki, Tohoku University, Sendai, Japan, Yinxing Li

Predicting changes in purchasing segments before introducing new products through product line extension is a critical task for marketers. While market research is the most common approach for achieving this, it often requires substantial time and cost. This study proposes a data-driven marketing analytics framework that enables forward-looking what-if analysis based on historical transaction data for product line extension. We develop a Conditional Tabular Variational Autoencoder (CTVAE) that learns the relationship between product attributes and consumer characteristics and enables what-if simulations for hypothetical products. By conditioning on actionable marketing variables such as package type, volume, flavor, and calorie content, the model generates synthetic consumer profiles associated with potential line extensions. Using large-scale home-scan panel data from over 20,000 consumers and 700 soft drink products, we demonstrate that the proposed approach outperforms existing generative models in reproducing realistic, segment-level response patterns. Simulation

results illustrate how the framework can inform targeting decisions and assess cannibalization risks, highlighting its value as a decision support tool for marketing strategy and product portfolio planning.

3 - Empirical Echoes: Optimal Distance and Generative AI Music Design of Popular Music

Haihao Guo, Washington University in St. Louis, Saint Louis, MO, United States, Seethu Seetharaman, Yingkang Xie

Popular music is inherently historical, with new songs exhibiting systematic similarity to past musical styles, and this process has become increasingly consequential as generative AI enables music creation at unprecedented scale. This paper proposes a novel data-driven framework for designing successful music with controlled similarity to past music styles. We first construct an Interpretable Music Attribute Representation (IMAR) by separating each track into stems, then extracting theory-grounded features for melody, harmony, rhythm, and timbre using deep learning models integrated with music-theoretic analysis. Using all Billboard Hot 100 (24,618) songs from 1958–2017, we cluster songs within rolling windows via clustering and then aggregate medoids using a forward linkage rule to obtain robust historical "styles." Utilizing 29,331songs from 2018–2025, we then compute similarity measures between focal songs and these styles and show that successful contemporary music achieves optimal: melodies and rhythms that are close to past styles, fusion-oriented harmonies, and innovative timbres. Next, we train a state-of-the-art predictive model of Billboard entry based on audio-derived IMAR features and demonstrate that with only four of style-based similarity measures yields substantial gains in predictive accuracy. Finally, we operationalize these insights for generative AI: using a retrieval-augmented generation scheme that conditions on historical style medoids, we edit a current unpopular song to achieve the optimal distance to the past, which achieves the huge gain in predicted success compared with the current songs. Our framework offers one of the first end-to-end, implementable guidelines for using generative AI to solve the product design problem in music creation.

TA19

B137

Field Experiments I

Contributed Session

Chair: Julian Runge, Northwestern University

1 - Estimating Effect of Change in Assortment on TIME-Shift of Shopping Behavior via Multiple Field Experiments and Multiple DiD Conditions

Akihiro Inoue, Keio University, Yokohama, Japan, Naoki Ogawa, Kozue Ogawa, Hanako Imai

Since sales promotion and decision on assortment have been core marketing strategy especially for retailers, there exist many studies on these issues. Recently, many studies attempt to estimate the effects via DID approach, in addition to concurrent or time-series models. In this study we design multiple DID settings and run multiple field experiments, so as to estimate the genuine effect of marketing actions.
In the first filed experiment, we focus on the change in assortment, that is, expanding several items of a shelf-category of a retailer in Japan. Because the retailer has a supply-system of central-kitchen and in-store kitchens, the company can change their assortment over time flexibly. In September 2025, we expanded the assortment for three stores while keeping two stores for control. We applied the DID modeling so as to estimate the effect of the change in assortment. In addition, prior to the first filed experiment, we also run a naïve DID modeling to estimate the structural base on time-shift of shopping behavior. We integrate these two DID models and estimate a genuine effect of the assortment-change on the time-shift behavior.
In the second filed experiment in October, we expanded the experimental stores and, in addition to the assortment-expansion, distributed the coupon-flyer in the region. Through the multiple field experiments and the integrated multiple DID models, we estimated the genuine effect of the assortment change and coupons on time-shift of shopping behavior. The details of the estimation and financial evaluation will be shown in presentation.

2 - Building An Ecosystem OR Prioritizing Personalization with AI? Evidence from a Field Experiment

Catherine Tucker, Massachusetts Institute of Technology, Cambridge, MA, United States, Linyi Li

Through a pre-registered, randomized controlled field experiment, we demonstrate that a tailored generative artificial intelligence (AI) as a solution can significantly improve outcomes in an online weight loss program. Our results indicate increases in the number of participants who successfully were no longer obese, as well as a total reduction in body mass index (BMI) and enhanced participation rates. This suggests that tailored generative AI represents a cost-effective alternative to traditional weight loss interventions. Though personalization of messaging to encourage weight loss through AI was effective, the attempt to harness this personalization to build a community of the kind that has traditionally supported weight loss goals was less effective. This suggests that using AI to encourage the kind of personalization that can underpin a community may backfire, and at least in the weight-loss context, it is more effective to use generative AI for personalizing individual experiences rather than pursuing large-scale ecosystem development.

3 - The Power of The Crowd: Experimental and Analytic Insights into Veracity Ratings and Misinformation Control

Yiting Deng, UCL School of Management, London, United Kingdom, Richard Staelin, Darragh Senchyna, Antino Kim

Misinformation and its rapid spread on social media have raised serious concerns, prompting numerous interventions to curb its diffusion. We examine one such approach: requiring users who share an article to anonymously rate its perceived truthfulness. The platform then aggregates these ratings into a displayed veracity score that follows the article as it flows through the network. Using a randomized controlled experiment (N = 401) and a network-flow simulation calibrated with empirical estimates, we analyze how this intervention influences reading and sharing behavior and veracity judgments across different network structures. Results show that crowd-sourced veracity ratings reduce the flow of false articles by approximately 25% in homogeneous networks (i.e., echo chambers) and up to 60% in heterogeneous networks, with benefits amplified when initial exposure occurs in non-aligned clusters. Sensitivity analyses confirm that the intervention's effectiveness is robust to many different platform populations: even large shifts in behavioral parameters alters the predicted reduction in misinformation by only a few percentage points. This suggests that network structure, rather than precise parameter estimates, drives the results. The overall implication is that platforms can leverage modest informational cues at minimal cost to achieve meaningful system-wide reductions in misinformation diffusion.

4 - Distinguishing High Engagement and Problematic Use: A Marketing Analytics Perspective for the Case of Game Loot Boxes

Julian Runge, Northwestern University, Evanston, IL, United States, Ingrid Koch

Problematic consumption of digital experiences poses rising risks to consumer well-being, yet detection is difficult because consumption intensity alone is an unreliable signal: some consumers engage heavily without harm, while others experience impaired control and negative consequences. We study Net Promoter Score (NPS) inversion - a discrepancy between negative self-reported evaluation of a digital experience and sustained or increasing subsequent consumption - as a low-friction indicator of dysregulated use in the setting of loot box-based games. Like usage thresholds, NPS inversion can be detected from data routinely collected in digitized business, but draws in additional information. It signals an intention-behavior conflict: reflective evaluation suggests avoidance, yet revealed behavior indicates persistence. Runge (2025) documents NPS inversion using field data from a large free-to-play mobile game with loot boxes (141,966 active users and two survey waves). In this study, we propose to extend Runge (2025) with: (1) a laboratory experiment to validate NPS inversion against clinical and behavioral markers (impaired control, harm, addiction scales) to distinguish it from high engagement in greater detail in a controlled environment; (2) quantitative models estimated on the same clickstream + NPS panel, comparing resulting user-level indices with NPS-inverted status to assess overlap and incremental predictive power. We discuss implications for marketing analytics, responsible personalization, and early detection systems in digital markets.

Runge, J. (2025). Net promoter score inversion may signal problematic digital use. Nature Scientific Reports, 15:41962.

Thursday, June 11, 10:30 AM - 12:00 PM

TB01

B002

Emerging Topics in Industrial Organization

Invited Session

Special Session

Chair: Olivia Natan, UC Berkeley, Berkeley, CA, United States

1 - Is Adtech Consolidation Raising Ad Prices?

Olivia Natan, UC Berkeley, Berkeley, CA, United States, Samuel Goldberg, Tesary Lin, Zhengrong Gu

Advertising finances the digital economy, enabled by a complex set of services which help firms reach their customers by placing advertisements on publishers (i.e. websites). These services form a web of opaque vertical and horizontal relationships that is constantly evolving. In this paper, we ask how consolidation within and across the advertising technology “stack” changes downstream prices, quantities, and advertising quality.

We study this through a series of completed merger events observed from 2020–2023. These mergers span the main layers of the digital advertising stack, including demand-side platforms (DSPs), supply-side platforms (SSPs), data management platforms (DMPs), and publisher ad servers. This period saw substantial restructuring, as both independent intermediaries and large integrated firms expanded their control across layers. The mergers we analyze differ in the direction of integration—vertical or horizontal—and in the degree to which they expand access to or control over consumer data. This variation provides an empirical foundation for studying how different forms of consolidation alter competitive conditions and information flows.

2 - Leveling Down: Competition and Discrimination in Service Markets

Kwabena Donkor, Stanford University, Stanford, CA, United States

Does competition reduce discrimination? Yes, but this paper identifies leveling-down, a mechanism less benign than the standard selection story. Competition narrows discrimination gaps by degrading service for everyone, with the largest degradation for those previously treated best. I model discrimination as in-group favoritism rather than out-group hostility. Providers favor same-group customers, but the favoritism requires surplus that competition erodes. Preferential treatment is a luxury good. In the New York City taxi market, airport queues randomly assign passengers to drivers. Before new competitors entered in 2013, drivers charged higher fares and took longer routes for passengers whose race differed from the driver's. Competition compressed these disparities by two-thirds through leveling down. The cost of degraded service exceeded the benefit of reduced discrimination by a factor of 2.3.

3 - Sycophancy and AI

Samuel Goldberg, Stanford Graduate School of Business, Stanford, CA, United States, Giulia Caprini, Rafael Jimenez-Duran

Large language models (LLM’s) are said to exhibit “sycophancy” — a tendency to tell users what they want to hear. We model LLM and user interactions as a game and derive a sufficient statistic for sycophancy based on a potential outcomes framework. We define the LLM as sycophantic when it has a preference for avoiding user disapproval and develop an experiment to identify our measure. A Becker-style outcome test then signs the welfare effect: sycophancy reduces accuracy if and only if users on the margin of being agreed with are typically wrong. We find that sycophancy is larger in subjective domains where baseline accuracy is lower, and is heterogeneous across models. We develop an empirical methodology we term “structural agents” in which we endow agents with the preferences of consumers and have them interact with commercial LLM’s. We use the resulting data to identify the preferences of the LLM’s and the implications of sycophancy for welfare and LLM competition.

4 - Stated and Revealed Preferences for AI-Generated Content

Tai Lam, UCLA Anderson, Los Angeles, CA, United States, Jessica Fong, Olivia Natan

We study consumer preferences for AI-generated content using a novel dataset of 451,481 YouTube videos from 2,902 channels. Using LLMs to classify the top 20 comments for each video, we find that 4.3\% of videos receive comments explicitly identifying AI content, with negative sentiment predominating among these comments. To measure revealed preferences, we exploit within-video variation in view flows over time, comparing periods before and after AI-identifying comments appear. Using video fixed effects and channel-specific quadratic time trends, we find that the presence of AI-identifying comments is associated with a 9.4\% reduction in subsequent view growth. This effect exhibits substantial heterogeneity by channel size: smaller channels (bottom quartile by average views) experience a 22.6\% decline in view growth when AI content is identified, while the largest channels show no significant effect. Sentiment analysis reveals asymmetric responses---negative AI comments reduce views by 28.1\% for small channels, while positive AI comments show smaller, marginally significant effects. Comments appearing in top positions amplify these patterns, with top-ranked negative AI comments reducing view growth by 16.2\% for small channels. These findings suggest that consumer aversion to AI-generated content is strongest when creators have less established reputations, and that stated preferences in comments translate into measurable changes in revealed demand. Our results have implications for content creators' adoption decisions and platform policies regarding AI-generated content disclosure.

5 - Consumer Inattention and Quantity Surcharging

Jean-Pierre Dube, University of Chicago Booth School of Business, Chicago, IL, United States, Jean-pierre Dube

We exploit the widepsread practice of *quantity surcharging* (QS) in CPG categories, whereby firms charge a higher price per equivalent unit for larger pack sizes of the same commodity, to study consumer inattention to prices. In our case studies, we find QS incidences across categories ranging between 31% and 86% of store-weeks and accounting for as much as 15% of category sales. A descriptive analysis of consumer choices suggests a big component of the choices of surcharged large packs are due to inattention as the propensity to choose a surcharged packsize falls by 10 to 20 percentage points when the QS'd prices are promoted and hence salient. We then conduct a structural test of inattention using the approach of Abaluck et al. (2025) and find strong evidence that consumers are inattentive to prices. Importantly, the test does not require fully specifying a model of inattention or search, implying that the results are robust to a broad range of underlying behaviors. We combine this test with QS as an instrument. Surcharge pricing is atypical and should ``surprise'' consumers if they have rational expectations. We thus explore how our measures of inattention vary with the degree of surprise. To quantify the economic magnitude of inattention, we conduct full-information counterfactuals, finding a substantial reduction in consumers selecting surcharged items corresponding to a large increase in consumer surplus.

TB02

B003

Digital Platforms, AI, and Consumer Decision-Making

Invited Session

Special Session

Chair: Ann-Kathrin Polenz, University of Mannheim, Mannheim, Germany

Co-Chair: Yaniv Dover, The Hebrew University Business School, Jerusalem, Israel

1 - The Cost of Detailed Reviews: Abandonment and Rating Distortion

Ann-Kathrin Polenz, University of Mannheim, Mannheim, Germany, Andreas Bayerl, Yaniv Dover, Florian Kraus

We examine the consequences of asking many questions within a single online review on both users' likelihood of completing and publishing a review and on the resulting distribution of ratings. A dominant design choice on many online review platforms, especially software and employer review sites, is to require reviewers to answer numerous questions in a single review. The rationale behind this strategy is to maximize the informational richness of each submitted datapoint. However, using a multimethod approach and proprietary secondary data

that uniquely document abandoned and unpublished reviews, we show that this design substantially increases review abandonment. Importantly, this effect is especially pronounced among users intending to submit negative reviews, thereby exacerbating the already well-documented positivity bias in online ratings. We evaluate and provide insight into several explanations for this asymmetry, including greater effort required to articulate negative experiences and differences in motivation between reviewers with positive versus negative experiences. Finally, we suggest that platforms mitigate this bias by offering short-format review questionnaires alongside existing long-form review designs.

2 - What Gets Attention? the Consumption of Individual Online Reviews During Product Search

Leif Brandes, University of Lucerne, Lucerne, Switzerland, Jasmine Gould, Yiming Li, Thomas Scheurer

Consumers frequently state that they consider online reviews before making a purchase decision. However, little is known about which review characteristics influence the consumption of individual reviews, and how this influence depends on other reviews for the same product. In this paper, we use a new dataset from an online travel platform and exploit a unique design feature: per default, customers only see a short preview of each review, which must be expanded (with a click) to access the full content. Using a logistic regression (N = 328,752) with clicking the “read review” button (no/yes) as the dependent variable, we find that reviews are more likely to be clicked on as their overall rating decreases (from 6 = excellent to 1 = unsatisfactory; b=-.194, SE=.005, z=41.38, p<.001), when they are connected to a verified booking (b=.286, SE=.010, z=26.69, p<.001), when they include a response by the hotel management (b=.225, SE=.008, z=27.28, p<.001), and when they feature user-generated pictures (b=2.03, SE=.024, z=83.95, p<.001). We controlled for other factors, such as length of stay, age, gender, origin of the reviewer. Further, these effects are robust to hotel-level fixed effects and different model specifications (e.g., zero-inflated negative binomial regressions). Initial evidence is consistent with theories showing that negative and credible information is prioritized and given more attention to. These results are also of great managerial relevance, as they indicate that hotel responses may increase the impact of a review.

3 - Inferring Intent from AI-Mediated Interactions: a Comparison of LLMs vs. Traditional Graph Methods

Wendy Moe, University of Maryland, College Park, MD, United States, Liye Ma

This study examines and compares the ability of traditional graph methods and LLMs in inferring intent from consumer interactions with their AI assistants. Specifically, we focus on purchase intent. We compare inferred purchase intent using a graph-based method versus an LLM-based method to those provided by human annotators and market metrics such as CPC. Our findings suggest that both graph-and LLM-based methods can predict purchase intent, but key differences exist. Our analyses demonstrate the value of both LLMs and traditional graph-based methods. LLMs capture the value of verbs while the graph is better able to capture the value of nouns that provide important contextual information. Overall, we show that graph-based methods and LLM-based methods are not necessarily substitutes but rather complements. The ability to infer consumer intent, specifically purchase intent, has implications for AI orchestration and advertising strategies.

4 - Setting the Sponsored Scene

Ziting Liao, University of Maryland, College Park, MD, United States, Michael Trusov

Sponsored advertising on social media platforms represents a $244 billion market, yet surprisingly little is known about how the visual setting of an ad image shapes engagement. This project studies whether "fit" between a product’s category and the environment in a sponsored post influences how people respond. Using a large multi-year dataset of sponsored posts from a leading social media platform, product- environment alignment is quantified with a scalable text-and-image analysis pipeline, and its relationship with engagement outcomes is examined.

The effect of product-environment alignment varies systematically across product types. For some categories, weaker fit tends to increase engagement by drawing attention and encouraging deeper interpretation, whereas for other categories, category-consistent settings perform better by supporting quick comprehension and perceived appropriateness. The results offer actionable implications for brands and influencers to strategically design

sponsored content by calibrating contextual fit to the product type in order to increase engagement and attract new consumers.

TB03

B004

Field Experiments II

Contributed Session

Contributed

Chair: Muzeeb Shaik, Indiana University - Bloomington, Bloomington, IN, United States

1 - Designing Plans on Digital Platforms for Engagement: Insights from a Field Experiment

Ian Weaver, National University of Singapore, Singapore, Singapore, Vineet Kumar, Sreelata Jonnalagedda

In digital product settings, freemium (with a permanently free plan) and free trials are among the most commonly used and effective strategies adopted by both start-ups and established firms. The design of the free plan and trial is of primary importance, yet there are few studies that establish their causal impact on business-relevant outcomes. We conduct a field experiment in collaboration with a company that provides video-based learning in the performing arts to identify how the availability and generosity of free content shapes user behavior across the marketing funnel. We follow users from sign-up to plan discovery and evaluation (e.g., whether they view the plans page), the type of plan they engage with, and ultimately conversion. We find that greater generosity in the free plan increases engagement, whereas conversion rates are inversely related. However, the monetization impact of generosity exhibits an inverted-U shaped relationship. Finally, we document the underlying mechanism for user behavior that drives these results, highlighting how shifts at earlier funnel stages translate into downstream engagement and monetization outcomes.

2 - Comparing the Effects of Reward-Point Promotions and Price Discounts on Consumer Purchase Behavior: Evidence from a Field Experiment

Takeshi Moriguchi, Waseda University, Tokyo, Japan, Hisashi Kawamata

Frequent reward programs are widely used by retailers today, and some of them utilize point-based promotions. In many cases, points accumulated by members can be used for their purchases at the retailer. Reward-point promotions can therefore be viewed as a promotional tool that offers monetary incentives similar to price discounts. Accordingly, prior research has compared the effects of reward-point promotions and price discounts on consumer purchase behavior (e.g., Wei and Xiao, 2015; Zhang and Breugelmans, 2012). Building on this literature, this study conducts a field experiment to deepen our understanding of these promotional effects.

The experiment targeted approximately 200,000 members of a loyalty program operated by a Japanese drugstore chain. Via the retailer’s mobile app, participants received an offer of either reward points or a price discount, redeemable once per customer during the promotional period. The experiment manipulated promotion type (reward points vs. price discount), validity period (1 week vs. 4 weeks), and incentive amount (equivalent to 50 JPY vs. 150 JPY), using a $2 \times 2 \times 2$ between-subjects design.

The results indicate that when the validity period was short and the incentive amount was low, reward-point promotions were more effective than price discounts. In contrast, when the incentive amount was high, price discounts were more effective than reward-point promotions regardless of the validity period. Overall, these results support the hypotheses derived from the value function in prospect theory.

3 - Digital Adoption Subsidies and Spillovers: Evidence from a Large Scale Randomized Field Experiment

Juan Espinosa Balbuena, London Business School, London, United Kingdom, Stephen J. Anderson, Alexandra Avdeenko, Rajesh Chandy, Leonardo Iacovone, Lukasz Marc

This paper examines the direct and spillover effects of subsidized digital adoption among micro, small, and medium-sized enterprises (MSMEs). The analysis leverages a large-scale randomized field experiment

conducted in North-East Romania, in which 1,038 firms were randomly assigned an offer of non-refundable digitalization grants covering up to 90% of eligible investments. Treated firms substantially increased digital investment, particularly in software, digital tools, and other intangible assets. These investments translated into higher profits and improved relative performance in the short run, with limited evidence of immediate productivity gains.

The paper further examines whether subsidized adoption generates spillovers to nearby firms. Quasi-random variation in firms' exposure to treated adopters within narrowly defined sectors is exploited using distance-based measures of geographic proximity. The results indicate positive and highly localized spillovers: non-treated firms operating in the same sector and located closer to treated firms experience higher sales and profits. In contrast, no spillover effects are detected among firms outside the experimental sample.

These findings provide causal evidence that digital adoption subsidies can generate indirect benefits beyond directly treated firms. More broadly, the results highlight the importance of accounting for localized externalities when evaluating policies targeting general-purpose digital technologies and their effects on competitive outcomes in local markets.

4 - When and Where to Invest in Service Level: Evidence from a Large-Scale Field Experiment

Eunkyung An, Stevens Institute of Technology, Hoboken, NJ, United States, Abdullah Gokcinar, Masakazu Ishihara, Dmitry Mitrofanov

IIn this paper, we study how proactive improvements in service levels shape customer spending and purchasing behavior. This setting is distinct from the stockout literature: increasing availability is not simply the reverse of a stockout. Ex ante, its effect is ambiguous because customers may have adapted to the baseline, marginal gains may exhibit diminishing returns, and greater service levels could even induce choice overload. Using a large-scale collaboration with a major U.S. apparel retailer and a firm-wide service-level improvement initiative, we estimate both short- and long-run impacts and identify when and where service level investments pay off. First, using matched difference-in-differences analyses of 330,340 store-loyal customers, we provide causal evidence on the customer consequences of improving availability: offline spending increases by 3.9% per quarter, accompanied by higher shopping frequency (+0.6% purchase days) and quantity (+0.8% units). Second, we show that availability improvements generate an omnichannel halo effect: treated customers also increase online spending by 1.6% per quarter, implying complementarity across channels rather than simple substitution between offline and online. Third, we jointly quantify immediate and longer-run effects by combining the customer-panel policy shock with a replenishment-based quasi-experiment that exploits 24,000 inventory replenishments, creating discrete jumps in availability. In the short run, higher service levels increase store sales with no significant changes in units sold, consistent with substitution toward higher-priced items. In the long run, these replenishment shocks raise customer spending for at least six months, with persistence increasingly driven by higher purchasing activity. Finally, we unpack mechanisms and targeting implications.

5 - Experiential Learning and Gender-Stereotype Attitudes in Science Education: Evidence from a Field Intervention

Muzeeb Shaik, Indiana University - Bloomington, Bloomington, IN, United States, Huanhuan Shi, Adithya Pattabhiramaiah, Shrihari (Hari) Sridhar

Women represent only 35% of STEM graduates globally. Prior interventions addressing this gap through awareness campaigns, girls-only programs, or gender-congruent environments risk triggering reactance by explicitly targeting gender perceptions. We examine whether redesigning the science learning experience can reduce stereotypes as a collateral benefit. We evaluate a Mobile Science Lab program in India that delivers experiential, hands-on science instruction in mixed-gender settings to 5,216 students across 196 schools. Using a difference-in-differences design, we find the program increased science knowledge by 14 percentage points and reduced gender-stereotypical beliefs by 20 percent. Effects on stereotype reduction are stronger among boys. We propose that these effects occur through belief updating during shared consumption: students infer gender-neutral norms from observing peers engage competently in mixed-gender collaborative tasks. The findings

demonstrate that experiential service design can reshape identity-based perceptions without explicit persuasion, offering a scalable approach to gender equity in STEM.

TB04

B005

Sustainability II

Contributed Session

Contributed

Chair: Xiangyang Zhao, Renmin University of China

1 - We Care About What You Care About: Using Reason-Specific Interventions to Encourage Sustainable Choices

Sharon Wei, Erasmus University Rotterdam School of Management, Rotterdam, Netherlands, AKS Krefeld-Schwalb, Sebastian Gabel

Individual behavioral change is essential for climate change mitigation and adapta- tion. However, interventions encouraging more sustainable choices often do not have the desired effect. To address this, we studied consumers' mental representation of sustainable behavior across seven situations to understand why they behave (un)sustainably.

We elicited consumers' mental representations using open-ended questions asking their reasons behind making (un)sustainable choices in various situations (e.g., food consumption). We identified key attributes (i.e., reasons) people care about for each behavior using large language model (LLM) embeddings. These reasons vary across situations and individuals. Further, they can be divided into situation-specific reasons, such as health, which is mainly relevant to food consumption, and general reasons, such as costs, which are relevant across situations. We applied these insights in a series of longitudinal field experiments with interventions designed using reasons. Our results demonstrate how to develop effective interventions by examining mental representations of the target behavior.

2 - Remote Voices, Local Choices: How Do Distal Norms Impact Sustainable Consumption

Zihao Xiao, University of Sydney, Sydney, Australia, Stacey Brennan, Amanda Kennedy

While social norms are a powerful tool for shaping sustainable consumer behavior, most research has focused on norms from close (proximal) referents such as friends, family, and peers, which are difficult for brands to control, segment, or scale across diverse audiences. This research develops a distal-norm framework in which celebrities and influencers function as distal norm referents who communicate either descriptive norms (what they do) or injunctive norms (what they expect other people to do) regarding sustainable consumption. Studies 1 and 2 show that distal injunctive (vs. descriptive) norms increase intentions to purchase sustainable products and that this effect is mediated by higher moral clarity. Study 3 demonstrates robustness across prescriptive and proscriptive injunctive framing and rules out alternative explanations of aversion and psychological reactance. Study 4 identifies distal referent–product incongruity as a boundary condition: distal injunctive norms no longer increase moral clarity or purchase intentions; a targeted robustness check shows the pattern re-emerges with a highly congruent referent. These findings extend normative influence theory by specifying how norm referent distance and message type jointly shape sustainable consumption and by identifying moral clarity as a central mechanism. Practically, the research offers a scalable, brand-relevant approach for leveraging media-based figures to promote sustainable consumption.

3 - The Power of Sharing: How Social Sharing Shapes Consumer Preferences for Green Products

Fanyi Liu, Wuhan University, Wuhan, China, People's Republic of, Fue Zeng, Ji Xia, Yixuan Zeng, Xueying Wang

Social sharing is an integral part of people's lives. Despite its prevalence, research has not yet fully explored how social sharing influences consumers' product choices, particularly for products whose consumption is strongly influenced by social expectations and standards, such as green products. In this research, we investigate the

impact of social sharing on consumer' green product choices. Across five studies, we demonstrate that social sharing systematically enhances consumers' preference for green products (vs. normal products), despite their higher price. Mediational evidence suggest that this effect is driven by consumers' increased willingness to comply with social norms resulted from social sharing. These results are robust across various contexts and consumer segments. Moreover, the effect is moderated by the valence of the shared content, such that sharing positive (vs. negative) content strengthens the effect of social sharing on green product choice. This research provides important insights for marketers by showing that social sharing—seemingly unrelated to product attributes—can be strategically leveraged to promote green products. By activating social-norm compliance through social sharing, marketers can effectively encourage green consumption without directly altering product features or price, thereby advancing understanding of the social-psychological mechanisms underlying green consumption.

4 - Seeing is Believing? Visual-Textual Consistency in ESG Reports and the Cost of Green Bonds

Xiangyang Zhao, Renmin University of China, Renmin, China, People's Republic of, Yue Pan, Zhenhan HONG

This study examines how the alignment between visual and textual information in ESG reports affects investor pricing. Using the Bootstrapping Language-Image Pre-training model (BLIP), this study constructs a novel measure of figure-word consistency that captures the alignment between visual and textual disclosures in ESG reports. We document a robust negative association between figure-word consistency and green bond yield spreads, indicating that higher visual-textual alignment is associated with lower financing costs in the green bond market. This result is robust to a series of robustness tests. However, we find no corresponding improvement in firms' underlying environmental performance: environmental investment does not increase, nor do environmental penalties decline. These findings suggest that enhanced visual consistency in ESG reports reflects symbolic disclosure or greenwashing rather than substantive environmental improvement. The effect on green bond costs is particularly pronounced among firms with poor historical environmental performance, low media attention, and weak regional environmental regulation, consistent with investors relying more heavily on visual cues when external information and monitoring are limited. Overall, this study highlights the capital market relevance of visual-textual alignment in ESG disclosures and provides novel evidence that visual consistency serves as an effective but potentially misleading information channel in sustainable finance.

TB05

B008

The Behavioral-AI Feedback Loop: Improving Systems and Science II

Invited Session

Special Session

Chair: Madhav Kumar, MIT, Cambridge, United States

Co-Chair: Yuyan Wang, Stanford Graduate School of Business, Stanford, CA, United States

Co-Chair: Yuyan Wang, Stanford University

1 - The Effect of Logic Expression in Promotions: Evidence from The Mobile Phone Market

Fred Feinberg, University of Michigan, Ross Business School, Ann Arbor, MI, United States, Sam Levy, Zetao Wang

Promotional offers are often evaluated by their economic content -- reward magnitude, eligibility requirements, or timing -- but such changes inevitably alter how offers are logically expressed. We study how the logical structure of promotional language, beyond its monetary value, affects consumer response. We conceptualize promotions as rule-based systems composed of requirements and rewards connected through implicit logical operators (e.g., and, or, if–then). Using large language and other "high-dimensional" regularized models, we parse natural-language promotions into formal propositional logic expressions and develop a novel, interpretable measure of logic complexity capturing multiplicity, interdependence, and structural diversity.

Analyzing a rich longitudinal dataset from the North American mobile phone market, we examine how logic complexity influences weekly sales while controlling for prices, promotional value, advertising, and competitive conditions. Using a comprehensive, nonparametric framework for data fusion between "stated" and "revealed" preference measures, we find that greater logical complexity is associated with higher sales on average, but the effect is highly heterogeneous across brands. For technologically sophisticated brands such as Apple and Google, complex promotional logic significantly boosts sales, whereas for lower-tech brands it yields weaker or negative returns. These results are robust across fixed-effects models, linguistic instrumental variables, and IV-free identification strategies.

Our findings highlight how behavioral and choice-theoretic structure can inform the design of AI-mediated marketing systems, and how AI tools can, in turn, uncover meaningful structure in consumer-facing language.

2 - Motivating Consumer and AI Co-Creation

Lan Luo, University of Southern California, Los Angeles, CA, United States, Mengxia Zhang, Brian Han, Tianshu Sun, Joseph Golden

Artificial intelligence (AI) reshapes digital mass customization by altering the structure of consumer–AI co-creation. When consumers can start from an AI-generated draft rather than a blank canvas, outcomes are jointly determined by two stages: whether consumers initiate co-creation and, conditional on participation, how much refinement effort they exert. Partnering with a leading U.S. online retailer of personalized photo products, we study the causal impact of motivating participation in consumer–AI co-creation and examine how alternative participation interventions shape downstream purchase outcomes. We develop a two-stage model in which, relative to a baseline with organic participation, a nudge lowers start-up frictions and expands voluntary entry, whereas a mandate guarantees entry but can weaken how participation translates into purchase, generating a reach–efficiency trade-off. Two randomized experiments support the model’s predictions. In Study 1, a light-touch nudge increases participation by 5.98 percentage points and raises revenue, with gains driven by expanded entry rather than intensified refinement effort. In Study 2, mandating participation further increases participation but yields weaker downstream outcomes, including lower conversion efficiency and a higher incidence of minimal-compliance participation. Together, these findings highlight a fundamental trade-off between expanding participation and preserving engagement quality in consumer–AI co-creation.

3 - Calibrated Coarsening: Designing Info for AI-Assisted Decisions

Ruru Hoong, Harvard Business School, Cambridge, MA, United States, Bnaya Dreyfuss

Artificial intelligence (AI) is increasingly used to aid human decision-making across critical applications, but errors in human probabilistic reasoning (e.g., cognitive biases) often undermine its effectiveness. This raises the central design question of how to provide AI input to humans in a way that improves decision-making outcomes. We propose calibrated coarsening---partitioning the signal space into fewer cells at chosen thresholds---as a way to do so that (i) ensures humans retain final decision authority, (ii) modifies signals without deception, and (iii) adapts flexibly to diverse biases and contexts. Within an information disclosure framework, we derive an approximately optimal binary coarsened policy when the designer does not observe the decision-maker's information. In a randomised experiment with professional loan specialists, we empirically demonstrate that coarsening AI signals at the theory-derived threshold significantly improves decision-making outcomes, outperforming both the human-only (based solely on the loan application) and uncoarsened AI assistance (continuous AI risk-score, in addition to loan application) benchmarks. We uncover substantial decision heterogeneity amongst loan officers and estimate a Bayesian hierarchical linear model (HLM), which we use to simulate and test the benefits of personalised coarsening policies.

4 - Visual Diversity and Consumer Choice in Online Platforms

Madhav Kumar, Harvard University, Cambridge, MA, United States

We investigate consumer preferences for visual diversity by examining the relationship between display model skin tone and product performance across major global fashion brands. Using comprehensive data from five major brands, we document substantial variation in model representation and employ a matching approach to analyze performance outcomes. We find that products featuring darker skin tone models are significantly more

likely to become top sellers. To isolate the underlying consumer preferences driving this effect, we conduct two carefully designed experiments using generative AI to manipulate model skin tone while holding product characteristics constant. Our experimental results reveal that consumers express significantly higher purchase intent for products featuring darker skin tone models. These findings show that the performance advantage is driven primarily by consumer preferences rather than supply-side factors such as product targeting or quality differences. Our research provides a comprehensive, causally-identified measurement of consumer demand for visual diversity in digital commerce, offering brands empirical tools to measure and optimize their representation strategies.

TB06

B009

Structural Analysis of Emerging Markets

Invited Session

Special Session

Chair: Tianli Xia, University of Rochester, Rochester, NY, United States

1 - Information Disclosure and Efficiency In Dynamic Price Negotiations: An Experimental and Structural Analysis

Gaoyang Cai, Northwestern University, Kellogg School of Management, Evanston, IL, United States

This paper examines the causal effects of information disclosure policies on dynamic price negotiations. While information disclosure facilitates informed decision-making by enabling users to reveal private information, it also induces strategic signaling and price discrimination that can undermine market efficiency. I use a large-scale panel experiment on an on-demand delivery platform where drivers offer delivery prices to shippers (customers). The platform randomly assigns cities either to a treatment group—where drivers observe the lowest price previously rejected by shippers (full-disclosure)—or to a control group, where no such information is disclosed (no-disclosure). I find that full-disclosure significantly increases shippers' rejection rates, holding offer prices fixed. In response, drivers lower their offers on average and price-discriminate based on shippers' rejection records. Full-disclosure decreases order transaction prices and lengthens transaction duration. To quantify equilibrium and welfare impacts of information disclosure policies, I develop a dynamic negotiation model, estimate its primitives using treatment data, and validate the model on holdout control data. I find that full-disclosure benefits low-value shippers—who signal low valuations through strategic rejections, obtaining lower prices despite longer waits—while harming high-value shippers through driver price discrimination. Counterfactual analyses show that a class of partial disclosure policies—disclosing only the lowest shipper-rejected price below a threshold—achieves Pareto improvements in user welfare and platform revenue by mitigating negative signaling externalities, reducing driver markups, and enhancing market efficiency. Targeting market primitives to optimize market-specific disclosure thresholds increases social welfare by 13.3% and 14.1% relative to the no-disclosure and full-disclosure benchmarks, respectively.

2 - Policy Design for Sustainable Innovation and Adoption: a Structural Analysis of the Electric Vehicle Market

Zikun Liu, Yale University, New Haven, CT, United States

A core question in industrial policy design is how to stimulate technological advancements, particularly those with positive externalities. The automobile industry provides an ideal setting for studying this question, as it has accelerated toward electrification propelled by rapid technological breakthroughs in electric vehicle (EV) driving range backed by an unprecedented wave of supportive policies. To evaluate how policies shape automakers' forward-looking investments in R&D and charger construction and to quantify the resulting social welfare effects, including consumer surplus and greenhouse-gas emissions, I develop and estimate a dynamic structural model of endogenous investment. The model's state space, tracking heterogeneous firms' technology and charger stocks, grows exponentially. To overcome the long-lasting estimation challenge posed by large state spaces, I develop a layered-local-iteration (LLI) method that exploits the layered structure of state spaces and enables parallel computation, thereby delivering speedups by orders of magnitude in solving Bellman equations.

Counterfactuals highlight the importance of incorporating firm heterogeneity to design an optimally coordinated policy mix that navigates investments from different firms to their highest social return.

3 - Range Anxiety

Tianli Xia, University of Rochester, Rochester, NY, United States, Panle Barwick, Shanjun Li

Range anxiety, the fear of depleting battery before reaching a charging station, is often cited as a major barrier to electric vehicle (EV) adoption, yet there has been limited formal economic analysis to quantify its importance and understand the policy implications. We develop a continuous-time dynamic model of EV usage and charging decisions to quantify range anxiety as the utility loss from feasible yet unrealized trips due to perceived range constraints. Using high-frequency data of 188,000 EV trips and 30,000 charging events among 8,000 EVs in Shanghai, we recover model parameters governing consumer driving and charging decisions. The estimates imply that, across EV models with varying driving ranges, average range anxiety was about $1,900 in 2021 but declined to $1,200 in 2024, driven by improvements in charging infrastructure and, especially, increases in driving range. Policy simulations underscore the importance of coordinating investments in battery capacity and charging infrastructure to address range anxiety: relative to socially optimal levels, Shanghai's EV market has under-invested in driving range while over-investing in charging infrastructure.

4 - Pharmacy Purchasing Alliances in the Generic Drug Market

Yihao Yuan, University of California, Los Angeles, Los Angeles, CA, United States, Catherine Ishitani

In the past decade, retail pharmacies have formed purchasing alliances to procure generic drugs from manufacturers. We investigate the impact of these alliances on consumer welfare. Using data on alliance formation, procurement prices, and drug applications, we find that while these alliances lower the procurement prices of generic drugs, they also lead to significant exits of generic drug manufacturers. To quantify the impact of purchasing alliances, we will build a structural model that includes consumer demand, wholesale price negotiations, and the entry of drug manufacturers.

TB07

B010

Digital Platforms, User Generated Content and AI - II

Invited Session

Special Session

Chair: Shrabastee Banerjee, Tilburg University, Tilburg, Netherlands

Co-Chair: Marco Kotschedoff, KU Leuven, Leuven, Belgium

Co-Chair: Martina Pocchiari, Esade Business School, Barcelona, Spain

1 - The Impact of AI-Generated Product Line Extensions: Evidence from Machine-Narrated Audiobooks

Marco Kotschedoff, KU Leuven, Leuven, Belgium, Ulrich Laitenberger

We study the impact of releasing machine-narrated audiobooks on publishers' sales across book formats. Although recent advances in AI-based text-to-speech technology enable low-cost audiobook production, concerns about perceived narration quality, AI aversion, and cross-format cannibalization raise questions about their net value. Using data on customer reviews, we show that consumers rate machine-narrated audiobooks lower than human-narrated audiobooks, particularly along narration performance dimensions. Linking machine-narrated audiobooks to their corresponding eBook and print editions and tracking sales ranks over time, we exploit staggered release timing to conduct a difference-in-differences analysis. We find that machine-narrated audiobook introductions generate a short-term increase in eBook sales and a persistent decline in print sales. Aggregating demand across formats, publishers benefit overall, as additional audiobook and eBook sales outweigh print losses. Our findings provide new evidence on substitution and complementarity across book formats and inform publishers' format-portfolio decisions under AI-based narration technologies.

2 - How Generative AI Impacts Engagement with Content: Evidence from Field and Online Experiments

Unnati Narang, University of Illinois at Urbana Champaign, Champaign, IL, United States, Carl-philip Ahlbom, Shrabastee Banerjee

Generative artificial intelligence (GenAI) is rapidly reshaping online communities, yet little is known about how users engage with AI-generated content and why. We conduct a field experiment on an online discussion platform (Yellowdig.com), randomly assigning participants to craft posts using GenAI alone, GenAI with human modifications, or only human input. We find that posts created in both AI conditions are more informative but also more complex and less personal than purely human-generated posts. Overall, AI-assisted posts generate higher user engagement compared to human-only posts, with the strongest effects observed when AI-generated content is modified by humans. Follow-up online experiments show that increased informativeness of AI-generated content positively mediates engagement, while increased complexity negatively mediates it, highlighting competing forces underlying the net engagement effects. Together, these findings suggest that combining AI generation with human refinement can help platforms leverage GenAI to enhance user engagement while mitigating potential downsides. These results offer important implications for the design and governance of AI use in online communities.

3 - Consumer Value of Privacy: Evidence from An Online Retailer

Mimansa Bairathi, University College London, London, United Kingdom, Ankit Sisodia, Mayur Choudhary

We study whether—and how much—consumers value their personal information using field data from a large online fashion retailer's tiered loyalty program. We exploit quasi-experimental variation in the effective value of disclosure incentives generated by the program's structure: fixed loyalty points offered for data disclosure become more valuable as consumers approach tier-upgrade thresholds. We find robust evidence that consumers value privacy. As the effective payoff from disclosure increases, consumers become significantly more likely to share personal information. The implied cost of disclosure varies by information type. Demographic information is valued least, while contact details and payment card information command substantially higher privacy costs, indicating greater sensitivity to contact and financial data. Nevertheless, the absolute monetary values remain low. We estimate that consumers value date-of-birth information at approximately $0.10, while mobile phone numbers and payment card details are valued at $0.51 and $0.52, respectively. Finally, consumers with greater alternative opportunities to earn rewards—through higher past spending or prior program participation—exhibit higher privacy costs and are less responsive to disclosure incentives. Together, our results provide causal, field-based evidence on the monetary value of personal data and demonstrate how incentive design and contextual factors shape consumers' willingness to share information.

4 - Subscription Pricing with Non-Single-Crossing Preferences

Daniela Schmitt, Nova School of Business and Economics, Carcavelos, Portugal, Pedro Gardete, Florian Stahl

Subscription markets routinely alternate between charging a single access fee and offering more complex pricing menus. Yet, economic theory provides ambiguous guidance on when simple pricing is optimal. Standard arguments rely on the single-crossing property, which ensures that consumers with higher willingness to pay also consume more.

We develop a model of subscription and consumption in which consumers make a discrete access decision and then choose usage, potentially under nonlinear pricing. We find that consumer heterogeneity can be equivalently represented by two economically meaningful objects: surplus from access and ideal consumption in the absence of marginal prices. This reparameterization is without loss of generality and isolates the correlation between willingness to pay for access and desired consumption as the key determinant of whether simple subscription pricing is optimal or richer pricing menus are profitable.

Within this framework, we establish that under single crossing, lowering the subscription fee cannot increase average consumption among subscribers. Conversely, arbitrarily small departures from single crossing—arising from imperfect or negative correlation between access surplus and ideal consumption—can reverse this prediction. While subscription demand depends only on the marginal distribution of surplus, optimal pricing, profits, and welfare depend critically on this correlation.

Using subscription, consumption, and renewal data from an online news publisher to estimate the joint distribution of consumer types, we characterize the full pricing problem. Variation in the correlation between surplus and ideal consumption can lead firms to prefer simple or complex pricing schemes, even when demand for access is held fixed.

TB08

B011

Capturing Attention Live: Influence and Monetization in Livestreaming

Invited Session

Special Session

Chair: Zhe (Betty) Ji, University of Guelph, Guelph, ON, Canada

Co-Chair: Zining Wang, Boston College, Chestnut Hill, United States

1 - A Deep Dive into Livestreaming Sales Pitch

Zining Wang, Boston College, Chestnut Hill, MA, United States, Yanwen Wang, Shuai Yang, Hongju Liu

This research examines how the design of sales communication shapes effectiveness in influencer marketing. We characterize and compare the sales lift of two communication strategies: brand-oriented communication, which emphasizes product attributes and specifications, and influencer-oriented communication, which emphasizes influencers' personal experience and relationship building. Based on 4,848 live product videos showcased by 110 influencers on a leading online marketplace in China, our empirical analysis suggests that although brands can retain control over sales communication by requiring influencers to emphasize relatively standardized product features, sales communication grounded in influencers' personal experience generates significantly higher sales lift. In addition, brand-oriented communication focusing on promotions does not outperform influencers' relationship-based communication once actual discounts are controlled. The findings remain robust after accounting for influencers' expertise and trustworthiness, decoy comparisons, and synergies with hedonic appeal. Highlighting the trade-off between brand control and delegation, these findings provide insights into influencer communication design and offer actionable guidance for addressing agency problems in influencer marketing.

2 - The Economic Value of Influencers

Zhe (Betty) Ji, University of Guelph, Guelph, ON, Canada, Mansour Shahhosseini, Shervin Tehrani, Ruhai Wu

Livestream commerce has transformed influencer marketing by embedding influence directly into real-time selling, yet firms lack rigorous tools to quantify how an influencer's value evolves over time and varies across product categories. This paper proposes a deep hierarchical state-space model to measure dynamic influencer value using high-frequency influencer–show–product data. We conceptualize influencer equity as a latent, time-varying asset comprising two components: charisma—portable trust and audience rapport that generalize across categories—and category-specific expertise, capturing domain credibility, and model the dynamic evolution of these components within a deep state-space framework.

Using large-scale influencer–show–product data from livestream shopping, we treat product-level sales within a show as repeated noisy measurements of an influencer's underlying influence stock. The framework exploits within-show, cross-product, and cross-category variation to separately identify a global influence state and category-specific deviations, while avoiding SKU-level latent processes. The model explicitly accounts for key operational features of livestream commerce, including irregular show timing, rapid assortment churn, within-show attention competition, platform congestion, and endogenous pricing and discounting decisions.

Our estimates reveal substantial heterogeneity in both the level and dynamics of influencer value. Influencers with stronger influence generate demand lift across a broad range of categories and sustain sales at lower discount levels, whereas influencers with stronger category-specific influence exhibit concentrated effectiveness

within particular domains. Counterfactual analyses show that optimal discount intensity and category assignment depend on an influencer's evolving latent influence. Overall, the results highlight the importance of accounting for dynamic, multidimensional influencer value when designing pricing, promotion, and influencer-deployment strategies in livestream commerce.

3 - Competitive Gamification in Digital Consumption: Evidence from Tiktok

Matthew Osborne, University of Toronto, Mississauga, ON, Canada, Zirou Chen, Nitin Mehta

We study the gifting behavior of consumers and leaderboard design in the context of livestreaming. Using real-time data from TikTok, we provide causal evidence for two distinct gifting motives: the competitive motive and the appreciation motive. The appreciation motive reflects the tendency to gift in response to popular content. The competitive motive arises from TikTok's gifting leaderboard. The leaderboard ranks consumers by cumulative gifting in real time and awards badges to the top three contributors, creating incentives to compete for recognition and social utility. We find that the strength of the competitive motive depends on the consumer's relative position: when a consumer's cumulative gifting amount is far from that of immediate competitors, the return from competing diminishes, reducing the competitive motive. To evaluate the economic value of the leaderboard and guide the design of the leaderboard, we build and estimate a continuous-time dynamic game model of consumers' gifting behavior. Our results show that, for an average session, the leaderboard-induced competitive motive accounts for 43% of the total revenue. We also conduct leaderboard design counterfactuals to manage competitive intensity and optimize platform revenue. We find that revising the scoring system to weigh recent gifting activity more heavily increases revenue by 19.7%. Our findings underscore the critical role of leaderboards in driving revenue on digital platforms and the importance of leaderboard design in optimizing platform revenue.

TB09

B127

Gaming

Contributed Session

Contributed

Chair: Jinyu Zhang, The University of Hong Kong

1 - AI-Based Learning Support as A Consumer Boost: Observational Evidence from An Online Game Platform

Hamada Shunya, Faculty of Business Administration, BunkyoGakuin University, Tokyo, Japan

AI-powered analytics and communication can personalize support on digital platforms, yet it remains unclear whether such tools merely steer behavior (nudges) or build users' decision competence. Boosts are defined as interventions that target competences rather than immediate behavior (Grüne-Yanoff & Hertwig, 2016; Hertwig & Grüne-Yanoff, 2017). We examine two optional AI learning supports on a Japanese online mahjong platform: (1) a score-sheet analysis AI that provides probabilistic and strategic feedback and (2) an AI email assistant that explains the feedback in plain language to opt-in users. Using approximately 120,000 user-year records (2019–2024), we compare four groups: analysis-AI only, email only, both, and neither. Skill acquisition is proxied by annual play count and "flag efficiency" (final flags divided by annual plays), a measure of learning productivity. Pre/post comparisons show that users adopting both tools increased annual play and final flags in 2024 relative to 2019–2022. Users adopting only the analysis AI show smaller changes in volume but larger differences in efficiency metrics, including flag efficiency, compared with non-users. These patterns are consistent with a complementary mechanism: analytical feedback may serve as a boost by strengthening probabilistic and strategic understanding, while follow-up email reinforces comprehension and reflection. This study provides initial behavioral evidence on when AI assistance aligns with boost-like learning rather than solely nudge-like guidance, and it highlights efficiency-based metrics as informative outcomes for AI-supported skill acquisition.

2 - The Attention Trade-off: Viewer Engagement and Gameplay Performance on Twitch

Lintong Li, The University of Sydney, Sydney, Australia, Qiang (Steven) Lu, Yupin Yang

In competitive livestreaming, Twitch creators must balance the demands of high-level gameplay with the ongoing cognitive load of real-time audience interaction. This study examines how live chat engagement influences streamers' in-game performance. Leveraging a large-scale, multi-source dataset comprising over 6,000 Valorant matches, chat transcripts from more than 1,000 Twitch streamers, detailed broadcast metadata, and corresponding livestream audio recordings, we integrate textual and vocal analyses to capture both audience affect and streamer expressiveness. We assess how emotionally charged or cognitively taxing viewer input (e.g., praise, distraction, or confrontation) relates to key performance metrics, including kill/death ratios, clutch success under pressure, and decision-making latency. Streamer skill level and historical engagement patterns are modeled as moderators to test differential sensitivity to interactive load. Grounded in dual-task interference theory and parasocial interaction literature, this research advances understanding of social-cognitive mechanisms in digital performance environments. The findings offer actionable insights for marketers, platforms, and brand sponsors seeking to optimize viewer engagement without compromising content creator effectiveness.

3 - Learn or Leave: Hidden Advantage and Player Disengagement in Competitive Online Games

Tao Han, The University of Hong Kong, Hong Kong, China, People's Republic of

In competitive online games like League of Legends, players expect fair matches where skill improvement comes through practice and effort. Yet this fairness is disrupted by smurf accounts, where highly skilled players compete using new, low-rank identities, creating hidden advantages that distort matchmaking. It remains unclear whether exposure to such opponents motivates players to improve or instead triggers discouragement and disengagement. This paper investigates how being matched against smurfs affects player behavior. Linking a dataset of League of Legends ranked matches to a third-party smurf detection service, we exploit exogenous variation in smurf exposure to estimate its causal impact on players' in-game performance and subsequent engagement. We use a Difference-in-Differences approach: we compare how players behave before and after playing against a smurf (treatment group) versus similar players who did not face one (control group). This setup uses natural, random-like variation in who gets matched against smurfs. We find that exposure to smurfs hurts players in two main ways. First, their in-game performance drops noticeably right after the match. Second, they play fewer matches per week afterward, showing clear disengagement. Effects concentrate among mid-tier players (Silver–Gold ranks), consistent with attribution failure when losses cannot be linked to controllable factors. Our results highlight a hidden cost of imperfect type detection in competitive platforms: when fairness is compromised by concealed advantage, even temporary exposure can erode long-term retention. For game publishers, this underscores the value of robust smurf detection, not merely for competitive integrity, but for sustaining player engagement.

4 - Sustainability of Token Economies in P2e Games: a Mixed-Methods Study Based on Empirical Data and Player Perspectives

Chi-Cheng Wu, National Sun Yat-sen University, Kaohsiung City, Taiwan, Zong-Wei Dong

This study explores the sustainability of Play-to-Earn (P2E) blockchain games through a dual research design combining objective on-chain data analysis with subjective user perception surveys. In the first phase, a panel dataset covering nine major blockchain games from 2020 to 2025 was analyzed using random effects regression to evaluate how specific token mechanisms influence player activity. Results demonstrate that high trading volume and token burn mechanisms are positively associated with user engagement, whereas dual-token structures and governance staking may inadvertently hinder participation. The second phase investigates player attitudes through a structured questionnaire (n=458), identifying four cognitive factors via exploratory factor analysis: gameplay experience, token mechanism design, macro-market expectations, and in-game economic signals. Regression and K-means clustering indicate that sustainability intentions vary significantly by player type, with users prioritizing experience and system transparency showing the strongest commitment. By bridging the gap between objective behavior and subjective insights, this research reveals that sustainability relies not only on technical incentives but also on institutional legitimacy and platform trust. These findings offer developers and policymakers a strategic framework for optimizing tokenomics and fostering long-term user retention in the Web3 ecosystem.

5 - When AI Plays Along OR Plays Against: Evidence from a Field Experiment in Online Gaming

Jinyu Zhang, The University of Hong Kong, Hong Kong, SAR, Hong Kong, Mengzhou Zhuang

Modern online games increasingly deploy AI agents to stabilize matchmaking, yet managers lack causal evidence on whether AI should be introduced as teammates, opponents, or in dual roles. We partner with an online game company to run a large-scale field experiment across 4 parallel servers in which AI agents are introduced after a 3-week pre-treatment period: control, AI as collaborators, AI as competitors, and both. Using data from 63,478 players over 62 days, we estimate impacts on in-game engagement and expenditure. Relative to control, introducing AI collaborators increases active time by 6.685 units (SE=.262, p<.001) but does not change expenditure (.069, SE=.141, p=.624). AI competitors reduce active time by 2.830 units (SE=.276, p<.001) with non-significant expenditure effect (.119, SE=.145, p=.413). When AI collaborators and competitors are deployed together, the engagement gain from only AI collaborators is largely offset (−3.409, SE=.384, p<.001) and overall average engagement effect is .445, while expenditure rises materially, consistent with a positive interaction effect (.690, SE=.210, p=.001) and overall effect is .878. Dynamic estimates reveal that engagement gains from AI collaborators are persistent and grow over time, whereas AI competitors generate short-lived engagement increases that quickly reverse. Expenditure effects in the “both” condition are concentrated in the early and mid post-treatment periods and fade later. These findings quantify the engagement–monetization trade-offs of alternative AI deployment strategies and highlight that combining cooperative and competitive AI can shift value creation from engagement to expenditure.

Keywords: AI agents; online gaming; field experiment; engagement–monetization trade-off;

TB10

B128

Big Data and Machine Learning II

Contributed Session

Contributed

Chair: Li Jiang, McGill University, Montréal, QC, Canada

1 - Who Leads the Conversation? Measuring Cross-Domain Discourse Leadership and Consensus with Vision-Language Models

Stefan Kluge, University of Mannheim, Mannheim, Germany, Florian Stahl, Andreas Bayerl

We introduce the **Discourse Leadership and Consensus Framework (DLCF)**, a reusable multimodal, multilingual pipeline that leverages **vision–language models** to quantify (i) **who leads** and (ii) **whether meanings converge** across two parallel streams of discourse over time. DLCF combines interpretable value extraction—using any researcher-chosen value taxonomy—with econometric **regime detection** to distinguish stable episodes of coordination from periods of drift. Within regimes, it estimates directional influence between streams and measures **semantic consensus** as alignment in how values relate to one another (i.e., the surrounding “meaning network”).

We validate DLCF on a century-scale linked corpus pairing **~400,000 advertisements** with **~300,000 legislative speeches**. The analysis reveals distinct leadership–consensus regimes, including a prominent shift in which commercial discourse systematically leads political speech in shaping core values such as **Benevolence** and **Integrity**. Importantly, leadership does not imply agreement: semantic-consensus estimates show when market communication decouples values from their traditional civic meanings—for example, reframing “care” from a collective obligation into an individualized, purchasable service.

DLCF provides marketing researchers with a practical, extensible toolkit to study **value leadership in discourse**: how brands, intermediaries, and institutions shape the semantic trajectories that frame consumer expectations, category narratives, and policy debates.

2 - Where Did the Numbers Go? The use of Numbers in Business Communication over Time

Ann Kronrod, University of Massachusetts, Lowell, Lowell, MA, United States, Jozsef Hubert

Numbers are a vital part of language in communication, as they help concretize, define and clarify information. As language is a live and constantly changing system, the use of numbers may also undergo alternations over time. Given the importance of numbers in communication, the current research investigated the evolution of using numbers in various communicational contexts over the past two decades. Specifically, the authors obtained nine large datasets from public domains, including: the contents of the front webpage of a 1,069 Fortune500 companies (180,794 snapshots), a dataset of 1,795,394 congress speeches, 2,189,491 lead paragraphs of NY Times articles, 220,375 Financial Reports for 38,009 companies, 5,716,286 Amazon product reviews, and 2,031,374 Reddit posts. For each of these datasets, the authors obtained textual data posted over the past 15-30 years (timespans ranging between 1993 and 2025) and performed a time series analysis comparing the patterns of using numbers and number words versus all other words. Findings suggest that, while the use of numbers among individual user communications such as Reddit posts or Amazon product reviews remains constant over time, number use shows a continuous and significant decrease over time within professional communications like congress speeches or webpages. The authors offer several explanations for these findings and discuss implications for future research and practice.

3 - Beyond Single-Shot: A Multi-Sample Distributional Framework for Consumer Preference Alignment

Li Jiang, McGill University, Montreal, QC, Canada, Xiao Liu

Large Language Models (LLMs) hold a great promise in simulating consumer decision-making in marketing research. By generating synthetic responses at scale, LLMs provide an efficient alternative to the costly and time-consuming process of collecting real-world human data. However, despite this potential, recent research shows that synthetic data often diverges from real-world human behavior, leading to unreliable conclusions when LLMs are used as direct substitutes. Crucially, this divergence is complicated by the fact that human preferences are not static; even the same individual often exhibits variability in their responses over time. In this work, we address these challenges by treating human decisions and LLM outputs as samples drawn from unknown latent distributions, rather than deterministic answers. Unlike standard methods that rely on a single output per query, our approach utilizes multiple responses sampled across diverse personas and LLM architectures as input features to capture underlying variance for robust estimation. Theoretical analysis demonstrates that incorporating multi-sample variance effectively minimizes the estimation error bound, providing consistent estimators that are robust to the inherent stochasticity of LLMs. We validate our framework across various domains of public datasets, including the General Social Survey, Twin-2k-500, SosSic210, OpinionQA, and EEDI. Our approach reduces alignment error and improving recovery of individual heterogeneity substantially. Furthermore, our approach demonstrates consistent robustness across varying datasets. These findings underscore that modeling distributional uncertainty is essential for high-fidelity human response simulation.

TB11

B129

Online Reviews II

Contributed Session

Contributed

Chair: Charan Bagga, University of Calgary, 2500 University Dr NW, Calgary, AB, T2N 1N4, Canada

1 - First-Time or Seasoned? How Usage Experience Disclosure Influences Perceived Helpfulness of Reviews

Yiyi Li, University of Texas at Arlington, Arlington, TX, United States, Jingjing He

Consumers frequently rely on online reviews to guide purchase decisions, yet reviewers differ in how much experience they have with the product and whether they reveal it. We introduce usage experience disclosure, a reviewer’s voluntary statement about frequency of product usage, as a novel signal of reviewer expertise. Using data from Steam (video games) and Yelp (restaurants), we examine how such disclosures influence perceived review helpfulness. Results from zero-inflated negative binomial analyses show that reviews written by repeat users receive significantly more helpful votes, whereas those by first-time users receive fewer, compared with reviews lacking explicit usage cues. These effects vary with review content characteristics and product context,

highlighting the contingent nature of experiential signals. This research extends understanding of how experience-based disclosures shape perceptions of review helpfulness and offers insights for platforms seeking to surface more credible and informative reviews.

2 - Commissioned Reviews and Strategic Ambiguity

Qiao Gong, Chinese University of Hong Kong, Hong Kong, Hong Kong, Te Ke, Francisco Cisternas

Focusing on the commissioned expert review, we aim to answer why the expert may sometimes be ambiguous, which is theoretically regarded as redundant in the framework of Bayesian Persuasion. Specifically, we built a persuasion model in which the firm privately knows its prior product quality and therefore has an incentive to seek endorsement from an expert who specializes in reviewing product quality and offering the consumer buying advice. We find that, besides straightforward signals, the expert is better off introducing ambiguous signals, which grants him greater flexibility in motivating firms of different priors to hire him simultaneously. By intuition, being ambiguous about the bad quality rather than lying about it allows the expert to prevent the firm with a lower prior product quality from hijacking his positive recommendations. This thereby improves his credibility and, in turn, his attractiveness to the firm with a higher prior product quality. Interestingly, we demonstrate that ambiguity allows the expert to exploit all surplus from both the consumer and the firm, but it does not necessarily imply a decrease in the expert's informativeness. The paper concludes with an empirical analysis using data from the gaming industry, revealing a positive effect of the expert's propensity for ambiguity on the likelihood of being hired.

3 - When Every Rating is Five: How Review Text Signals Quality in Credence Services

Rex Du, University of Texas at Austin, Austin, TX, United States, Sachin Sridhar

User ratings in credence services often cluster at the top of the scale, obscuring meaningful variation in provider quality. Using 73,236 verified home-seller reviews of real estate agents, each linked to objective transaction outcomes (sale price and days on market), we examine whether review narratives convey diagnostic information beyond near-universal five-star ratings. Affective praise is ubiquitous and is associated, at most, with modestly faster sales. Experiential praise (e.g., reliability, responsiveness, and assurance) is common yet unrelated to price or speed; notably, mentions of empathy are associated with lower sale prices and longer time on market. In contrast, outcome-focused praise (e.g., achieving a high price or quick sale) and comparative praise (e.g., exceeded expectations, better than peers) are rarer but reliably associated with higher sale prices and shorter time on market. A survey of homeowners shows that consumers' perceived diagnosticity broadly tracks these relationships but also reveals systematic misweighting: affective cues are overweighted, whereas comparative signals are undervalued. Overall, specific textual cues, rather than numeric ratings, capture economically meaningful quality variation in residential real estate services, a prototypical credence market.

4 - How Consumers Judge the Authenticity of Online Reviews

Charan Bagga, University of Calgary, Calgary, AB, Canada, Soroush Shojaeimehr, Mehdi Mourali

Consumers rely heavily on online reviews to inform purchasing decisions. Yet the growing prevalence of fake reviews misleads them, erodes trust in digital platforms, and distorts market efficiency. This challenge has intensified as fake reviews often created or augmented by generative AI closely resemble genuine human language, making it more difficult to distinguish authentic from fake reviews in uncertain online environments. Although platforms such as Amazon and Google deploy increasingly sophisticated algorithms to detect and remove fraudulent content, fake reviews persist due to adaptive manipulation strategies and the inherent limitations of automated detection. Consequently, the burden of assessing review authenticity ultimately rests with consumers.

This research conceptualizes consumers' review authenticity judgments as consisting of two distinct components: *sensitivity*, the ability to discriminate authentic from fake reviews, and *response bias*, the tendency to classify reviews as authentic versus fake. Across experimental studies, we examine how cognitive, motivational, and contextual factors systematically influence these two components of judgment. The results show that these factors can differentially affect consumers' discriminative ability versus their general inclination to trust or distrust reviews, generating distinct patterns of misclassification.

The research contributes to the literature by offering a process-level account of review authenticity judgments under uncertainty and risk, and by extending detection-theoretic approaches to consumer-generated content. From a managerial perspective, the findings provide actionable insights for platforms and marketers seeking to improve the credibility and effectiveness of online review systems.

TB12

B130

AI Disclosure

Contributed Session

Chair: Alexander Dierenfeldt, University of Rostock, Rostock, Germany

1 - Convergence or Divergence? The Impact of AI Disclosure on the Content Uniqueness of Creative Products

Peng Shen, Xiamen University, Xiamen, China, People's Republic of, Yongyong Zhao, Chenxi Zhou

Abstract: The application of generative AI in creative production has significantly improved content creation efficiency and expanded the possibilities of idea generation. Meanwhile, an increasing number of platforms and regulatory authorities have introduced AI disclosure policies to enhance transparency in the AI-driven creative process. However, the practical impact of such disclosure systems remains underexplored, particularly with respect to how they shape creators' strategies for creative output. Given that content uniqueness is a core source of competitive advantage for creative products, this study distinguishes and examines two types of content uniqueness: self-uniqueness (relative to the creator’s own historical works) and peer-uniqueness (relative to similar creative content by peers). Using Kickstarter’s AI disclosure policy as a policy shock, this paper employs a regression discontinuity design to empirically analyze the policy’s impact, with a robustness check using a difference-in-differences method. The results show that AI disclosure policies significantly increase the self-uniqueness of creative content but reduce peer-uniqueness. Further heterogeneity analysis indicates that this effect is more pronounced for less experienced creators and products in AI-sensitive categories. Finally, the study investigates the impact of AI disclosure policies on investor reactions, finding that AI disclosure may influence creative content and, in turn, project performance, leading to lower funding outcomes and success rates. This research extends prior research on technology disclosure and creative production and provides important insights for the design of platform regulatory policies and creators’ strategic decision-making in an AI disclosure environment.

2 - Effort Matters in AI Disclosure

Kristina Klein, Universitat Bremen Fachbereich 07 Wirtschaftswissenschaft, Bremen, Germany, Alexander Steding, Fabian Kraus, Christoph Burmann

Generative artificial intelligence (GenAI) has rapidly become embedded in marketing workflows, enabling brands to produce scalable text, imagery, and campaign assets at unprecedented speed. As adoption accelerates, disclosure of AI involvement in outward-facing communications becomes mandatory with regulatory frameworks (e.g., China, European Union). Prior research reports mixed effects of AI disclosure on consumer responses; however, few papers so far look into the mechanism that might underlie consumer reactions. Particularly, in contexts, which are morally charged, consumers appreciate (costly) signals to be able to make inferences about a company’s sincere motives. In a CSR context, which represents such a context, we examine how disclosure of AI versus human authorship affects perceptions of effort, which then translates into consumers’ inferences of sincerity and in turn trust. We test this account across two experiments. Study 1 manipulates perceived effort in a CSR message to establish (a) a main effect of higher effort on brand trust and (b) the mediation via sincerity. Study 2 manipulates authorship disclosure at three levels (no disclosure vs. human vs. AI) to examine (a) main effects on trust, (b) differences in inferred effort and sincerity, and (c) the predicted serial mediation (disclosure → effort → sincerity → trust). We find that AI disclosure reduces brand trust relative to human disclosure because consumers infer lower effort and sincerity. These findings reconcile mixed evidence on AI disclosure by theorizing CSR as a high-stakes, authenticity-sensitive domain and contribute to literature on AI in communication and the respective psychological mechanisms at work.

3 - Tackling the Cognitive Paradox in AI-Enabled Knowledge-Based Service Encounters

Helen SI Wang, University of Colorado - Denver, Denver, CO, United States

The recent boom in AI has dramatically accelerated its application in knowledge-based service encounters, such as healthcare, financial, legal, and educational services. AI chatbots, with their remarkable ability to integrate large amounts of information and generate customized solutions at superhuman speed, may dramatically transform these services. Despite this optimistic view, research remain mixed on how AI could effectively assist complexity problem solving and decision making (Jörg 2025; Massimo et al., 2025).

Drawing from communication theories and neuroscience research, we posit that, in AI-enabled professional service encounters, how customers interact with AI chatbots --- in either conversational or written communication manner --- matters to important business outcomes and consumer well-being. Specifically, when customers engage in text-based conversational chats with AI (vs. writing requests and clarification), they are more likely to experience cognitive fatigue, which in turn reduces advice adherence and triggers impulsive decision-making. This effect is stronger when service issues are more complex or more emotionally charged.

Using mixed methods of field studies and controlled experiments, we validate our proposed model and contribute to emerging literature on AI and its applications in knowledge-based services. It also provides practical guidance for consumers and firms on how to design and use AI to enhance consumer well-being.

4 - When AI Disclosure Backfires: Product Type Contingencies and Mitigation Strategies for AI-Generated Marketing Content

Osamu Sakai, Hosei University, Chiyoda-Ku, Japan, Mirai Igarashi, Hiroshi Onishi, Shohei Hasegawa

Firms increasingly rely on generative AI to produce website content and promotional materials. In response to growing concerns about consumer protection and transparency, regulators and platforms are beginning to mandate AI disclosure, explicitly indicating that marketing content has been generated by AI. However, prior research suggests that such disclosures may trigger algorithm aversion and reduce consumer trusts (e.g., Schilke & Reimann 2025). Despite its practical importance, little is known about when and why AI disclosure is more detrimental, and how its negative effects can be mitigated.
This research examines the impact of AI disclosure across different product types—search goods, experience goods, and credence goods—each characterized by distinct information asymmetries and evaluation processes. We propose a conceptual framework in which AI disclosure affects consumer trust, perceived diagnosticity, and responsibility attribution differently depending on product type, thereby leading to heterogeneous negative effects on attitudes and purchase intentions.
Using a combination of vignette-based experiments and a field experiment, we test (1) whether AI disclosure exerts stronger negative effects for experience and credence goods than for search goods, and (2) whether specific disclosure and explanation strategies—such as emphasizing human oversight, task–AI fit, or performance accountability—can attenuate these effects.
The findings contribute to the literature on algorithm aversion and AI transparency by identifying product-type contingencies and actionable mitigation strategies. From a managerial perspective, the results offer guidance on how firms can comply with AI disclosure requirements while minimizing potential harm to consumer responses.

5 - Strategic AI Integration as Identity Work in Creative Industries

Alexander Dierenfeldt, University of Rostock, Rostock, Germany, Rouven Seifert

Generative AI is reshaping value creation by supporting and automating creative tasks at scale, offering substantial efficiency and cost advantages for creatives in the production process of goods. However, creatives' AI integration decisions can trigger tensions around identity and authenticity perceptions, as well as skepticism and aversion against the good on the consumer side. Yet, existing research has largely overlooked how creatives' identity and consumers' evaluation interact in the context of generative AI integration decisions. To address this gap, we develop a theory-based framework which we transform into an analytical model to capture the dynamics of identity and image in AI integration. We extend the basic model by considering demand-spillovers, remuneration dynamics, market introduction timing and competition. Using data from the music industry, we calibrate the model to simulate different scenarios and quantify implications of creatives' decisions. The results

indicate that decisions regarding the use of generative AI are influenced by established economic mechanisms, such as cost reductions and demand shifts, yet identity and image dynamics ultimately play a particularly decisive role. Creatives' self-perceived technological orientation and authenticity signals associated with image therefore critically shape the level of AI integration. Competitive dynamics moderate these relationships, with early adoption granting advantages only when perceived as authentic, while later adoption reduces reputational risks. At the societal level, limited novelty in AI output accumulates into homogenization with social costs. These findings help creatives and managers to align AI integration without losing their creative identity and navigating through competitive dynamics without eroding brand equity.

TB13

B131

Marketing-Finance Interface II

Contributed Session

Contributed

Chair: Eunkyu Lee, Syracuse University, 721 University Ave, Syracuse, NY, 13244, United States

1 - Does Breaking News Break Investors' Attention?

Reo Song, California State University Long Beach, Long Beach, CA, United States, Eunho Park, Andre Martin, Tarun Kushwaha

We examine how external breaking news interferes with investor attention to firm-specific announcements and, in turn, shapes stock market reactions. Financial markets operate under limited attention, requiring investors to process firm news alongside unrelated external information. Building on theories of limited attention and salience competition, we investigate whether news clutter dilutes investor responses to firm announcements and how this effect varies by announcement type, investor composition, and external news sentiment. Using data on firm announcements matched with measures of external news attention and sentiment, this study analyzes scheduled earnings announcements and unscheduled announcements, such as product introductions and recalls. We find strong evidence of an attention-dilution effect. When significant external news is present, market reactions to firm announcements are attenuated. Positive announcements receive weaker positive responses on high-news days, while negative announcements are, on average, less negatively received, depending on context. The dilution effect is substantially stronger for unscheduled product-related announcements than for scheduled earnings announcements, suggesting that investor preparedness moderates attention allocation. The attenuation of market reactions is driven primarily by retail investors and is significantly weaker for firms with higher levels of institutional ownership, indicating that sophisticated investors are less susceptible to external attention shocks. External news sentiment alters both the magnitude and direction of attention dilution, particularly for negative firm announcements. These findings contribute to the marketing-finance interface by showing that firm communication effectiveness depends not only on message content but also on the surrounding news environment, highlighting strategic trade-offs in disclosure timing under information congestion.

2 - External Sociopolitical Shocks and Firm Value: Evidence from a Reproductive Healthcare Ruling

Vidhya Krishnaraju, McMaster University, Hamilton, ON, Canada, Manish Kacker

Exogenous shocks, such as legal changes and natural disasters, affect firm value, often as reflected in short-term stock market reaction. Prior research broadly examines business-related legal shocks tied directly to firm operations, such as governance reforms and reporting mandates. We extend this literature by examining sociopolitical judicial rulings that may not be directly related to business operations but can still financially impact firms via cost implications, reputation risk, and signaling mechanisms.

Using the event study methodology, we examine the short-term stock market reaction to the U.S. Supreme Court's ruling on reproductive healthcare rights. We explain and hypothesize how the ruling can affect stock returns through voluntary adaptation costs, reputational salience, and the Court's ideological signaling. Using a first-stage event study, we document statistically significant positive abnormal returns following the Supreme Court's Dobbs decision in June 2022, providing evidence that sociopolitical judicial rulings are a source of

economic shock. We then develop a cross-sectional model to examine how firm-level characteristics related to social reputation, political orientation, and organizational gender composition contribute to variation in financial impact from these shocks.

Results show that firms less aligned with the ruling's ideological direction experienced stronger adverse returns, and those with stronger social reputation showed a similar pattern. In contrast, gender-related attributes exhibited no short-term explanatory power. These findings underscore the importance of monitoring sociopolitical developments as sources of policy-related risk, and of political and reputational positioning in shaping exposure to such shocks.

3 - Priority Options

Evangelos Rouskas, University of the Aegean, Karlovasi, Samos, Greece

I introduce the concept of priority options in oligopolistic markets with homogeneous products, price-setting firms, and capacity constraints. Similarly to call options in finance and consumer options in marketing, a priority option gives to a consumer the right but not the obligation to purchase the underlying product from the firm that sold the option. The option will be exercised and the option holder will not be subject to rationing if the firm in question sets the lowest price for the underlying product. In my baseline model, I examine a duopoly with nonatomic consumers who have common valuations. I find that when only one firm offers options, then this firm can set a generalized price for the underlying product---which includes the option price---equal to the monopoly price. As a result, the profits may increase significantly more than 10,000.00%. This is the ``good" equilibrium. I also find another equilibrium in which the percentage increase in the profits for the adopter is strictly positive but close to zero. This is the ``bad" equilibrium. In the ``good" equilibrium as well as in the ``bad" equilibrium, the firm that does not offer options is not harmed. When both firms offer priority options, again no firm is harmed, and either one firm wins or both firms win. In a win-win scenario, the profits for both firms may increase approximately by 7%. I discuss how the analysis is affected when (i) consumers are atomic; (ii) there are more than two firms; and (iii) consumers have different valuations.

4 - Heterogeneous Spillover Effects of Negative News: Antecedents and Outcomes

Eunkyu Lee, Syracuse University, Syracuse, NY, United States, Xiaobo Lin, Guiyang Xiong, Shuai Yang

This study examines how a firm's product crisis spills over to affect its industry rivals. Challenging the conventional wisdom, we show that competitors do not necessarily benefit from such crises and identify the antecedents to the heterogeneous spillover effects. We develop an analytical framework to systematically model three concurrent mechanisms (consumer switching effect, industry demand effect, and remedial cost effect) underlying the net spillover effect on a rival. Several key findings emerge from mathematical derivation of the analytical model and empirical analysis of a large-scale dataset compiled from various sources. First, there is an inverted U-shaped relationship between firm similarity and spillover effect: the stock returns of rivals that are highly similar or dissimilar to the firm in crisis are more adversely affected than the moderately similar ones. Second, we find contingent effectiveness of corporate capabilities in mitigating negative spillovers: marketing capability is more effective for rivals with either low or high (but not moderate) similarity to the affected firm, while R&D capability becomes more effective as similarity increases. Finally, stock price declines due to spillover effects motivate rival firms to make subsequent strategic adjustments, reflected in increased focus on marketing-related hires versus R&D-related ones, especially in less concentrated industries.

Keywords: product quality crisis, negative news, spillover effect, marketing capability, R&D capability, recruitment

TB14

B132

Causal Inference I

Contributed Session

Contributed

Chair: Rodrigo Heldt, Pontifícia Universidade Católica do Rio Grande do Sul, Porto Alegre, Brazil

1 - From Ink to Impact: A Causal Analysis of Critics' Reviews on Market Performance

Tongshu Yang, Hong Kong University, Hong Kong, Hong Kong, Shanfeng Zhang, Junhong Chu

Professional critics’ reviews published by media outlets are crucial to product performance, yet evidence regarding their precise causal impact and underlying mechanisms remains limited. We quantify the causal and dynamic effects of critics’ reviews, and investigate their behavioral and linguistic mechanisms. We leverage a unique dataset tracking daily sales of over 800 products from a leading Amazon seller--alongside corresponding critics' reviews published by top U.S. media outlets--and capitalize on the exogenous timing of these articles' release to facilitate causal identification. We combine synthetic control and difference-in-differences methods to identify the impact of critics’ reviews on product sales. The results show a substantial, immediate uplift: page visits and sales increase by approximately 150% on the day of publication, but this effect is short-lived and dissipates within four days. Conversion rates decrease by about 6%, indicating that reviews primarily expand audience reach through informational exposure rather than persuasive messaging. We find substantial heterogeneity: the effects are stronger for lower-priced and lesser-known products and vary with audience demographics. Textual analysis further demonstrates that cognitive fluency and affective language amplify review effectiveness.

2 - Causal Effects of Targeting Susceptible Individuals on Participation in a Voluntary Environmental Program

Radu Tanase, University of Zurich, Zurich, Switzerland, Hui Zhang, Luca Lazzaro, Norina Anna Furrer, Federico Cammelli, Manuel Sebastian Mariani, Thomas Addoah, Rene Algesheimer, Rachael D. Garrett

Addressing the urgency of climate change requires large-scale adoption of new behaviors that conflict with existing social norms [Constantino et al., 2022]. Seeding is a network intervention through which a subset of the population is initially incentivized to adopt the new behavior with the goal of accelerating adoption in the entire population [Muller and Peres, 2019]. Various studies have proposed seeding central individuals in the network [e.g., Hinz et al., 2011]. An alternative approach selects “susceptible” individuals who are predisposed to adopt early [Valente, 1996]. Under network homophily, such individuals may cluster, facilitating rapid formation of a critical mass. Despite its theoretical appeal, large-scale causal evidence on this strategy remains limited.

We test this approach through a field experiment in 38 villages participating in an environmental program promoting agroforestry and reducing deforestation among cocoa farmers in Côte d’Ivoire. We block-randomize the villages, stratified by geographical position, forest cover, and urban area, into two conditions: seeding susceptible individuals and random seeding (baseline). We measure the total number of participants in the program and their characteristics. To identify the seeds, we use a social sensing approach [Galesic et al., 2021] that leverages information from 15 randomly selected farmers in each village. We explain participation in the program as a function of seeding strategy and controls.

Our research contributes by providing empirical causal evidence on the effectiveness of seeding susceptible individuals to accelerate diffusion.
Timeline: The seeding intervention was delivered. Data analysis is in progress. Results will be presented at the conference.

3 - Personalised Targeting Under Uncertain Causal Effects

Julie Norlander, Aarhus University, Aarhus, Denmark

Personalised targeting based on heterogeneous treatment effects is increasingly emphasised in marketing research. A common strategy is to target customers whose estimated incremental effect is positive. This approach, however, is optimal only under strong assumptions about identification and transportability; assumptions that are often violated in real-world marketing settings. Under such violations, incremental effects are only partially identified, so the same data can be consistent with effects of either sign, creating ambiguity about the true impact. Managers are often ambiguity averse and favour cautious targeting policies that protect against downside losses when effects are not point-identified.

In this paper, we introduce a robust targeting strategy that explicitly accounts for this ambiguity. Rather than committing to a single point estimate, the procedure uses the identified range of plausible effects to guide targeting decisions, treating more aggressively when the evidence points clearly toward positive effects and treating cautiously when the range includes potentially harmful outcomes. Using two real-world marketing campaigns with different assumption violations, we show that the proposed strategy considerably reduces worst-case profit loss relative to conventional point-estimate targeting, highlighting the managerial value of targeting policies that remain reliable when causal assumptions fail.

4 - Customer Centricity in a Product-Centric Marketplace: Bottom-up Approach to Manage Customers, Product Categories, and Brands Simultaneously

Rodrigo Heldt, Pontifícia Universidade Católica do Rio Grande do Sul, Porto Alegre, Brazil, Fernando Luce, Sarang Sunder, Guilherme Bucco

Owing to the availability of disaggregate databases, the concept of customer centricity gained importance in business practice and academia. Although customer centricity has been shown to have great benefits, traditionally product-centric firms have been slow to adapt. This is often attributed to challenges in reconciling category and brand performance metrics with customer-level performance metrics since category and brand management still depend on category and brand-level metrics. In this study, we propose a bottom-up CLV based approach to manage customer, category, and brand profitability simultaneously. We adapt both the Beta-Geometric/NBD model (Fader et al., 2005b) and the hierarchical bayes extension to the Pareto/NBD model (Abe, 2009) to measure CLV accounting for brand and category-levels purchase and apply the proposed methodology to data from a large consumer-packaged goods (CPG) distributor. Through various analyses, we highlight the predictive accuracy improvements of the proposed approach and develop key managerial insights that would not be possible using extant methods. We show that not integrating category and brand purchases within the CLV framework can lead to a 9.8% under estimation in customer equity. Additionally, we show that the Pareto rule can have different meaning for different categories and brands. Lastly, the results suggest that ignoring categories and brand purchases when evaluating CLV can lead to up to 20% misclassification of the most/least valuable customers at the brand-level as well as up to 18% misclassification at the category-level and we show how such discordances may be used as input to drive product recommendations to increase profitability.

TB15

B133

Environmental Marketing

Contributed Session

Contributed

Chair: Stav Rosenzweig, Ben-Gurion University, Beer Sheva, Israel

1 - Regulation of Strategic Greenwashing

Zhiyuan Cao, Tianjin University, Tianjin, China, People's Republic of

We study greenwashing regulation when a firm can invest in deception to evade detection. We develop a signaling model in which environmental quality is privately known and regulation is costly. We find that the equilibrium outcomes depend on the interaction between the environmental standard and regulatory intensity. As regulation intensifies, the market transitions from pooling to costly separation and eventually to costless separation, but only when the environmental standard is sufficiently stringent; otherwise, pooling persists regardless of regulatory intensity. Furthermore, regulatory tightening does not monotonically improve welfare. Consumer surplus is maximized at the threshold of separation, where the green firm reduces prices to deter imitation. Beyond this point, regulation substitutes for private signaling, restoring the firm’s pricing power and shifting surplus toward the firm. Accordingly, we characterize the optimal regulatory policy across regimes. Laissez-faire is optimal when brown products' environmental quality is high and regulatory intervention is costly. Moderate Regulation is optimal when brown products' environmental quality is low and regulatory cost is high. Minimum Effective Regulation is optimal when regulation is relatively efficient, allowing the government

to eliminate greenwashing at a limited cost. Finally, we show that higher penalties can reduce both consumer surplus and total welfare under Moderate Regulation where regulatory intensity is insufficient to achieve market separation by intensifying deception and lowering effective detection. These results highlight that effective anti-greenwashing policy should prioritize strengthening the ex ante standard over escalating penalties and tailor regulatory intensity to industry-specific verification cost and environmental harm.

2 - Do Consumers Pay for Cleaner Fuel? Evidence from Gasoline Content Regulation

Liyang Zhou, Bocconi University, Milano, Italy, Yucheng Wang, Lei Zhang

Environmental standards often bundle price increases with improvements in product attributes, yet little is known about how consumers respond to such changes in real markets. We study consumer demand for environmentally cleaner gasoline using quasi-experimental variation from gasoline content regulations in China. Our setting exploits sharp spatial discontinuities at city boundaries, where adjacent gas stations face different emission standards but serve overlapping pools of cross-boundary travelers.

Using daily gas station–level sales data and multiple policy events, we show that consumers actively arbitrage across borders and systematically substitute toward higher-standard gasoline when emission standards tighten, even when cleaner fuel is more expensive. To quantify preferences, we estimate a discrete-choice demand model that maps boundary-level market share shifts into willingness to pay for improved environmental attributes. Consumers' willingness to pay for cleaner gasoline is approximately 1.2% of the retail price.

We use the estimated demand system to evaluate the welfare implications of gasoline standard upgrades. Higher standards generate substantial gains through both consumer surplus and pollution reduction. Our findings highlight the importance of accounting for consumer substitution behavior when evaluating environmental standards and pricing policies, and illustrate how consumer demand for environmental attributes shapes market outcomes in regulated product markets.

3 - The Indirect Effects of Sector-Specific Emission Policy: Who Wins and Who Loses?

David Soberman, University of Toronto, Toronto, ON, Canada, Sumitro Banerjee

We examine the indirect effects of sector-specific emissions policies in a vertically differentiated duopoly where firms generate a constant rate of emission per-unit sales and face demand from environmentally conscious consumers. Each firm undertakes a one-time fixed-cost investment that lowers their emissions intensity. We examine two regulatory mechanisms---carbon taxation (CT) and cap-and-trade (CAT). We characterize equilibrium prices, demands, emissions decisions, and carbon (CFPs). Our results show that mandated "non-trivial" reductions increase the market share of the high-quality firm, leaving the low-quality firm with a smaller footprint despite larger absolute reductions by the high-quality firm. Counterintuitively, the per-unit reductions may be higher for the low-quality firm when the mandated reductions fall within an intermediate range. With sector-specific CAT, the low-quality firm's reduced output generates "unused credits", that are sold to the high-quality firm at a market-clearing price. With an external market for carbon credits, the goverment's role is amplifed. When the external price exceeds the market clearing price, the government uses penalites to implements an efficient outcome. In contrast, when the the exogeneous carbon credit price is less than the market clearing price, supplemental penalties or restrictions on carbon credit trade can implement a sectoral target. CT and CAT yield identical equilibrium emissions when optimally designed but firm profits are higher under CAT. However, the high-quality firm gains more than the low-quality firm. Hence, a secondary effect of CAT is that of profit redistribution from the the low quality firm to the high quality firm. This effect is absent with CT.

4 - Same Policy, Different Reactions: Political Ideology and Heterogeneous Consumer Responses to Sustainability Policy and Repeal

Stav Rosenzweig, Ben-Gurion University, Beer Sheva, Israel, Matilde Lucheschi

Green policies are designed to change behaviour, but what happens when they are rolled back? Using quasi-experimental methods and controlled online experiments, this research shows that political ideology shapes consumer responses to environmental policy. Leveraging retail panel data and a difference-in-difference-in-differences design, we examine purchasing patterns of liberal and conservative consumers before, during, and

after the introduction and repeal of a sustainability tax on single-use tableware. Overall, the policy reduced single-use tableware sales, and this reduction persisted after repeal. This persistence likely reflects internalization of environmental harms and sticky retail prices that did not fully return to pre-policy levels. Crucially, however, responses diverge sharply by political ideology. Despite higher baseline purchasing, conservatives reduced purchases more during the tax period but rebounded after repeal, whereas liberals maintained lower purchasing levels even after the policy was withdrawn. Complementary online studies serve to corroborate the field evidence and shed light on the underlying mechanisms. Building on prior work, we focus on psychological reactance and ideological social identity as candidate mechanisms. We posit that conservatives' higher reactance and stronger loyalty to their ideological group make them more likely to engage in compensatory behaviours aimed at restoring both individual autonomy and group identity once a policy constraint is lifted. This research contributes to theories of consumer heterogeneity in political identity and individual policy adoption. It also offers insights for marketers and policymakers designing products and policy instruments that facilitate environmental behaviours.

TB16

B134

New Product Strategy and Diffusion

Contributed Session

Contributed

Chair: Bingzhao Li, Columbia Business School, 500 West 122nd street, New York, 10027, United States

1 - Optimal Promotions of New Products on Networks

Gadi Fibich, Tel Aviv University, Tel Aviv, Israel, Amit Golan

The diffusion of new products has been modeled by the Bass framework, which distinguishes between external influences (advertising) and internal influences (peer effects). Traditional extensions assume a fully mixed population, effectively treating the market as a complete graph. Real social networks, however, are sparse and heterogeneous. This study develops the first analytic framework for optimal promotions in the Bass model on networks, providing insight into how network topology and finite planning horizons shape promotional strategies. Thus, we combine the stochastic adoption dynamics on networks with Pontryagin's Maximum Principle to derive an exact system of coupled boundary-value problems that fully characterize the optimal promotions. While such systems are infeasible to solve directly for large networks, exact reductions can be achieved for structured networks, including finite and infinite complete networks, infinite lines, and heterogeneous complete networks. A key innovation of our framework is the introduction of dual independent promotional controls: one that boosts external adoption through advertising, and another which enhances peer effects via referrals or word-of-mouth incentives.
Our key findings are:
1. Optimal advertising decreases monotonically over time, while peer-effect promotion starts at zero, rises to a peak, and eventually declines.
2. Under finite horizons, promotions remain active until the last moment. With infinite horizons, both controls decay to zero asymptotically.
3. In low-degree networks, advertising dominates. In high-degree networks, peer-effect promotions become more effective after an initial stage.
4. Short planning horizons produce profit increases up to an order of magnitude larger than long horizons.

2 - How Low Should You GO? Minimum Viable Product Strategy with Dynamic Learning

Oded Koenigsberg, London Business School, London, United Kingdom, Byungyeon Kim, Dominque Lauga, Elie Ofek

Innovations often entail significant market uncertainty over whether consumers will find them relevant and worth adopting. A common new product development dilemma, under such uncertainty, is how much R&D effort to expend on an innovation for its marketplace debut. On the one hand, a firm may dedicate substantial efforts to perfect the initial version and thereby capture greater profits from the get go. On the other hand, a firm

may pursue a minimum viable product (MVP) strategy by investing just enough to learn about product-market fit and, only if the innovation is deemed relevant, improve upon it. To shed light on firms' optimal product strategy in this context, we develop a dynamic game-theoretic model. A firm faces ex-ante uncertainty about whether consumers will value an innovation, and this uncertainty can only be resolved by learning from the marketplace through debuting a product of sufficient performance. The analysis characterizes conditions for the firm to initially launch an MVP vs. a product that exceeds minimal viability. Notably, the firm may launch the MVP and bet on its success, while taking on negative profits at the outset, in order to learn about product-market fit. Furthermore, facing the threat of competition considerably affects the pioneering firm's product strategy: It may lower the performance of its first-generation offering if rival entry is inevitable; while it may increase initial offering performance and decrease second-generation performance when deterring entry is advantageous. We further explore other settings like durable product setting.

3 - Lean Start-Ups: Why Small Firms Have An Advantage in New Product Experimentation

Matthew Selove, Chapman University, Orange, CA, United States, Cristina Nistor

Firms can launch a low-cost experimental version of a product to learn about customer preferences prior to a full scale product launch. However, a poorly executed experimental product may damage a firm's brand. We develop a model in which a firm can launch an experimental new product that reveals customer demand before it decides whether to launch a full-scale product. Furthermore, the quality of the experimental product depends on the firm's investment and current execution ability. As the firm's size increases, it invests more in the experimental product to maintain a strong brand and avoid hurting demand for its other products, and in some cases, the experimental product becomes so costly that a large firm stops experimenting.

4 - A Theory of Strategic Consumers of New Product Diffusion

Bingzhao Li, Columbia University, New York, NY, United States, Kinshuk Jerath, J. Miguel Villas-Boas

We develop a theory to explain new product diffusion, beyond the classical innovator-imitator framework. In contrast to classical diffusion theories, our model offers a micro-foundation with strategic consumers, who have the incentive to delay their purchases in order to receive information by free riding on other adopters, and explicit social learning. The model is able to generate a wide range of diffusion curves, including the failure to diffuse and curves that cannot be generated by classical theory but are observed in reality. Our model can also handle diffusion with and without repeated purchases, and find that repeated purchases alter consumers' strategic incentives: in the model *without* repeated purchase, more patient consumers tend to delay more to wait for information, whereas in the model *with* repeated purchases, more patient consumers tend to adopt early to acquire information and inform their own future decisions. We solve for the optimal pricing policies for the firm, and find that the firm should employ penetration pricing to counterbalance consumers' strategic delay. We emphasize that our work is meant to be complementary to the classical work, i.e., diffusion through strategic consumer adoption decisions may be going on in parallel with diffusion due to innovation and imitation.

TB17

B135

Marketing and Innovation

Contributed Session

Contributed

Chair: Kusum Ailawadi, Tuck School of Business at Dartmouth College

1 - Does Home Staging Work? Evidence from Redfin Listings

Nan Zhao, Georgia Institute of Technology, Atlanta, GA, United States, Xi Lin, Song Yao

Home staging has become a widely used marketing tool in residential real estate, with virtual staging emerging as a lower-cost and more scalable alternative to traditional physical staging. Despite its growing prevalence, causal evidence on the effectiveness of virtual staging for sales outcomes remains limited. This study examines how virtual staging affects the sales of residential properties. We assemble a dataset by collecting listing information and images from Redfin in November 2024 for a random sample of residential listings across 28 U.S. metropolitan statistical areas (MSAs), and tracking their sales outcomes over a subsequent 14-month

period. We identify unfurnished listings using a convolutional neural network (CNN) and detect virtual staging through image-pair comparisons that capture before-and-after digital furniture and décor edits. To estimate the effect of virtual staging on sales outcomes, we employ a double machine learning (DML) framework that flexibly controls for rich numeric listing characteristics and high-dimensional textual features extracted from listing descriptions using TF-IDF representations. Our preliminary results show that, relative to unfurnished listings without virtual staging, virtually staged listings are 3.8% more likely to sell during the observation window, suggesting that virtual staging may be a low-cost marketing tool for sellers and intermediaries.

2 - How Does Digital Innovation Impact Corporate Customer Relationship Stability? the Moderating Role of Social Trust

Qingmei Tan, College of Management and Economics, Tianjin University, Tianjin, China, People's Republic of, Yani Sun, Min Zhang, Yin Bai, Mingyuan Guo

Enhancing the resilience of industrial and supply chains is critical for shaping a new development paradigm and promoting high-quality economic growth. Using the data of Chinese A-share listed firms from 2009 to 2022, this study explores the effect of digital innovation on corporate customer relationship stability and the moderating role of social trust. The results reveal that digital innovation contributes positively to customer relationship stability, and a higher level of social trust strengthens this effect. Mechanism analysis shows that digital innovation improves customer relationship stability by enhancing corporate product market competitiveness, managerial efficiency, and access to trade credit. Heterogeneity analysis reveals that the impact of digital innovation on customer relationship stability is more pronounced in non-state-owned firms and firms in the growth stage. Further analysis demonstrates that the improvement in customer relationship stability driven by digital innovation significantly enhances long-term firm value. This study provides new empirical evidence for understanding the value creation mechanisms of digital innovation in corporate customer allocation. It also offers valuable insights for promoting high-quality corporate development and enhancing supply chain resilience.

3 - Complement OR Compete: the Interplay Between Channel Type and Product Innovation Type in Determining Product Sales

Kusum Ailawadi, Tuck School of Business at Dartmouth College, Hanover, NH, United States, Rodrigo Farinha, Leandro Guissoni, Jonny Rodrigues, Thales Teixeira

This research examines how different types of distribution channels, each with their own capabilities, costs, and incentives, together generate sales of products that utilize different types of innovation strategies. In particular, we study (a) how manufacturer, product, and market characteristics drive a manufacturer’s decision to operate a direct channel and an indirect channel member’s decision to carry a product; and (b) how these characteristics, together with availability in one or more channels, drive sales of different product types. Our work integrates across three streams of literature that have historically developed along separate paths: retailer product adoption, interplay between direct and indirect channels, and radical vs. incremental product innovations.

Our empirical setting is the market for crop protection products in Brazil. Manufacturers sell products to farmers in local areas through independent retailers, farm cooperatives, and/or their direct channel. Products require regulatory approval and are of four types based on their innovation strategy at launch – Patented New, Patented Reformulated, Generic, and Generic Reformulated. Manufacturers typically sell both patented and generic products. We combine six years of farmer level transactions with regulatory approval data for each product to conduct our analysis. In addition to the natural variation in the data, an exogenous regulatory change occurred during this period that accelerated the approval of generic products. In preliminary analysis, we find systematic differences in the determinants of product adoption by the retailer and farm cooperative channels. We also find that channel type moderates the sales effects of product innovation type and other variables.

TB18

B136

News and Politics

Contributed Session

Contributed

Chair: Sash Vaid

1 - Gender Representation and Topic Selection in Cable News: How Networks Respond to Women-Relevant Content

Simha Mummalaneni, William & Mary, Williamsburg, VA, United States, Ali Goli

Cable news shows in the United States vary in terms of their on-screen gender balance and representation. We examine how these differences affect shows' strategies when the news environment shifts toward topics that tend to draw in female viewers. Our analysis relies on the fact that cable news shows respond to unanticipated changes in daily news stories, so when the day's major news topics are of particular interest to female viewers, shows may differ in their ability to cover these news topics efficiently. To examine these issues, we analyze cable news broadcasts in the United States from 2010 to 2021 and estimate how different kinds of cable news shows respond to changes in daily news topics. In general, we find that shows where women have a high share of screen time are better able to shift their news coverage more than shows where women have a low share of screen time, but there is substantial heterogeneity across types of shows (hard news vs. opinion) and across networks: CNN and MSNBC change their topic coverage more than Fox News. These findings illuminate how gender composition influences editorial decisions in cable news, and they shed light on the differing strategies that cable news networks may be using when planning their on-screen product.

2 - Impact of Unforeseen Violent Attacks on Political Actor Responses and Election Outcomes

Yoonsun Jeong, University of North Dakota, Grand Forks, ND, United States, Narendra Bosukonda

In the last decade, there has been an increase in violence against political candidates. Extant literature on how this impacts political actors' advertising behaviors on social media and associated electoral outcomes is limited. Relying on theories of group marketing and marketplace violence, we postulate that unforeseen political violence changes the advertising behaviors of political actors, reducing their advertising delivery efficiency on social media platforms. This can lead to decreased effectiveness of political advertiser spending in competitive segments such as swing states. We test our hypothesis using political advertisements on Meta during the 2024 U.S. presidential election. In Study 1, we collect a total of 11,146 advertisements by seven types of political advertisers and find that, following a violent attack in crucial swing states, advertisers spend more per advertisement but achieve fewer impressions per advertisement. We also find that advertisers reduce their emphasis on "vote" and "donate" ads while increasing their emphasis on "issue" and "contrast" ads. In Study 2, we estimate the impact of daily ad spending by six types of political advertisers on daily polling and find that following a violent attack, the ad spending of the targeted candidate becomes ineffective, while the ad spending of the bystander candidate increases the undecided voter share, thereby negatively impacting election outcomes.

3 - The Influence of Political Messaging on Human Brand Consumption

Daniel Winkler, University of New South Wales, Sydney, Australia, Christian Hotz-Behofsits, Nils Wlömert, Harald Van Heerde

Human brands, such as music artists, increasingly comment on political issues, yet there is little empirical evidence about how this messaging affects their brand performance. This paper examines these effects across two studies. First, we analyze Taylor Swift's endorsement of the Democratic candidate in the 2024 U.S. election. Because she is similarly popular across politically diverse regions, her endorsement could have sparked both boycotts, decreasing demand, and buycotts, increasing demand. We find no evidence of boycotts, but streams increased by roughly 5\% in strongly Democratic areas, suggesting limited reputational risk and a potential promotional benefit for audiences that align politically. Second, to generalize these insights, we study the social media posts of more than 7,000 artists. Using a stacked difference-in-differences design, we estimate how U.S. streams respond to political, personal and promotional postings, providing broader evidence on how online engagement shapes human brand consumption.

4 - Borders as Marketplaces: Applying a Marketing Mentality to National Security

Sash Vaid, McMaster University , Hamilton, ON, Canada, Aishwarya Bhavan, Ugurhan Berkok, Keith Hartley

This novel paper aims to explore the intersection between marketing theory, border surveillance, and new-age technologies. It highlights the intrinsic connection between the political economy of marketing and national defense, helping to critically evaluate and shape ongoing border security strategies. Extensive and robust methods of surveillance have become commonplace in all sectors including border security, largely driven by increasing global desire for securitization of nations and control of mobility. Moreover, modern marketing tactics aimed at profiling and retention of targeted customers utilize vigorous surveillance tactics strikingly similar to those present at the border. As such, markets can be considered borders; similarly to how countries surveil travelers and defend their borders, companies scrutinize customers and defend their markets. This inextricable relationship between markets and borders is multifaceted, wherein the border also acts as a market investment for private entities, creating political, social, and ethical implications. We explore this fascinating mirroring between markets and borders, leveraging traditional and transformative marketing to better understand border security. Concepts such as STP/CRM are addressed in the context of the border. Moreover, the impact of new-age technologies such as genAI, IoT, drones, and emotionAI is explored. This intimate connection between marketing, technology, and border security provides a unique viewpoint for augmenting current defense systems. We also attempt to mathematically model the various explicit and implicit relationships discussed in this research. While we acknowledge limited a priori information resulting in some black-box models, our governing equations and supplementary sub-models make clear the initial and boundary conditions.

TB19

B137

Personalization and Targeting in Digital Marketing

Contributed Session

Contributed

Chair: Malik Stromberg, WU Vienna, Vienna, Austria

1 - Optimizing Multi-Stage Personalization in the Customer Journey

Yu Song, University of Michigan, Ann Arbor, MI, United States

Firms increasingly leverage personalization to influence product discovery and engagement throughout the customer journey. However, implementing effective multi-stage personalization is challenging because each stage’s impact depends on customer intent and attention, and cross-stage spillovers may reduce overall effectiveness. This paper examines personalization at two key stages: an early, firm-driven recommendation stage and a later, customer-initiated query stage. Using data from a field experiment on a major e-commerce platform, I find that recommendation-stage personalization increases immediate revenue but reduces revenue at the query stage, resulting in no net gain. I then develop and deploy a personalized search-ranking algorithm in a subsequent field experiment. The results show that query-stage personalization increases total transactions without cannibalizing revenue from the recommendation stage. To identify the revenue-maximizing multi-stage personalization strategy across platform designs and customers, I build a structural search model. I exploit experimental variation and estimate the model using a neural network approach to address computational challenges. Counterfactual simulations reveal that personalizing only at the query stage results in higher total revenue than personalizing at both stages or only at the recommendation stage. Moreover, applying personalization only to customers with consistent preferences further improves revenue. These findings identify the conditions under which personalization is most effective and offer firms guidance on optimizing it across stages and customers.

2 - Effectiveness of Personalization in Email Marketing

Younggon Cho, University of Groningen, Groningen, Netherlands, Evert de Haan, Tammo Bijmolt

Assessing personalized email marketing effectiveness requires understanding causal effects and heterogeneity in treatment using conditional average treatment effects (CATEs). Marketing practitioners lack systematic decision rules for selecting CATE methods based on observable dataset characteristics when multiple personalization treatments (products, promotions, and content) are applied. The recent availability of large datasets with

numerous covariates further complicates the computation of heterogeneous effects and the interpretation of features, necessitating efficiency and interpretability.

We identify efficient, interpretable CATE estimators and investigate how personalization affects repurchase across customer segments. Explainable AI (XAI) improves accountability by providing clear, human-understandable justifications for specific algorithmic decisions—revealing which data points (purchase history, browsing, and demographics) influenced outcomes. We leverage XAI to deliver transparent insights and address interpretability challenges.

We analyze 5 million email campaign samples from randomized controlled trials (2024–2025) at a leading Benelux electronics firm, comparing personalized recommendations and offers against non-personalized campaigns. Our dataset includes customer demographics, product ownership, campaign responses, repurchase propensity scores, treatments, and outcomes. We identify heterogeneous effects, comparing Double Machine Learning, GenericML, and other modern CATE estimators. We conduct moderation analysis to explain how segment characteristics relate to treatment effects.

Preliminary findings show that personalized product offers and personalized promotion type offers positively influence repurchase, with stronger effects among high-propensity segments. We empirically identify efficient CATE estimators among widely recommended methods for practitioners' systematic decision-making, and explain segment-level variation in treatment effects in an XAI context. Final results will be presented at the conference.

3 - Dynamic Uplift Model for Panel Data

Shunyao Yan, Santa Clara University, Santa Clara, CA, United States, Jinping Hu

As firms shift toward adaptive and real-time promotion management, marketers face a fundamental challenge: identifying which customers to target in each period subject to operational constraints such as frequency caps and budget limitations. The incremental effectiveness of promotional interventions is inherently dynamic, shaped by evolving customer states and cumulative exposure histories that generate wear-out effects, delayed responses, and transient engagement spikes. We develop a dynamic uplift model that recovers individual- and period-specific causal effects from longitudinal observational data characterized by time-varying covariates, repeated treatments, and temporally dependent outcomes. Our framework learns a treatment-invariant representation of latent customer state, estimates conditional potential outcomes under treatment and control for each period, and employs a doubly robust estimation objective integrating outcome regression with propensity score weighting and temporal regularization. We evaluate the model using a rolling-origin, out-of-time validation protocol, benchmarking against established uplift learners and sequential modeling baselines. Policy performance is assessed via inverse probability weighting and doubly robust off-policy estimators under realistic contact constraints. Empirical application to a public retail transaction panel demonstrates superior uplift ranking and economically substantive incremental returns under operationally realistic targeting constraints. The estimated treatment response trajectories also reveal distinct customer segments that offer actionable guidance for differentiated targeting and optimal contact timing in sustained campaign environments.

4 - Uplift-Based Targeting Maximizing Long-Term Customer Base Revenue

Malik Stromberg, WU Vienna University of Economics and Business, Vienna, Austria, Patrick Bachmann, Markus Meierer, Thomas Reutterer

Despite considerable industry interest in long-term business performance metrics like customer lifetime value (CLV), most tools used for managing a firm's customer base focus on short-term metrics, such as coupon redemption for reactivation or customer subscriptions for churn prevention. Managing and evaluating the long-term impact of direct marketing campaigns involves two key challenges. First, a thorough assessment of the company's current customer base is needed, predicting potential revenue from each customer if the relationship continues as usual. Second, it is crucial to determine how a marketing campaign might affect this relationship. These aspects are particularly challenging in a non-contractual business setting where customer attrition is not observed. We propose an uplift modeling approach based on advanced latent attrition models. This approach

predicts individual customer behavior in two scenarios: status quo behavior and behavior after a marketing treatment in a non-contractual setting. To demonstrate the effectiveness of our proposed uplift metric compared to alternative approaches, including common industry standards for selecting customers in target marketing, we conducted a series of field experiments with a corporate partner.

Thursday, June 11, 1:00 PM - 1:50 PM

FT-T1A

B127

Flash Session T1A

Flash Session

Flash

1 - From Centralized to Distributed Influence: Tiktok's Impact on Literary Markets

Jing Wu, Bocconi University, Milan, Italy, Qiaoni Shi, Kai Zhu

Cultural markets have historically been dominated by centralized gatekeepers who often reinforce gender and socioeconomic inequalities. The rise of TikTok's "BookTok" shifts influence toward distributed algorithmic networks, yet it remains unclear whether this decentralization democratizes market outcomes. This research investigates the causal impact of algorithmic recommendations on the literary market through a two-sided framework. On the supply side, we ask whether algorithmic visibility reduces the valuation gap for female authors; on the demand side, we examine if decentralized recommendations broaden consumption across socioeconomic segments. Leveraging a large-scale dataset combining TikTok metrics with book consumption and reviews, we employ Difference-in-Differences strategies to compare "viral" BookTok titles against matched controls. Our findings yield implications for platform design and the governance of algorithmic recommendation systems.

2 - Gambling with the Future: Population-Wide Spillovers of State Lottery Adoption on Family Formation, Dissolution, and Fertility

Jia Tian, Michigan State University, Lansing, MI, United States, Ham Sung, Xiuyi He

State-sponsored lotteries are an integral part of the U.S. consumer environment, yet their broader social effects remain poorly understood. Existing research focuses almost exclusively on lottery winners or players, leaving it an open question that whether the introduction of a lottery affects demographic behavior in the general population.

We study the population-wide effects of lottery introduction on family formation, dissolution, and fertility using the staggered introduction of Powerball and Mega Millions across U.S. states between 2002 and 2006. Leveraging county-level vital statistics and applying Synthetic Difference-in-Differences estimation, we identify the causal impact of lottery availability on marriage, divorce, and birth rates among the general population, almost all of whom are non-winners.

We find that lottery introduction leads to a statistically significant decline in fertility rates of approximately 7.1 percent. In addition, marriage rates also decline by roughly 6.4 percent with marginal significance. This suggests that the introduction of the lottery causes a general deceleration in family formation & fertility. However, there are no supportive results showing an impact on the divorce rate. The pattern of results is consistent with a liquidity strain mechanism, whereby lottery participation crowds out household resources and delays long-term family commitments.

These findings suggest that lotteries function as a macro-scale consumption shock with unintended demographic consequences, highlighting an important trade-off between lottery-generated public revenue and population-level family outcomes.

3 - In-Theater Movie Demand In the Streaming Age

Kaito Iguchi, Keio Economic Observatory, Tokyo, Japan

99% of U.S. households subscribe to streaming services, and the average American spends over three hours a day streaming digital content. This rapid growth of streaming services has raised concerns among stakeholders in the movie industry about channel substitution from theaters to streaming. Such concerns have led major exhibitors to engage in worldwide boycotts in 2020, fueled one of the longest strikes in Hollywood history in 2023, and continue to shape debates over movie distribution strategies. Nevertheless, measuring channel substitution has historically been difficult because movies traditionally started streaming only after completing their theatrical runs. For example, in the United States, the long-standing theatrical release window restricted secondary use of movies for 90 days after theatrical release. The removal of this window during the COVID-19 crisis created an unprecedented situation in which movies started streaming while still playing in theaters. Leveraging this institutional change, I use daily box office data for nationwide theatrical releases in the United States from April 2022 to March 2023 to quantify channel substitution. In particular, I develop a structural model that jointly captures in-theater movie demand, exhibition availability, and streaming availability under a Bayesian framework. Results indicate that streaming has economically significant effects on in-theater movie demand. I also use the model to carry out counterfactual simulations. Specifically, I explore conditions under which simultaneous streaming is profitable for film studios, and quantify the economic impact of the theatrical release window on exhibitors' profitability.

FT-T2A

B128

Flash Session T2A

Flash Session

Flash

1 - Local Structural Disruptions as Signatures of Dishonest Responding in Survey Data

Haoyun Hong, New York University Stern School of Business, New York, NY, United States, Priya Raghubir

A substantive threat to survey data quality is dishonest responding that evades common screening procedures. Dishonest responding can be by choice, selective, and internally consistent, whereas inattention appears as noise-like error. While existing screens remain better at flagging random-appearing inattention rather than selective strategic distortion, dishonest responding can shift latent patterns and bias downstream estimates. This leaves a gap in diagnosing dishonest responses beyond attention checks.

Classical survey theory decomposes responses into truth, bias, and random error, but typically treats bias as a single component. We extend this framework by separating task-relevant bias from task-irrelevant distortion. We operationalize "*honesty"* as construct-consistent structural coherence with the instrument-implied dependency pattern, allowing task-relevant bias. We interpret task-irrelevant distortion as dishonest responding and treat near-random responding as a signature of inattention. This extension predicts distinct structural footprints: dishonest responding should disrupt local dependencies among theoretically linked items, whereas inattention should degrade structure globally.

We test this implication with structure-based diagnostics that learn an instrument-level dependency backbone using graph-based and embedding-based unsupervised representations and quantify how each response pattern deviates from it. Using a HEXACO-240 dataset with 22,786 respondents, we find a stable global factor structure but systematic local dependency disruptions that covary with Honesty–Humility scores, a commonly used proxy for dishonesty propensity. The framework offers theory-grounded insights into this difficult identification problem and informs improved handling of unreliable survey responses in survey-based measurement and empirical inference.

2 - Staging the Second Hand: How Listing Content Shapes Market Outcomes in Peer-to-Peer Luxury Resale

Ningfan Lai, The Hong Kong Polytechnic University, Hong Kong, Hong Kong, Flora Gu, Xiaolin Li, Fine Leung

The global second-hand luxury market reached approximately USD 56.5 billion in 2024 (Bain & Company, 2025) and continues to grow rapidly. For example, among aspirational consumers who reduced spending on new luxury goods, approximately 13% redirected their expenditures to second-hand luxury markets (BCG, 2025), a pattern consistent with growing preferences for sustainable yet status-signaling consumption.

This expansion has made peer-to-peer platforms an increasingly important channel for transactions involving high-value goods. Unlike primary markets or B2C resale models, C2C transactions are conducted under substantial anonymity and information asymmetry, with limited brand endorsement and often without standardized authentication mechanisms. As a result, buyers rely heavily on listing content generated by individual sellers, which is largely unstandardized, to evaluate product quality, authenticity, and seller credibility prior to any direct interaction.

In this study, we examine how textual and visual features of second-hand luxury listings shape buyer engagement and transaction outcomes in peer-to-peer resale markets. We compile a novel dataset of luxury handbag listings from Xianyu, a leading C2C resale platform in China, containing detailed listing content, buyer interactions (e.g., views, favorites, inquiries), and transaction outcomes. We combine text and visual analysis with regression models to examine how listing features relate to buyer engagement and transaction outcomes, controlling for product and seller characteristics.

This study contributes to the literature on digital marketplaces and information disclosure by providing evidence on how seller-generated content shapes buyer behavior in high-value, information-scarce resale markets. Our findings will also inform sellers' listing strategies and platform design in peer-to-peer resale environments.

3 - Flexibility or Security? Understanding Drivers's Preferences in the Gig Economy

Xuan Wang, The University of Texas at Dallas, Richardson, TX, United States, Xiao Liu, Raveesh Mayya, Arun Sundararajan

As policymakers and gig economy platforms grapple with whether workers should be classified as employees or contractors, understanding workers' preferences become crucial for informed regulation. This research examines these preferences by analyzing real-world driving session data from over 39,000 rideshare drivers combined with annual quality-of-life surveys. By studying driver preferences across key dimensions such as pay, health insurance, scheduling autonomy, and retirement contributions, we uncover significant heterogeneity in how drivers value flexibility versus structured benefits. While flexibility dominates for part-time drivers, who form the majority, a small segment treating this as primary employment strongly prefers traditional benefits. Specifically, among lower-earning, White, male drivers prioritize flexibility and work-life balance, while female drivers value both flexibility and structured benefits. In contrast, non-White, high-earning, and full-time drivers prioritize structured benefits. These insights suggest that blanket employment classification policies may adversely affect most drivers' welfare by restricting their preferred work arrangement. The study emphasizes the importance of customizable benefits, such as tiered benefit systems, to accommodate the diverse worker preferences while maintaining driver satisfaction and retention.

4 - Good Intentions Can Backfire: The Impact of Forced Mobile App Updates on Consumer Usage

Xiaoyu Deng, Beijing Technology and Business University, Beijing, China, People's Republic of, Qianmin Sun

To optimize performance, firms sometimes adopt forced app updates. However, this research demonstrates that such a choice would reduce consumer engagement. We employ a multi-method approach combining a quasi-experiment design using a large-scale clickstream data from 4326 users and a experiment study to investigate the mechanism of this phenomenon.

By applying a DID model to the field data, we find that forced updates lead to a significant decline in actual app usage frequency and duration. We also explore the moderation effect of app types and consumer experience. Specifically, we find that social-oriented apps exhibit a significant larger usage decline than tool-oriented apps.

Additionally, the negative impact is amplified among users with more previous usage experience. An additional study is designed to explore the underlying mechanism. The results indicate that a diminished sense of control acts as a mediator, revealing that forced updates restrict user choice and trigger psychological resistance which ultimately leads to a reduction in app usage.

Our research contributes to the mobile marketing literature by revealing the hidden costs of platform led maintenance strategies. These findings suggest that managers should exercise caution with forced updates, especially for social platforms and experienced user segments, to avoid alienating their most active consumer base.

FT-T3A

B129

Flash Session T3A

Flash Session

Flash

1 - Search Refinement and the Design of Recommended Choice Sets

Chi-Ying Wang, Gabelli School of Business, Fordham University, Bronx, NY, United States

Firms increasingly rely on personalized recommendation systems and search refinement tools, such as navigation menus and filters, to help consumers navigate large product assortments. This paper studies how such refinement tools shape firms' design of recommended choice sets and how they affect consumer welfare and firm profitability. We develop a game-theoretic model in which a consumer strategically decides whether to refine her search, while a firm allocates recommendations across product subcategories. We show that firms favor high-margin subcategories as margin imbalances increase, allocate more recommendations to predicted preferred subcategories as prediction accuracy improves, and concentrate recommendations as consumers' outside options rise. Importantly, search refinement tools can backfire. Consumer expected payoff declines when preference uncertainty is high and margins are moderately imbalanced, as refinement induces firms to shift from partially to exclusively recommending high-margin products. Firm profits decline when most consumers are highly uncertain and margins are strongly skewed, prompting consumers who believe they prefer low-margin subcategories to consistently refine their searches away from high-margin ones. These results offer clear guidance for platform and interface design. Refinement tools intended to enhance user control may be detrimental in categories where consumers lack clear preferences, such as emerging technologies like XR headsets or wearable health trackers. In such settings, limiting refinement options and relying more on curated defaults or reducing refinement frictions can improve both consumer satisfaction and firm performance.

2 - How Does Consumer Price Sensitivity Shape Competition? Evidence from the Pet Food Industry

Tianyi Tao, Northeastern University, Boston, MA, United States

Consumer price sensitivity is not just a pricing parameter, but also a structural force. I show that cross-market variation in demand elasticity shapes firm conduct and, through that channel, market structure. Markets with higher elasticity exhibit lower prices, fewer active brands, greater concentration, and a shift toward Private Labels over National Brands. Interpreting these patterns highlights two mechanisms: for National Brands, manufacturers and retailers jointly determine prices and products under tighter markup constraints; for Private Labels, retailers act unilaterally, using local information to shift toward lower priced options in high elasticity markets. These findings have direct policy implications for merger analysis at both the manufacturer and retailer levels, informing market definition, competitive effects, and the design of targeted policy.

3 - Measuring Language Concreteness as Specificity: From Definition to Calculation

Ivan Gordeliy, EDHEC, Lille, France, Ann Kronrod

Concreteness is a core linguistic construct that can reflect psychological states. Concreteness can be conceptualized in several ways and it has therefore been defined and measured across disciplines. One such definition regards language concreteness as the extent of specificity of the words. However, despite the

importance of language specificity for marketing research and practice – where the specificity of language may influence persuasion, decision-making, and communication – to date, there was no verified operationalization of concreteness as specificity proposed in literature. Addressing this gap, this article introduces a novel, algorithmic operationalization of concreteness as specificity, grounded in the notion of hierarchical conceptual organization of language. Relying on linguistic literature we define concreteness as the depth of a word down its category within the conceptual hierarchy of language, such that more concrete-specific words occupy deeper nodes than more abstract words. We then develop an automatic measure which computes each word's hierarchical depth, and aggregates these scores using an entropy-inspired formulation. This approach yields a domain-independent, additive, and normally distributed measure of language concreteness. We empirically validate our concreteness measure's interpretability, discuss the theoretical relevance of the measure for research and practice, and outline applications in computational text analysis, including deception detection and business communication studies.

4 - Self-Detrimental Consumption: Synthesis, Challenges, and An Integrative Framework for Market-Mediated Dysregulated Behaviors

Pierre Lamoureux, Concordia University, Montreal, QC, Canada, Mickael Ringeval

Background. Consumer behaviors, including shopping, gambling, gaming and digital media use, can become dysregulated and harm physical and mental health. These harmful market-mediated behaviors are conceptualized as self-detrimental consumption (SDC). SDC research has expanded beyond clinical sciences into business disciplines. However, work in these adjacent fields remains fragmented and is limited by conceptualization and measurement inconsistencies. This synthesis defines SDC, delineates key subtypes, reviews the marketing literature, and develops an integrative framework grounded in behavioral theories to synthesize findings. **Methods**. Two databases were searched for articles in peer-reviewed marketing journals using librarian-validated queries. Two coders independently screened 1652 titles/abstracts and 645 full texts. The final sample comprised 515 articles that were double-coded. The framework was developed by integrating the ABC contingency, the S-O-R paradigm, the Reasoned Action Approach, and the Reflective-Impulsive Model. **Results**. 573 SDC instances were examined as some articles covered co-occurring subtypes. The most studied subtypes were addictions, compulsive consumption, and impulsive consumption, whereas overconsumption and misconsumption received less attention. This review identified conceptualization and measurement issues in nearly half of the articles. Labeling inconsistencies, definition issues, and misaligned measures were notably common. This synthesis provides recommendations to improve validity and comparability across studies. The dual-process framework maps two parallel pathways from distal antecedents and proximal determinants to enactment mechanisms and consequences. It also integrates interventions as proactive, reactive, or mitigation-focused based on timing and target. This framework supports mechanism-aligned intervention design and may generalize beyond SDC to the study of other dysregulated behaviors.

5 - How Bandwagon Cues and Need for Affiliation Shape Rumor Sharing on Social Media

Haram Myong, Yonsei University, Seoul, Korea, Republic of, Jarim Kim, Hyegyu Lee

Advances in communication technology have made rumors easier to spread, leading to frequent corporate crises and widespread public confusion. Despite the prevalence of rumors, little is known about the factors influencing their diffusion and the underlying mechanisms. To enhance understanding of rumor sharing, this study, drawing on the bandwagon effect, examines how agreement heuristic cues (i.e., Facebook "likes") affect rumor-sharing processes and how such influences vary depending on individual differences in need for affiliation (NFA). Moreover, this study investigates the psychological mechanisms underlying rumor sharing on social networking services (SNS). An experiment using a 2 (agreement heuristic cue: low vs. high) between-subjects design was conducted with 630 Facebook users in South Korea. Results indicated that high agreement cues increase rumor believability, perceived believability to others, and both descriptive and injunctive norms of rumor sharing. Although agreement cues did not directly influence attitudes toward rumor sharing, they increased both person-to-person (PtP) and SNS rumor-sharing intentions. Furthermore, individuals with higher NFA showed higher levels of rumor believability and injunctive norms, whereas those with lower NFA remained similar across conditions. Analyses further revealed that agreement cues and NFA had indirect effects on rumor-sharing attitudes via rumor believability. The interaction also had indirect effects on PtP rumor-sharing intentions via

rumor believability and injunctive norms. For SNS rumor-sharing intentions, the interaction had indirect effects via rumor believability, perceived believability to others, and injunctive norms.

FT-T4A

B130

Flash Session T4A

Flash Session

Flash

1 - The Motivation and Market Reaction to Public Firms' Live Streaming Conference Call

Liuyi Zhang, Renmin University of China, Beijing, China, People's Republic of, Zhenhan Hong, Yue Pan

Live streaming has become an increasingly important communication channel through which public firms engage investors during earnings conference calls. Unlike traditional text or audio based disclosures, live streaming conference calls combine verbal information with rich visual cues, potentially shaping investors' attention and interpretation. Yet little is known about why firms adopt live streaming for earnings communication and the outcome of this disclosure format.

Using a large sample of Chinese listed firms' earnings conference calls, this study examines the determinants of adopting live streaming as a disclosure format. We find that firms with stronger disclosure incentives, higher investor attention, weaker analyst coverage, and stronger managerial visibility motives are significantly more likely to hold live streaming conference calls.

We then investigate the market consequences of live streaming conference calls. While adopting live streaming per se does not generate immediate abnormal returns, it significantly increases trading volume and analyst activity during the conference window, indicating heightened investor engagement and information processing. Importantly, these effects are concentrated in conferences where managers actively appear on screen and interact with investors, rather than passively presenting prerecorded content.

Overall, our findings show that live streaming reshapes how firms communicate with capital markets by amplifying attention and engagement rather than mechanically improving price efficiency. This study highlights the role of disclosure format and visual presence in investor communication and contributes to the growing literature on digital communication, multimodal information, and nonverbal signals in financial markets.

2 - Do Top Managers' Duchenne Smile Appeal to the Market? Evidence from Chinese Public Firms

Zhenhan Hong, Renmin University of China, Beijing, China, People's Republic of, Yue Pan

Top managers' facial expressions, particularly smiles, are salient nonverbal cues that may shape how the market interprets corporate communications. While a growing marketing literature documents the persuasive power of visual and emotional signals in consumer and interpersonal contexts, evidence on whether and how managerial micro-expressions influence market reactions remains limited, largely due to the difficulty of systematically measuring such subtle visual information at scale.

This study examines whether top managers' Duchenne smiles, commonly regarded as signals of genuine positive affect, appeal to the market. Using a large sample of live streamed earnings conference calls from Chinese public firms, this paper use machine learning model to conduct frame by frame facial analysis of top managers' micro-expressions. Based on the Facial Action Coding System, we distinguish genuine Duchenne smiles from non-Duchenne smiles that are more likely to reflect strategic impression management.

The results show that managers' Duchenne smiles are associated with more favorable market reactions, including higher abnormal returns and increased trading activity. In contrast, non-Duchenne smiles are linked to weaker or negative market responses. These findings are robust to alternative event windows, firm fixed effects, and a rich set of controls for firm performance and disclosure characteristics.

Overall, the evidence suggests that the market is attentive to subtle visual cues conveyed by top managers and is able to differentiate genuine emotional expressions from strategic ones. This study contributes to the marketing and communication literature by highlighting the market impact of managerial micro-expressions.

3 - A AI-Driven Interpretable Visual Features for Demand Neuroforecasting

Brenden Eum, University of Toronto, Toronto, ON, Canada, Remi Daviet, Shabnam Hakimi, Brian Knutson, Ryan Webb

Recent advances in marketing have shown that both product images and neural measures can be used for aggregate demand forecasting. However, image-based machine learning models often function as black boxes, while neuroforecasting demonstrates predictive power without explaining what neural signals reflect. This paper bridges these approaches by introducing a framework that identifies interpretable visual features underlying neural valuation signals that forecast demand.

We propose that early neural valuation signals capture a common component of utility shared across consumers and that this component is partly driven by visual design elements. To test this hypothesis, we develop MotorVAE, a custom variational autoencoder designed to learn disentangled, interpretable representations from vehicle images. Unlike standard autoencoders, MotorVAE incorporates auxiliary classification objectives that encourage the latent space to align with meaningful visual structure.

Our key methodological contribution is anchoring machine-learned visual features to independent neural data. We regress neural activity measured while participants view the same products onto MotorVAE latent dimensions, identifying a subset of visual features that covary with neural valuation signals known to predict aggregate demand. These neuro-anchored features are then translated into human-interpretable design elements using latent space traversal and validated through consumer judgments.

Empirically, including neural data substantially improves demand prediction relative to survey-based models alone. Ongoing conjoint analyses benchmark the economic relevance of the identified features against standard industry approaches. Overall, this work moves demand modeling from prediction toward explanation, offering a transparent method for identifying which visual product attributes matter for markets.

4 - The Viewership Effects of Crossover Cobranding

Eunjoo Han, Pennsylvania State University, State College, PA, United States, Joon Ro, Seoungwoo Lee

Crossover cobranding, where multiple TV shows collaborate through shared storylines, is increasingly common in entertainment. This study examines how crossover events affect viewership before, during, and after the event, and how show popularity and the number of participating shows moderate these effects. We analyze episode-level viewership data from six interconnected CW network series (the Arrowverse) from 2012 to 2020, comprising 550 episodes and six crossover events. Using a dynamic panel model with show-season fixed effects, we find distinct effects across phases. Before crossovers, anticipation boosts viewership, particularly for less popular shows. During crossovers, the first episode generates a significant spike, larger when aired on more popular shows and when more shows participate. After crossovers, retention effects favor more popular shows but weaken as event complexity increases. Simulation analyses show that crossovers generate 6 to 13 percent incremental viewership overall. Placing the most popular show first increases within-event viewership by up to 6.4 percent, and scheduling crossovers earlier in the season yields stronger cumulative gains. Our findings extend cobranding research to media contexts, where serialized content creates anticipatory and carryover effects absent in traditional retail cobranding. The results suggest that crossover success depends not only on whether to collaborate but also on how to structure the event.

5 - Constraining Champions: How a Spending Cap Influenced Competition in Formula One

Ye Xu, The Chinese University of Hong Kong, Hong Kong, Hong Kong, Xiaolin Li, Xinrong Zhu, Nicolette Sullivan

In competitive markets where firms repeatedly invest to improve performance, regulators often impose financial constraints to promote balance and innovation. This study investigates the impact of a uniform spending cap on competitive dynamics, team performance, and innovation in Formula One. We construct a novel panel dataset spanning the 2018-2023 seasons, combining race outcomes, team budget data, and innovation metrics quantified and classified from media coverage using machine learning. To estimate the impact of spending caps, we employ a difference-in-differences framework that accommodates continuous treatment intensity. Results show that while the spending cap reduced the dominance of one historical leader, overall competitiveness did not improve. Mid-tier teams emerged as new winners in both innovation and performance, while resource-constrained competitors face increased barriers to catch up. These findings demonstrate that spending caps produced heterogeneous effects shaped by strategic adaptation and resource management, posing fundamental challenges for regulatory design intended to promote competitiveness and revealing unintended consequences. The study advances understanding of strategic adaptation and innovation under regulatory constraints in tournament-based markets, and provides actionable insights for policymakers evaluating financial regulation in sports and other dynamic competitive environments.

FT-T5A

B131

Flash Session T5A

Flash Session

Flash

1 - Staying in Character: How Cross-Post Narrative Consistency Shapes User Engagement in Virtual Influencer Marketing

Yuchan Wu, Harbin Institute of Technology, Harbin, China, People's Republic of, Zili Zhang, Ziqiong Zhang

Virtual influencer marketing increasingly depends on serialized content to sustain audience attention on social media. Despite this trend, prior research has paid limited attention to whether and how consistency across consecutive posts shapes user engagement. In particular, it remains unclear whether narrative consistency strengthens engagement by reinforcing credibility and authenticity, or instead undermines engagement by reducing novelty and creativity. Addressing this gap, the present research conceptualizes cross-post narrative consistency as a strategic content signal and examines its role in shaping user responses. Drawing on signaling theory and social influence perspectives, we propose that higher narrative consistency enhances user engagement by increasing perceived authenticity, and that this effect is contingent on the surrounding social feedback environment.

Across a large-scale behavioral study and two controlled experiments, the results consistently show that greater narrative consistency is associated with stronger user engagement. This effect is driven by heightened perceptions of authenticity, which serve as the key psychological mechanism. Furthermore, the positive impact of narrative consistency is amplified in positive comment environments, indicating that narrative cues and social cues operate jointly in shaping user reactions. These findings advance research on virtual influencer content strategy by highlighting cross-post narrative signals as a key driver of engagement and by clarifying how authenticity perceptions and social feedback jointly shape user responses. The results also offer practical guidance for virtual influencer content planning and community management.

2 - Not All Color Gradients are Equal: How Linear Versus Polar Color Gradients Shape Indulgent Consumption

Shizhe Zheng, University of Macau, Macau, China, People's Republic of, Cheris Wing Chi Chow

Many brands increasingly adopt gradient color designs in digital interfaces such as logos and online platforms. Despite their growing prevalence, academic research on color gradients remains limited, with prior work largely focusing on their effects on brand perceptions such as innovativeness. Little is known about how different types of gradient design influence consumer behavior. The current research examines how gradient type (linear versus polar) shapes consumers' indulgent consumption decisions. Across two controlled experiments conducted in

different consumption contexts, one using student sample and the other using an online data collection platform, participants were exposed to brands featuring either linear or polar gradient logo designs and subsequently made product choice decisions involving indulgent versus rational options. The results consistently show that linear (vs. polar) color gradients lead consumers to make more indulgent choices, whereas polar gradients are associated with more rational consumption. These findings demonstrate that subtle variations in visual design can significantly influence consumer choice. This research contributes to the emerging literature on visual design by introducing gradient type as a theoretically meaningful distinction and by uncovering its downstream behavioral consequences. Practically, our results provide actionable guidance for marketers and designers on how to strategically apply gradient color designs to influence consumer consumption in digital environments. Future research may explore psychological mechanisms and boundary conditions of gradient design effects.

3 - Toward Healthy Buildings: The Impact of the Interaction Between Consumer Behavior and Building Shape on Infectious Diseases The Impact of the Interaction Between Consumer Behavior and Building Shape on Infectious Diseases

Xiaojun Guo, The University of Hong Kong, Hong Kong, Hong Kong, Marc Downie, Xinyue Luo, Tuan Phan, Qingyao Qiao, Chongyang Ren, Eric Schuldenfrei, Yulun Zhou

Free-running buildings using naturally circulating air have been touted as a solution for environmentally friendly construction, yet they may spread contagious airborne diseases. Additionally, residents' space modifications can greatly impact the infection of diseases, especially in high density urban areas.

To investigate how building shape affects COVID-19 spread in Hong Kong's high-density public housing, we combine infection data with GIS and mobility data. Using propensity score matching, we establish causal effects of building shape on disease spread. We use a theoretical approach to model how residents' modifications to their living spaces impact diseases transmission.

We find L-shaped buildings face significantly higher infection risks due to airflow re-entrance. Crucially, residents' modifications to their spaces act as a strong moderator. With 2 billion housing units projected globally over the next few decades, our research provides design guidelines for "healthy buildings" that balance sustainability with public health in high density urban areas.

4 - Bridging Choice Experiments and Innovation Diffusion Modeling to Improve Marketing Interventions

Manuel Sebastian Mariani, University of Zurich, Zurich, Switzerland, Radu Tanase, René Algesheimer

Many marketing interventions aim to accelerate the adoption of new products and behaviors. To understand adoption processes and inform marketing activities, two research traditions have proceeded largely in parallel. Choice models and experiments focus on identifying heterogeneous individual-level adoption drivers, whereas innovation diffusion models typically study the aggregate diffusion dynamics using stylized behavioral assumptions. This disconnect limits the predictive accuracy of diffusion models and can lead to suboptimal marketing interventions (Peres and Muller, 2011, 2019). We propose an integrated framework that embeds empirically estimated individual choice models into innovation diffusion models. Using choice-based conjoint experiments, we estimate individual-level adoption thresholds, which capture the degree of social reinforcement required for an individual to adopt (Centola and Macy, 2007). We show that the estimated thresholds accurately predict individual adoption decisions out of sample across two empirical contexts. Incorporating the estimated thresholds into diffusion simulations substantially improves predictions of aggregate adoption and informs seeding strategies, namely, managerial decisions regarding which consumers to incentivize first to adopt a new product or behavior. Specifically, we find that canonical seeding strategies based solely on network structure perform consistently worse than strategies that jointly account for network position and individual-level behavioral heterogeneity. Which seeding strategy performs best depends critically on the premium charged by more central nodes to initiate diffusion. Our results demonstrate the value of integrating behavioral measurements with diffusion modeling, and they provide a practical methodology for designing more effective marketing interventions to stimulate large-scale adoption.

5 - Echoes of the Ping: Effects of Mobile Notifications on App Engagement

Arda Güler, Goethe University Frankfurt, Frankfurt am Main, Germany, Moritz von Zahn, Kevin Bauer, Oliver Hinz

Businesses increasingly rely on mobile notifications to increase app engagement and revenue. When users receive a push notification, they may respond by clicking to enter the app, opening the app manually, or dismissing the notification by ignoring or swiping it away. However, businesses often evaluate impact based solely on whether users click on the notification. While clicks serve as a convenient proxy because they are observable at the individual level, they may mismeasure true impact if effectiveness extends beyond the immediate click, potentially overlooking sustained behavioral effects.

To disentangle the mechanisms through which notifications drive engagement, we conduct a large-scale, preregistered field experiment involving over one million users randomly assigned to receive multiple notifications over a three-month period. We find that notifications causally increase app engagement by 32.4% on average, yet only one-third of this effect is explained by direct clicks suggesting that a substantial portion arises from a click-independent mechanism.

To isolate this mechanism, we leverage an external shock: a global Android operating system update that cleared all lock-screen notifications from devices. We find that the click-independent effect stems, at least partially, from initial exposure to the notification, which “echoes” into user behavior the following day.

The presence of this memory-based effect has important implications for targeting. In an off-policy evaluation, we show that click-based targeting underperforms strategies incorporating both immediate and memory-driven responses, such as causal targeting. Our findings advance theory on consumer response to digital marketing and inform managers on how to evaluate and optimize notification campaigns.

FT-T6A

B132

Flash Session T6A

Flash Session

Flash

1 - The Impact of Working Environment on Creative Idea Generation and Selection

Chung-Kang Lo, The Pennsylvania State University, University Park, PA, United States

Faced with increased turbulence and fast-paced change, marketers are under increased pressure to generate, select, and implement creative ideas by iterating rapidly between sense-making and executing marketing decisions (i.e., marketing agility). However, prior research suggests that even if individuals successfully generate creative ideas, they tend to select and execute less creative ones to avoid uncertainty, leading to suboptimal decisions. This begs the question of which factors or interventions may help marketing decision makers stay agile while mitigating such biases. The present research extends the nascent literature on marketing agility by introducing insights from prior work on the characteristics of the workspace and the physical and social contexts of decision-making that promote divergent thinking. Considering the workspace is a significant aspect of the working environment, its specific influence on idea selection, the decision of which idea to pursue, remains unexplored. The present research investigates how unconventional (as compared to conventional) workspaces affect idea generation and selection. In a pilot study using Virtual Reality (VR) technology, 57 ideators generated 430 ideas: individuals in unconventional workspaces, compared to those in conventional ones, generate more ideas, take a longer time to make decisions, and select more novel idea for execution. These nuanced findings call for further refinement and extensions. Specifically, we plan to use a highly immersive VR environment that allows multiple participants to collaborate. Since idea generation and selection are often team efforts, extending the VR environment to allow for team decision making will increase the external validity of this research.

2 - LLM-Driven Product Selection for Small E-Commerce

Yi Ji, University of Hong Kong, Hong Kong, Hong Kong, Shan Huang

Product selection is critical to the success of small businesses, yet data-driven decision-making is often prohibitively costly in resource-constrained settings. Recent advances in large language models (LLMs) offer a promising alternative for supporting such decisions without requiring extensive data or model training. In this work, we propose **F**actor-**A**ware **C**omparative **E**valuation for **S**election (**FACES**), a training-free, two-stage decision framework that emphasizes comparative reasoning rather than pointwise prediction. FACES first induces a compact set of decision factors from historical campaign outcomes and then applies factor-conditioned, hierarchical comparative evaluation within carefully constructed reference groups to rank new candidates. Using real-world data from a representative small e-commerce firm engaged in international trade via Google Ads, we show that LLMs equipped with carefully constructed reference groups and comparative prompts substantially outperform pointwise LLM prompting approaches and competitive machine-learning benchmarks in predicting product-selection outcomes. We further find that larger reference groups can degrade performance, and that alternative information inclusion strategies in reference group construction lead to systematically different decision outcomes. These results provide actionable guidance for small businesses facing cold-start product selection challenges and offer new insights into how LLMs exploit relational structure in decision-making tasks.

3 - From Baskets to Maps: Identifying Product Relationships in Multi-Channel Retail Using Product Embeddings

Mikel Bergara, Public University of Navarre, Pamplona, Spain, Javier Cebollada

Identifying market structure and substitution and complementarity patterns among products is a fundamental task in retail analytics. This work applies the product2vec-map (P2V-MAP) market analysis and visualization framework to uncover latent product relationships using transaction-level market basket data from a major Spanish grocery retailer. P2V-MAP leverages the Skip-Gram neural embedding model to learn product representations directly from observed co-purchase behavior, enabling a data-driven characterization of market structure beyond predefined product categories.

Since the retailer sells both offline and online, we also investigate if market structure and complementarity and substitution relationships vary across channels.

We estimate product embeddings separately for online and offline purchase baskets and construct product maps using the t-SNE dimensionality reduction technique. K-means clustering is applied to identify groups of closely related products, with the number of clusters selected using Elbow and Silhouette criteria. The resulting maps reveal systematic differences across channels.

To further investigate product relationships, we analyze similarity and co-occurrence patterns derived from the learned embeddings. Similarity scores capture substitution effects between products with comparable purchase contexts, while center–context co-occurrence scores provide a measure of complementarity. Our findings indicate that substitution and complementarity structures differ markedly across channels, reflecting distinct consumer decision processes in online and offline environments.

Overall, the results demonstrate the effectiveness of P2V-MAP for mapping competitive and complementary product relationships in retail markets and highlight the importance of accounting for channel-specific purchasing behavior when analyzing market structure.

4 - Strategic Diversification on Digital Content Platforms: Performance Effects of Multi-Channel Content Strategies

Bernd grosse Siemer, Vrije Universiteit Amsterdam, Amsterdam, Netherlands, Dennis Herhausen, Daniel Wentzel

Digital content creators increasingly operate multiple channels on the same platform, yet little is known about how such portfolio structures relate to performance. Existing research emphasizes content-level optimization and algorithmic visibility, typically treating creators as single-channel actors. This paper links channel portfolio expansion to overall performance and shows that how content is organized across channels matters beyond content volume.

Using weekly panel data on 98 German gaming creators on YouTube, covering 29,617 creator–week observations over multiple years, we examine within-creator associations between secondary-channel expansion and total portfolio viewership. Two-way fixed-effects estimates indicate a substantial and persistent increase in total views following the launch and active use of secondary channels. Event-time analyses show flat pre-adoption trends and sustained post-adoption gains, ruling out anticipatory effects or short-lived launch spikes. These patterns are robust to controls for main-channel upload cadence and rolling content-state measures.

We further examine whether the positioning of secondary channels conditions this association. Using early post-adoption content overlap to measure initial alignment, we find no evidence that creators who launch highly aligned secondary channels experience larger gains, contrary to the intuition that staying close to established content is safer. By contrast, alignment measured as an ongoing, lagged content state is positively associated with post-adoption performance. Changes in specialization, content mix, or posting cadence do not mediate the association.

Overall, the findings suggest that secondary channels reflect an architectural reorganization of content distribution rather than independent launches, highlighting an underexplored structural dimension of creator performance.

5 - From Numbers to Velocity: Assessing the Impact of Follower Number and Velocity on Influencers' Sponsored Content Engagement

Li Ji, Hong Kong Metropolitan University, Hong Kong, Hong Kong, Xu Zheng

While follower number has long served as the primary heuristic for selecting social media influencers for sponsored content, this static measure is insufficient for accurately assessing commercial potential in a dynamic digital landscape. To address this gap, we propose follower velocity (i.e., the rate of follower number growth) as an important indicator complementing follower number, and hypothesize that influencers with both high follower velocity and high follower number generate greater audience engagement with their sponsored content than those with merely a high static follower number. To empirically test these hypotheses, we collect a 120-day panel dataset. The core dataset originates from a one-month sponsored campaign from a skincare brand, containing all videos published by collaborating influencers during that campaign window. We augment this with longitudinal data by tracking each influencer’s follower number backward for an additional 90 days prior to the campaign. This design allows us to construct our key independent variables, the follower number at the campaign start (Day 0), and the followership velocity, calculated as the net growth in followers over the 90-day pre-campaign baseline period. Engagement is then measured by the number of likes on the sponsored videos released during the campaign month. A negative binomial regression will be employed to estimate the differential effects of initial follower number and followership velocity on engagement. The results will provide a foundational framework for shifting influencer selection criteria from relying on static follower number metrics to incorporating dynamic growth signals, thereby optimizing content resonance and marketing effectiveness.

Thursday, June 11, 2:00 PM - 3:30 PM

TC01

B002

Marketing and Public Policy I: Platform Regulation and Market Structure

Invited Session

Special Session

Chair: Michelangelo Rossi, HEC Paris, N/A

Co-Chair: Klaus Miller, HEC Paris, Jouy-en-Josas, France

1 - User Preferences for Large Language Model Refusals: Implications for Moderation and Market Structure

Maria Ana Vitorino, INSEAD, Fontainebleau, France, Pavel Kireyev

Large language models (LLMs) differ in their moderation and content policies, which determine which prompts these models refuse to answer. These refusals can affect user decisions of which models to use and whether to make safe or risky prompts. Using data from LMArena, where users select preferred responses to their prompts from paired LLM comparisons, we estimate a discrete choice model that captures user preferences for making risky prompts and their choice of which LLM provides the best response quality given the possibility of refusals. We leverage this model to analyze how moderation policies affect market shares across proprietary and open-source LLMs. Our findings reveal that proprietary LLMs provide higher quality responses and maintain larger market shares, but implement stricter moderation policies with higher refusal rates compared to open-source alternatives. This stricter moderation by proprietary LLMs reduces market concentration by allowing lower-quality open-source LLMs to compete effectively in the risky prompt segment. Mandating uniform moderation policies across all LLMs could increase market concentration favoring proprietary LLMs, potentially hampering competition. Our framework characterizes the efficient frontier of moderation policies that balance market concentration and safety.

2 - Defensive Specialization: Theory and Evidence from Mexico's Retail Sector

Luis Cabral, NYU Stern School of Business, New York, NY, United States, Tommaso Bondi

Large companies – both offline and online – are increasingly dominating the retail industry, casting doubt on the future of independent, local retailers. Is this the end of local retail as we know it? What product strategy should local stores follow to attenuate this negative impact? We show that, in response to increasing penetration of large chains, local retailers – and especially smaller ones – optimally follow a strategy of defensive specialization. Intuitively, the arrival of large chains hurts all independent local stores, but it disproportionately harms general stores that sell multiple categories. Our empirical evidence, built on microdata from retail censuses and surveys from Mexico, confirms the predictions of the theoretical model: specialty stores are better able to cope with the shock of large-chain entry. Moreover, when the size disadvantage is large enough, the entry of a large chain induces a shift toward greater specialization in the traditional retail sector, both through an increase in the absolute number and market share of specialty stores and through changes in the product offerings within local stores towards more specialization. These findings challenge conventional wisdom on small store survival in both developing and developed economies and add critical nuance to Anderson’s celebrated “Long Tail” theory: small retailers stock niche product categories not because of infinite capacity, but precisely because of their capacity constraints.

3 - How Short-Term Rental Regulations Reshape Urban Spending: Evidence from New York City&Rsquo;S Restaurant Sector

Kaihang Zhao, Emory University, Decatur, GA, United States, Tal Shoshani, Davide Proserpio

We examine the spillover effects of short-term rental (STR) regulations on urban service markets, focusing on the restaurant industry. Our setting is New York City’s 2023 STR regulation, which took effect in September 2023 and is among the most restrictive policies in the United States. The regulation triggered a sharp contraction in the supply of Airbnb listings across the city. Using restaurant-month–level credit and debit card transaction data, combined with a matched Difference-in-Differences design, we find that the policy led to a 10% decline in total restaurant spending, a 7% reduction in transaction volume, and a 1% decrease in average spending per customer.

These effects are consistent with a mechanism in which restricting STR supply raises accommodation costs, reducing tourist inflows, and lowering discretionary spending among visitors who continue to travel despite higher prices. We provide further support for this interpretation through three complementary analyses. First, the negative effect is significantly larger for higher-priced restaurants and establishments catering to tourists, consistent with a contraction in discretionary and tourism-driven demand. Second, we document a 4% decline in passenger arrivals at New York City’s major airports following the regulation, indicating a reduction in overall tourist inflows. Third, we show that neighboring markets---most notably New Jersey---experience increased restaurant spending, suggesting spatial displacement of tourism activity.

Taken together, our findings highlight that STR regulations can generate economically meaningful spillovers beyond the housing market, underscoring the importance of accounting for downstream effects on local service industries when designing urban housing policies.

4 - Cleanin' It up: Unshrouding Hidden Fees on a Peer-to-Peer Platform

Michelangelo Rossi, HEC Paris, Jouy-en-Josas, France, Leonardo Madio, Mark Tremblay, Kevin Tran

We examine how greater price transparency affects pricing behavior in peer-to-peer markets. Following the introduction of cleaning fee transparency for European Airbnb users, hosts who do not charge fees raise their base prices by 6-7%, especially if competitors use cleaning fees. Transparency changes how inattentive sellers perceive competitors' prices: with hidden fees, they benchmark only visible base prices; with unshrouded fees, they realize competitors are effectively charging more. Transparency thus reduces price obfuscation for consumers but can increase prices of some sellers, resulting in potential unintended redistributive effects in decentralized markets.

TC02

B003

Technology and Markets III: Search and Attention

Invited Session

Special Session

Chair: Sylvia Hristakeva, Cornell S.C. Johnson College of Business, Ithaca, NY, United States

Co-Chair: Yufeng Huang, University of Rochester, Rochester, NY, United States

1 - The Effects of Ads on Beliefs and Implications for Consumer Search

Ilya Morozov, Northwestern University, Chicago, IL, United States, Anna Tuchman, Jean-Pierre Dubé, Franklin She

We study how in-store display ads, widely believed to serve as an awareness-generating tactic, influence consumer choices by shaping beliefs about prices and quality. Using a controlled experiment in a simulated online bookstore, we randomize both the ad content and the advertised product’s price, while eliciting participants' beliefs about both advertised and non-advertised products. We find that advertising communicates more than the existence of a product. A plain ad with no objective product information shifts consumers' beliefs about the advertised product's quality upwards. When the ad also discloses the price, participants update their beliefs about both the price itself and the book's rating. We observe a corresponding impact on both search and purchase behavior. The effects on beliefs not only shift expected demand outwards, but also rotate the demand curve clockwise. Price ads in particular generate a more elastic expected demand than plain ads. These shifts and rotations affect the revenue-maximizing price, highlighting the need for companies to coordinate their pricing and advertising decisions.

2 - Make Every Second Count: Time Allocation in Online Shopping

Rafael Greminger, UCL School of Management, London, United Kingdom, Yufeng Huang, Ilya Morozov

We study how time scarcity constrains various dimensions of consumer search. We construct a novel dataset that tracks how consumers allocate shopping time across retailers, categories, and products in online retail. Using weather shocks as exogenous shifters of time scarcity, we show that when time is less scarce, consumers do not expand search to additional retailers. Instead, they deepen search by examining more products within a category and broaden it by searching in additional categories, with both effects contributing to additional purchases. Building on these findings, we then estimate a time allocation model to study how consumers reallocate time in response to price promotions by an online retailer. We find that during a promotion, the consumer spends more time in the promoted category, but this extra time is drawn entirely from non-shopping activities rather than from other categories. Thus, promotions do not cannibalize sales in other categories of the same retailer.

3 - Fair Ranking Design for Medical Crowdfunding

Yufeng Huang, University of Rochester, Rochester, NY, United States, Kang Huang, Xiaoting Zheng

Medical crowdfunding has become a vital tool for individuals seeking healthcare funding. However, there are significant disparities in the success of campaigns, often by unequal social connections. This study examines whether the unequal outcome is driven by donor awareness differences and how medical crowdfunding platforms can reduce these inequalities by improving promotion ranking strategies. Using data from Qingsongchou, China’s largest medical crowdfunding platform, we measure the short-term effect of campaign promotions. We find that a two-day promotion window leads to an average of 333 additional donations. To

explore alternative ranking strategies, we develop a model of donor behavior that accounts for donor-campaigner relationship and promotion formats. Our counterfactual analysis shows that optimizing for equality in campaign visibility reduces disparities with little impact on donor welfare or platform revenue, whereas a utility-based ranking would lead to much larger disparity. These findings offer practical recommendations for creating more equitable and effective medical crowdfunding platforms.

4 - The Impact of LLM Adoption on Online User Behavior

Nicolas Padilla, London Business School, London, United Kingdom, Tai Lam, Anja Lambrecht, Brett Hollenbeck

The adoption of AI tools, and especially Large Language Models (LLMs), has the potential to significantly transform how users engage with information online, potentially serving as substitutes or complements to existing digital resources. We use detailed clickstream data from 2022 and 2023 to examine users' online behavior following the adoption of large language models. We document a significant decrease in online search activity, a typical entry point to content consumption. Online searches drop slowly, suggesting a period during which users learn to use LLMs, but eventually adopters' level of online search in traditional search engines is more than 20% below the pre-adoption period, though there is heterogeneity across types of queries. We then turn to the effect of LLM adoption on website traffic. We document that while frequently visited websites are not affected, smaller websites suffer a significant drop in visits. In line with these results, we then report a significant drop in display ad exposures, especially to consumers with high levels of retail activity, though we do not find a reduction in search ad exposures. Last, we study two distinct categories of websites: education-related websites and user-generated content platforms. We document a significant drop in visits to education-related websites and heterogeneity across user-generated content platforms with a pronounced negative effect on Stack Overflow but no significant effect on Wikipedia, Reddit, and social media. We discuss implications for online content creators, for GenAI firms, and for public policy.

TC03

B004

Field Experiments III

Contributed Session

Contributed

Chair: piyush kumar, University of Georgia, 330 Benson Hall, Athens, GA, 30602, United States

1 - Unpacking the Incentive Conditions of Referral Programs: Evidence from a Large Scale Field Experiment

Mengzhou Zhuang, The University of Hong Kong, Hong Kong, Hong Kong, Jinyu Zhang

Referral programs are a powerful tool for user acquisition, yet the optimal design of reward schemes remains underexplored. This research empirically investigates how referral reward schemes—conditional referral incentive (CRI), where rewards depend on conversion, versus unconditional referral incentive (URI), where rewards are guaranteed for sharing—and reward value (high vs. low) jointly affect the behavior of both existing users (inviters) and the new users they acquire (invitees). Through a large-scale field experiment with a mobile gaming company, we tracked the referral activities and in-game activities of 66,427 inviters and 97,181 invitees over 60 days. Our results reveal a critical trade-off between referral quantity and quality for inviters. In the high-reward condition, inviters under the CRI sent 77.4% fewer referrals than their URI counterparts but achieved a per-referral acceptance rate that was over 11 times higher. Despite their efficiency in conversion, CRI generates negative spillover effects on the subsequent engagement of invitees. Newly acquired users from CRI demonstrated lower engagement; in the high-reward condition, these invitees spent 30.3% less time and 76.6% less expenditure compared to invitees acquired under URI schemes. We find that these contrasting outcomes can be explained by the inviters' persuasive efforts. Inviters in CRI conditions contact potential invitees 222.9% more frequently, suggesting that the reward-motivated persuasion increase adoption but undermines the invitees' post-adoption engagement. Our findings uncover potential contrasts between the two referral reward schemes:

while the CRI scheme is effective for immediate conversions, the URI scheme fosters greater long-term value by cultivating higher-quality invitees.

2 - The Power of Linear Programming in Sponsored Listings Ranking: Evidence from a Large-Scale Field Experiment

Yuting Zhu, National University of Singapore, Singapore, Singapore, Haihao Lu, Luyang Zhang

Sponsored product advertisements constitute a major revenue source for online marketplaces such as Amazon, Walmart, and Alibaba. A key operational challenge in these systems lies in the Sponsored Listings Ranking (SLR) problem, that is, determining which items to include and how to rank them to balance short-term revenue with long-term relevance and user experience. Industry practice predominantly relies on score-based algorithms, which construct heuristic composite scores to rank items efficiently within strict real-time latency constraints. However, such methods offer limited control over objective trade-offs and cannot readily accommodate additional operational constraints. We propose and evaluate a Linear Programming (LP)-based algorithm as a principled alternative to score-based approaches. We first formulate the SLR problem as a constrained mixed integer programming (MIP) model and develop a dual-based algorithm that approximately solves its LP relaxation within 0.1 second, satisfying production level latency requirements. In collaboration with a leading online marketplace, we conduct a 19-day field experiment encompassing approximately 329 million impressions. The LP-based algorithm significantly outperforms the industry-standard benchmark in key marketplace metrics, demonstrating both higher revenue and maintained relevance. Mechanism analyses reveal that the performance gains are most pronounced when the revenue–relevance tradeoff is stronger. Our framework also generalizes to settings with inventory, sales, or fairness constraints, offering a flexible and deployable optimization paradigm. The LP-based algorithm was deployed in production at our partner marketplace in January 2023, marking a rare large-scale implementation of a mathematically grounded ranking algorithm in real-world online advertising.

3 - Economics of Agentic Customer Service: a Field Experiment on Returnless Refunds in E-Commerce

Chunhua Wu, The University of British Columbia, Vancouver, BC, Canada, Lu Fang, Zhe Yuan

E-commerce platforms face significant customer hassle costs and business inefficiencies in returns management, leading the industry to innovate with AI-driven returnless refund policies. We examine a policy experiment that uses an agentic system coordinating multiple AI agents to selectively provide partial refunds without requiring product returns. Through a large-scale field experiment involving nearly one million customers, we investigate the impacts on return costs, future customer value, and customer strategic behavior. We find that while the AI policy increases immediate refund costs, it generates substantially higher future customer spending that offsets additional costs associated with increased return requests and strategic behavior, demonstrating a powerful service recovery effect. Using a comprehensive economic framework analyzing key trade-offs, we establish opportunities for net economic gains, supporting the adoption of this innovative approach to returns management. This research provides the first large-scale experimental evidence on the impact of AI-automated returnless refunds on consumer and firm outcomes, providing contributions to the literature and generating practical insights for platforms.

4 - Cash or Card? Evidence from a Large Field Experiment to Encourage Debit Card use

Ray Howard, University of Virginia Darden School of Business, Charlottesville, VA, United States, Michael King, Paolina Medina, Roland Umanan

Shifting consumer spending from cash to digital alternatives yields substantial benefits for banks, businesses, governments, and consumers. Yet despite the rapid growth of digital payment options, cash remains the dominant payment method for billions of people worldwide. We study how to reduce cash reliance using a large-scale randomized controlled trial involving approximately 1.5 million bank customers in Mexico. Customers were randomly assigned to receive cash or in-kind incentives for increasing debit card use, informational nudges about the benefits of debit cards, both, or neither (control). Incentives followed a 2 (type: cash vs. gift card) × 2 (amount: 300 MXN vs. 60 MXN) factorial design, while informational messages emphasized security, convenience, or budgeting benefits. Average treatment effects range from ~1% for informational nudges to ~5% for the 300 MXN cash incentive. However, causal forest analyses reveal substantial treatment effect heterogeneity. For example, the positive average effect of the 300 MXN cash incentive is driven almost entirely

by consumers in the top quartile of baseline debit card use, whereas the 60 MXN cash incentive backfires for this group, reducing debit card spending. Cash incentives are approximately twice as effective as gift cards of equal value, and all incentives display diminishing returns. For example, increasing the cash incentive fivefold produces only a twofold increase in debit card use. Effects operate primarily on the extensive margin rather than the intensive margin.

5 - The Impact of Waiting Time Guarantees on Satisfaction in Unobservable Waits

Piyush Kumar, University of Georgia, Athens, GA, United States

This research examines how waiting time guarantees affect satisfaction with waiting during unobservable service waits where customers receive no feedback and cannot track their progress. Although guarantees typically reduce uncertainty, our studies reveal several paradoxical effects of time guarantees in these contexts. We show that a guarantee raises satisfaction early during an unobservable wait by offering reassurance. However, as the promised time nears without any sign of progress, this initial confidence fades and uncertainty grows, leading to a sharp decline in satisfaction even if the guarantee is met. Surprisingly, loose, range-based guarantees help prevent this satisfaction drop observed for strict point-based guarantees by allowing more flexible interpretation of the initial promise. We also find that an update confirming the provider's intent to meet the guarantee can interrupt the late-stage downward trend in satisfaction, especially when delivered late rather than early during the wait. We use these findings to provide practical guidance for designing guarantees and communication strategies in unobservable settings.

TC04

B005

FMS

Invited Session

Special Session

Chair: Puneet Manchanda, University of Michigan, Ann Arbor, MI, United States

1 - ChatGPT Referrals to E-Commerce Websites: How Do LLMs Compare Against Traditional Channels?

Christian Schulze, Frankfurt School of Finance & Management, Frankfurt am Main, Germany, Maximilian Kaiser

1. We investigate organic Large Language Model traffic (oLLM) versus traditional digital channels in e-commerce. Analyzing 12 months of first-party data from 973 websites with $20 billion combined revenue, we examine over 50,000 transactions from ChatGPT referrals alongside 164 million transactions from traditional channels. Using regression models that account for data sparsity, we assess financial metrics (conversion rate, average order value, revenue per session) and engagement metrics (bounce rate, session duration, page views). Results are consistent across extensive robustness checks. One year after launch, oLLM exhibits conversion rates and revenue per session above paid social but below all other traditional channels. Product complexity moderates the effects: oLLM's financial outcomes and traffic shares are stronger in complex product categories. Engagement metrics show favorable bounce rates but lower session duration and page views. Temporal analysis shows increasing conversion rates but declining average order values, yielding only moderate revenue-per-session gains over time. Cross-website analyses support growing consumer LLM proficiency as the underlying mechanism. The descriptive analyses position oLLM as a new and developing channel. With low volumes and modest revenue per session, oLLM currently serves niche informational needs of proficient consumers and does not yet function as a broad conversion channel

2 - The Demand for Counterfeits: A Descriptive Analysis

Mengqi Xiang, National University of Singapore, Singapore, Singapore, Nan Chen

We descriptively document a robust U-shaped relationship between income and counterfeit consumption using large-scale field data on U.S. consumers. Relative to the middle-income cohort ($50k–$75k), both low-income (<$15k) and high-income (>$150k) consumers are more active in counterfeit markets: they purchase more, buy more repeatedly, and disproportionately choose higher-priced and niche listings as well as brands' classic

product series. The tails differ in composition: relative to the middle-income cohort, low-income demand loads more on lower-tier brands, whereas high-income demand tilts toward ultraluxury and toward higher-priced listings within a series, consistent with greater willingness to pay for counterfeit quality. A cross-brand copurchase network corroborates these patterns, with pronounced clustering by product category and brand position. We discuss implications for theory and practice

3 - How Much Influencer Marketing is Undisclosed? Evidence from Twitter

Yanting He, Imperial College London, London, United Kingdom, Daniel Ershov

We study the disclosure of influencer posts on Twitter across a large set of brands based on a unique data set of over 100 million posts and a novel classification method to detect undisclosed sponsorship. Using our preferred empirical specification, we find that 96% of sponsored posts are not disclosed. This result is robust to a series of specification tests, and even a lower-bound classification still yields an undisclosed share of 82%. Despite stronger enforcement of disclosure regulations, the share of undisclosed posts decreases only slightly over time. Compared with disclosed posts, undisclosed posts tend to be associated with young brands with a large Twitter following. Using an online survey, we find that many consumers are not able to identify sponsored content without disclosure. Our findings highlight a potential need for further regulatory scrutiny and suggest that researchers studying influencers must account for undisclosed sponsored content.

TC05

B008

Generative AI as a New Measurement Layer for Marketing Content

Invited Session

Special Session

Chair: Qianyun (Poppy) Zhang, Meta, Menlo Park, CA, United States

Co-Chair: Jasmine Yang, Meta and the Chinese University of Hong Kong, New York, NY, United States

1 - Quantifying Video Storyline: A Theory-Guided Multimodal LLM Approach for Creative Ads Insights

Jasmine Yang, Meta, New York, NY, United States, qianyun zhang, Shawndra Hill

The narrative structure of video advertisements (i.e., creatives) lies along a continuum, with completely non-narrative ads on one end, and well-developed, moving stories on the other end. Given the complexity of analyzing video creatives at scale, there is limited understanding of whether and how video narrative design affects ad effectiveness. We introduce a video creative narrative framework and a pipeline for its measurement using multimodal LLM guided by advertising domain knowledge and narrative theory. The framework is centered on the core idea that ad creatives can be viewed as a structured sequence of functional intents, with each video scene unit serving a specific communicative function while delivering product and brand information within seconds. We develop a video advertising-specific functional role taxonomy that spans the full video progression spectrum and twenty narrative elements linked to story delivery to scalably discover data-driven video story structures and story delivery strategies. We demonstrate the utility of our framework with an application to 320k video creatives from the Facebook ad platform. We show that narrative design helps improve both video dwell rate and click-through rate but is in general difficult to move conversions. No single narrative design strategy wins everything. Effective narrative design should be customized to the ad's industry subvertical and optimization objective. More broadly, our framework demonstrates the value of using narrative theories and domain knowledge to guide multimodal LLM for video creative insight generation, offering a scalable and production-ready approach for video understanding at platform scale.

2 - (Mis)Measuring the Drivers of Ad Performance

Yakov Bart, Northeastern University, Boston, MA, United States, Gijs Overgoor, Samsun Knight

Researchers across the social sciences increasingly use large language model (LLM) annotations as scalable substitutes for human coding, yet whether these measurements are reliable enough for downstream inference remains largely untested. We examine this question in the domain of video advertising, where the ability to

measure creative features at scale is a long-standing bottleneck to empirical analysis. Using data on over 10,000 nationally aired television ads with 14,000+ human annotations and survey-based ad-quality outcomes, we show that off-the-shelf LLMs generate systematic measurement errors that bias downstream regression estimates. We also show that standard first-order agreement metrics, which are the current convention for testing encoding reliability, completely fail to diagnose these errors, and calculate that the second-order inference tests that we recommend have large sample size requirements (minimum 1000+ observation validation sets in our setting). At the same time, human coding alone suffers from inter-annotator noise that severely attenuates explanatory power ($R^2 \approx 0.02$). Fine-tuning is able to address both problems, increasing R^2 by an order of magnitude ($R^2>0.19$) and recovering granular feature-level effects that are aligned with estimates from human encodings; but such fine-tuning has even larger sample size requirements (minimum ~3,500 observations) before it reliably achieves this performance gain in our setting. Together, our analysis demonstrates that out-of-the-box LLM annotations may be far less reliable for inference than is commonly assumed, even when first-order performance appears adequate, and provides important empirical guidance to researchers on the essential sample requirements for validation and fine-tuning in a canonical multimodal-annotation domain.

3 - From Reviews to Actionable Insights: An LLM-Based Approach for Attribute and Feature Extraction

Nour Jedidi, University of Waterloo, New York, NY, United States, Khaled Boughanmi, Kamel Jedidi

This research proposes a systematic, large language model (LLM) approach for extracting product and service attributes, features, and associated sentiments from customer reviews. Grounded in marketing theory, the framework distinguishes perceptual attributes from actionable features, producing interpretable and managerially actionable insights. We apply the methodology to 20,000 Yelp reviews of Starbucks stores and evaluate eight prompt variants on a random subset of reviews. Model performance is assessed through agreement with human annotations and predictive validity for customer ratings. Results show high consistency between LLMs and human coders and strong predictive validity, confirming the reliability of the approach. Human coders required a median of six minutes per review, whereas the LLM processed each in two seconds, delivering comparable insights at a scale unattainable through manual coding. Managerially, the analysis identifies attributes and features that most strongly influence customer satisfaction and their associated sentiments, enabling firms to pinpoint “joy points,” address “pain points,” and design targeted interventions. We demonstrate how structured review data can power an actionable marketing dashboard that tracks sentiment over time and across stores, benchmarks performance, and highlights high-leverage features for improvement. Simulations indicate that enhancing sentiment for key service features could yield 1–2% average revenue gains per store.

4 - What Makes for a Good Thumbnail? Video Content Summarization into a Single Image

Oded Netzer, Columbia University, New York, NY, United States, Jasmine Yang

Thumbnails serve as representations of video content when viewers are "in the dark" before watching. Yet it remains unclear whether thumbnails should summarize the underlying video, like a synopsis, or act as teasers. We study how thumbnails, relative to the video content they represent, affect video decisions. We propose a thumbnail-video mining procedure that uses multimodal LLMs and computer vision to transform unstructured thumbnails and video content into interpretable features, and then construct theory-based measures to characterize both the thumbnail itself and its relationship with the video it represents. We use secondary data from YouTube to document real-world relationships between thumbnails and video performance, and then experimental data from CTube, a video platform we built to randomize thumbnail exposure, to estimate a joint model of video choice and watchtime. Our results reveal a fundamental click--watchtime tradeoff. ``Teaser-style" thumbnails that are visually appealing and emotionally engaging increase clicks, but these features do not sustain viewing. Instead, thumbnails affect watchtime through how the video unfolds relative to the thumbnail: viewers are more likely to quit when video content diverges from the thumbnail, but this penalty weakens after the thumbnail moment appears in the video. We simulate performance of alternative thumbnails and show that there is no one-size-fits-all thumbnail. Effective thumbnails require balancing visual impact with content alignment and timing, while tailoring each thumbnail to viewers and video content.

TC06

B009

GenAI and Analytical Modeling: Where Are We? Where Are We Going?

Invited Session

Special Session

Chair: David Godes, Johns Hopkins University, Washington, DC, United States

Co-Chair: Jessie Liu, Johns Hopkins University, Baltimore, MD, United States

Co-Chair: Tommaso Bondi, Cornell Tech, New York, NY, United States

1 - The Invisible use of LLMs: Disclosure and Coordination

Jessie Liu, Johns Hopkins University, Baltimore, MD, United States

This paper focuses on an increasingly common reality in analytical modeling research: LLMs are routinely used in the pre-formal stages of theory development, often in ways that are not directly observable in published work. We document a set of "invisible" uses of LLMs in theory development, including conjecture generation, error and assumption checking, and the exploration of boundary cases. These applications influence the structure and direction of analytical arguments while leaving no verifiable artifact in the final output. We argue that this "invisible adoption" creates a tension for disclosure norms. Unlike software tools that produce auditable outputs, LLMs influence the reasoning process in a way that cannot be directly validated. As a result, voluntary disclosure may act as a noisy and potentially stigmatizing signal, rather than as a transparent indicator of research quality. We discuss how such stigma can generate adverse selection in disclosure, potentially rewarding non-disclosure even when LLMs are used to improve rigor and productivity. Taken together, this paper frames the use of LLMs as an ongoing coordination problem. The core question is how the field will coordinate on norms when the primary effects of these tools are already embedded, and largely invisible, within the research process itself.

2 - When Technical Brilliance Becomes Cheap(Er): Signaling Failure in Analytical Modeling

David Godes, Johns Hopkins University, Washington, DC, United States

The adoption by analytical modelers of large language models (LLMs) like ChatGPT, Claude and Gemini, while not directly observable, seems to be increasing rapidly. This isn't surprising given the myriad benefits these tools offer the theorist, particularly in reducing the costs associated with the executional stages of model-building such as structuring and proving complex theoretical claims. In this talk, I will argue that a potential side effect of this cost reduction is the weakening of many of the core signals of analytical skill: algebraic derivation, proof completion, and exhaustive extensions. When execution is cheap but evaluation criteria remain fixed, technically polished but conceptually thin models become easier to produce and harder to distinguish from genuinely insightful work. One potential prediction is declining returns to technical complexity, disadvantaging researchers whose comparative advantage lies in execution rather than, say, conceptual selection and/or narrative clarity. This shift has clear implications that extend beyond individual productivity to include the equilibrium quality of the literature, the training of doctoral students, refereeing norms, and tenure and promotion.

3 - LLMs as Complements of, vs. Substitutes for, Researcher Judgment

Tommaso Bondi, Cornell Tech, New York, NY, United States

This talk examines how large language models (LLMs) can support theoretical research in marketing by augmenting, rather than replacing, researcher judgment. I organize the discussion around a logical research workflow. First, novelty testing: while (still) not particularly effective at coming up with novel ideas, LLMs can be used as an early filter to assess whether an idea is plausibly new or risks rediscovering known results. Second, correctness: models can help check logical consistency, verify derivations, and flag gaps or unstated assumptions in propositions and proofs. Third, boundary exploration: LLMs can systematically probe when a theory breaks down, which assumptions are essential, and how results extend to nearby settings and/or have more striking interpretations. Finally, I introduce synthetic feedback, using LLMs to simulate the review process to pressure-test clarity, contribution, and positioning. I conclude by discussing limitations, including hallucinations, shallow novelty assessments, overconfidence, confirmation bias, and the risk of outsourcing judgment, and offer guidelines for responsible use.

TC07

B010

Causal Inference and Dynamic Marketing

Invited Session

Special Session

Chair: Carl Mela, Duke University, Durham, NC, United States

Co-Chair: Ruohan Zhan, University College London, London, United Kingdom

1 - Incrementality Prediction: Synergizing Past Experiments for Intervention Personalization

Ta-Wei Huang, National University of Singapore, Singapore, Singapore, Eva Ascarza, Ayelet Israeli

Firms routinely conduct randomized experiments to evaluate the causal impact of marketing interventions. Yet these experiments are often analyzed in isolation, estimating treatment effects separately for each intervention. This limits firms' ability to leverage accumulated experimental knowledge. We develop a two-stage causal machine learning framework that integrates data across experiments to estimate the conditional incrementality function - treatment effects expressed as a function of intervention and customer attributes. In the first stage, we construct doubly robust scores within each experiment to obtain unbiased treatment effect signals. In the second, we employ a deep representation learning architecture that predicts these scores from intervention features and customer covariates, balancing flexibility with control of model complexity. The framework improves targeting efficiency and generalizes treatment effect predictions to new or untested interventions. Combining data from 362 promotion experiments involving more than seven million customers, we show that synergizing these experiments through our framework substantially outperforms conventional approaches that analyze them separately. We further develop empirical tools to assess attribute shift and concept shift when generalizing to new offers, finding both to be modest in our setting. By synthesizing information across experiments, our framework transforms historical experimentation into a powerful resource for personalization.

2 - Agenda Setting and Market Power in Online News

Andrey Simonov, Columbia University, New York, NY, United States, Gregory Martin, Shoshana Vasserman

How much power do news outlets have to "set the agenda:" to determine what events their audience hears about and which topics it thinks are important? The answer is essential to understanding the political impacts of changes in media ownership and editorial direction. Using a large panel of online news readership and extensive data on article-level news content for over 4000 online news outlets, we decompose demand for news into two components: stable interest in certain topics, and trust in favored outlets to determine which topics are important each day. Our estimates reveal substantial heterogeneity across outlets and across readers. Most outlets have effectively zero influence over their audience's information diet, but a small number of influential outlets exercise substantial agenda setting power. We use our model estimates to conduct a variety of counterfactual exercises that illustrate the informational consequences of changes to the supply side of the news market.

3 - When to Target Customers? Retention Management Using Constrained Dynamic off-Policy Policy Learning

Kosuke Uetake, Yale School of Management, New Haven, CT, United States, Kohei Yata, Ryuya Ko

We propose a method to learn personalized customer retention management strategies when customers' intentions to purchase evolve over time. Working with a Japanese online platform, we first implement a large-scale randomized experiment, in which coupons are sent to first-time buyers at different times. The experimental data allow us to estimate personalized dynamic retention policies using off-policy policy learning methods. We extend the existing methods by allowing inter-temporal budget constraints and feasibility constraints. Our offline evaluation results based on the test sample show that the optimal dynamic policy is more cost-effective than baseline policies. Finally, we test the optimal policy online to confirm its performance.

4 - The Dynamic Interplay Between Engagement and Content Creation

Ruohan Zhan, University College London, London, United Kingdom, Carl Mela, Shichao Han

We study dynamic incentives for content creation on user-generated content platforms such as TikTok, where creator engagement (e.g., total views, likes, watch time) both responds to and incentivizes creators' daily posting

decisions. Identification is challenging due to two-way dynamic feedback, unobserved time-varying confounders, and compliance to creator incentives. We develop a dynamic instrumental variables framework that exploits platform-run algorithmic experiments as instruments shifting engagement exposure (boosting) or posting incentives (cash rewards) and establish conditions for identification. Simulations and an application on a leading short-video platform demonstrate consistent identification and provide guidance for targeted incentive design. Findings suggest that a proper accounting of feedback and long-term effects are material to incentive design.

TC08

B011

Multimodal Analytics on Influencer Performance

Invited Session

Special Session

Chair: Anocha Aribarg, University of Michigan, Ann Arbor, MI, United States

1 - Influencers' Relatability and Aspiration In Social and Political Discourse

Yulin Chen, Georgia Institute of Technology, Atlanta, GA, United States, Ling Tong, Natasha Foutz, Anocha Aribarg

The marketing literature has examined how influencers promote products to their audience. Beyond such commercial contexts, influencers increasingly shape public opinions on social and political issues, catalyzing social change and belief polarization. In such contexts that are not fixated on products, influencers' persona plays a quintessential role. A fundamental question remains: why are some influencers more effective than others in shaping audience belief and engagement? We hence examine two core yet underexplored dimensions of these influencers' persona—relatability and aspiration. A multi-method research design is adopted. In Study 1, we assemble a four-year panel dataset of 5,000 YouTube videos from ~100 influencers. We extract textual, visual, and audio features of each video that theoretically correspond to relatability and aspiration, then examine their effects on audience engagement. Then each persona dimension is captured with multimodality, integrating LLM-based transcript scores, facial features, and vocal characteristics extracted using established deep-learning models. Employing two-way fixed-effects models with various controls, we estimate the effects of relatability and aspiration on audience engagement. In Study 2, an experiment of AI influencers with a 2 (relatable vs. not relatable) × 2 (aspirational vs. not aspirational) design is used to test the impact of these persona dimensions on belief change. In summary, this research demonstrates, with both observational and experimental data, the importance of influencers' core persona dimensions, relatability and aspiration, in shaping social and political discourse, as well as the malleability of these persona dimensions.

2 - Should Influencers Integrate Feedback?

Zijun Tian, Washington University in St. Louis, St. Louis, MO, United States

In many creative domains—such as content generation, film production, and product design—creators frequently receive feedback on their previous outputs and may incorporate this information when producing new works. For instance, influencers often read and integrate comments from earlier posts into their subsequent content. On the one hand, integrating audience feedback can strengthen their connections with the audience and get potentially valuable insights. On the other hand, continuity with prior content facilitates the establishment of a consistent identity, enabling influencers to retain followers with aligned interests while filtering out others. However, both their posts and the comments they got are high-dimensional and unstructured, which makes the degree to which they have integrated comments vs. inherited from their past posts challenging to measure and its effects difficult to evaluate. To address this issue, we propose a two-stage modeling framework. In Stage 1, we model the dynamics of influencer posting behavior using a Bayesian Dynamic Factor Model that captures both self-evolution from prior videos and integration of external feedback, represented via multimodal embeddings. In Stage 2, we treat the estimated degree of integration from Stage 1 as treatment and evaluate its causal effect on subsequent video engagement, while leveraging the rich contextual information of the high-dimensional integration and controlling for other confounders. The findings provide evidence on whether, how, and to what extent influencers should integrate feedback from their audiences, with implications that extend to other creative domains where complex and unstructured decision-making processes happen.

3 - When Professionals Become Influencers: the Impact of Live Streaming on Service Demand

Xu Zhang, London Business School, London, United Kingdom, Yuqing Gu, Yi Zhang, Puneet Manchanda

A growing number of professionals, including physicians and financial advisors, are using live streaming on social media platforms to engage clients and promote their services. Whether live streaming effectively generates demand for professional services, and which features drive its effectiveness, remains unclear. We study these questions using data from one of China's largest online healthcare platforms, combining monthly consultation records for about 7,000 physicians with detailed data from their live streaming sessions. Using a generalized synthetic control approach, we provide causal evidence that physicians who adopt live streaming experience a significant increase in service demand. The effect persists for several months but exhibits substantial heterogeneity, with repeat streamers benefiting more than one-time streamers. To explain this heterogeneity, we conduct a multimodal analysis of physicians' initial live streaming sessions, extracting visual, auditory, and textual features using machine learning and large language models. We find that live streaming effectiveness is driven primarily by audience interaction, session content, linguistic clarity, and emotional expression. Interactive sessions, clear and concrete language, and neutral emotional expression are associated with stronger demand responses, whereas greater emotional variability reduces effectiveness. Extending the analysis to investment fund managers, we find consistent positive effects of live streaming adoption on investor engagement and similar performance drivers, suggesting that live streaming can serve as an effective demand-generation tool across professional service domains.

4 - Voice Analytics of Online Influencers

Serim Hwang, SKK GSB, Sungkyunkwan University, Seoul, Korea, Republic of, Xiao Liu, Yang Yang, Kannan Srinivasan

Across more than 80,000 influencer videos, we document a robust and counterintuitive empirical regularity: videos in which influencers speak louder receive significantly fewer likes. This negative association persists after controlling for an extensive set of visual, verbal, and contextual features. This pattern contradicts decades of research showing that louder speech signals confidence and increases persuasiveness in traditional marketing and interpersonal contexts. Adopting an empirics-first approach (Golder et al. 2023), we first use large-scale observational data and rigorous causal identification strategies to establish this phenomenon. We then develop a theoretical account explaining why vocal loudness reverses its meaning in influencer marketing. Unlike traditional spokespersons with clearly defined persuasive roles, influencers occupy an ambiguous role where audiences must infer whether their expressed enthusiasm reflects genuine liking or commercial incentives. In this context, louder vocal delivery activates associations with advertising, increases attributions of external motivation and undermines perceived authenticity. Finally, a controlled experiment supports this account. Our findings advance understanding of vocal cues in influencer marketing contexts and provide actionable guidance, suggesting that production choices regarding vocal delivery systematically affect consumer engagement in ways that diverge from established theories of vocal persuasion.

TC09

B127

Structural Estimation Methods for Marketing Optimization

Contributed Session

Contributed

Chair: Jiarui Liu, New York University Stern School of Business, New York, NY, United States

1 - Reinforcement Learning Based Computationally Efficient Conditional Choice Simulation Estimation of Dynamic Discrete Choice Models

Sonal Srivastava, University of Cambridge, Cambridge, United Kingdom, Ahmed Khwaja

Dynamic discrete choice (DDC) models have found widespread application in marketing. However, estimating these becomes challenging in "big data" settings with high-dimensional state–action spaces. To address this challenge, this paper develops a Reinforcement Learning (RL)–based two-step ("computationally light") Conditional Choice Simulation (CCS) estimation approach that combines the scalability of machine learning

with the transparency, explainability, and interpretability of structural models, that is particularly valuable for counterfactual policy analysis. The method is premised on three insights: (1) the CCS ("forward simulation") approach is a special case of RL algorithms, (2) starting from an initial state-action pair CCS updates the corresponding value function only after each simulation path has terminated, whereas RL algorithms may update for all the state-action pairs visited along a simulated path, and (3) RL focuses on inferring an agent's optimal policy with known reward functions, whereas DDC models focus on estimating the reward functions presupposing optimal policies. The procedure's computational efficiency over CCS estimation is demonstrated using Monte Carlos with a canonical machine replacement and a consumer food purchase model. Framing CCS estimation of DDC models as a RL problem increases their applicability and scalability to high-dimensional marketing problems while retaining both interpretability and tractability.

2 - The Welfare Effects of Behavior-Based Promotion Discrimination in E-Commerce

Francesco Gabriele, Hong Kong University of Science and Technology, Hong Kong, Hong Kong

E-commerce retailers have the power to personalize promotions based on users' online past purchase behavior. This paper develops a structural model of consumer demand and a policy model of personalized promotions to quantify the welfare effects of behavior-based promotion discrimination (BBPD). Using data from a randomized controlled field experiment with coupons on a cosmetics e-commerce site, the structural estimation reveals an elastic and heterogeneous demand to price discount treatments. With nonparametric estimation via machine learning, the counterfactual analysis tests different targeting algorithms and shows that promotion personalization increases e-commerce profit by 24% and consumer surplus by 4% relative to the uniform pricing benchmark. Exploiting past purchase information is profitable for the e-commerce: BBPD improves personalized coupons algorithm by generating an additional 11% gain in producer surplus without harming loyal customers. This paper contributes to the current public policy debate about personalized pricing strategies in digital markets as the welfare analysis has implications for privacy and fairness concerns.

3 - Optimizing Incentives for Forward-Looking Agents: An Application to Loyalty Program Design

Tao Li, HKUST, Hong Kong, NT, Hong Kong, Jia Liu, Asim Ansari, Leonard Lee

Designing effective incentive mechanisms is a fundamental challenge in salesforce and customer relationship management. Firms structure incentives to maximize long-term profits, yet must account for agents' heterogeneous, forward-looking reactions, which again depend on the incentives designed. Traditional approaches to mechanism design often rely on heuristics or limited discrete comparisons, failing to explore the vast design space. This paper presents the problem as a Contextual Bilevel Reinforcement Learning (CB-RL) problem, where firms optimize the incentives on the upper level and agents optimize their responses on the lower level, combining the rigorous estimation of structural, heterogeneous agents' preferences using the IJC algorithm with the optimization of upper-level design using a hyper-policy gradient descent method.

To demonstrate its practical value, we apply the proposed framework to design a large-scale loyalty program, using detailed transaction data from a major department store chain. We build a dynamic structural model to capture customers' spending behavior characterized by accumulation cycles, nonlinear thresholds, and expiration pressures, recovering significant heterogeneity in spending ability and reward sensitivity among customers. We then optimize the reward face values upon achieving certain thresholds based on the CB-RL framework. The optimization result identifies novel reward structures that outperform the firm's historical baseline. By a closer look at the mechanism, we find the optimized reward structure balances immediate cost in warming up customers and long-term gain from accumulated incentives, significantly increasing customer lifetime value while controlling marketing costs. These findings demonstrate the power of differentiating mechanism design based on structural estimates of consumer preferences.

4 - Estimation of Sequential Search Models with Endogeneity

Jiarui Liu, New York University Stern School of Business, New York, NY, United States

Sequential search models, like standard consumer choice models, often suffer from endogeneity concerns because some observed product attributes can be correlated with unobserved product quality. Addressing endogeneity in the estimation of sequential search models has been a long-standing challenge. This paper proposes a pairwise maximum rank (PMR) estimator and proves that it can recover the true consumer preferences, search costs, and unobserved product qualities in sequential search models with endogenous attributes. Simulations confirm that the PMR estimator can recover the true parameters, while ignoring

endogeneity leads to large biases. Applying the PMR estimator to Expedia hotel search data reveals sizable endogeneity in the data; failing to correct for such endogeneity results in significant biases in parameters estimates. More importantly, the endogeneity bias has significant implications on key counterfactual policy design: a utility-based ranking of products using the biased estimates leads to 77% lower consumer welfare, compared to the unbiased estimates.

TC10

B128

Big Data and Machine Learning III

Contributed Session

Contributed

Chair: Sarang Sunder, Indiana University

1 - Extending Text Mining Technique to Investigate Competition -- A Case of Professional Service Market

Chun - I Chao, National Chung Hsing University, Taichung, Taiwan, Ming-Chih Tsai, Jiana-Fu Wang

Analyzing market competition is of no particularly efficient solution. In the contemporary business landscape, decision-making increasingly relies on data analytics. Notably, text mining techniques have been widely utilized to analyze consumers' expectations and emotional evaluations for specific brands or for comparisons between brands. Nevertheless, the application of these techniques to competition analysis remains scarce, especially within the service sectors. Consequently, this study extends text mining techniques and develops a roadmap to investigate market competition within professional services. Given the inherent characteristic of limited consumer responses in the professional service market, we implement a supplementary survey plan, drawing on the servqual model. This survey plan aims to verify the results obtained from text mining and, more importantly, to compensate for the technique's inability to identify consumer demographics for comprehensive segment analysis. For our empirical study, we focus on the diving service within the sports industry. Diving services are highly customized to meet diverse consumer needs, ranging from leisure and professional certification to extreme sport competition. They are also highly labor-intensive, as consumers need to be continuously instructed, regulated, and accompanied by service instructors, primarily due to safety considerations. Six indoor diving facilities in the neighboring area of Beijing, China, are used for demonstration purposes. Based on the developed roadmap, we compare and demonstrate the competitiveness, including service quality analysis and segment analysis, between these diving facilities using data mapping techniques. Academically, the developed roadmap for analyzing competition holds the potential to contribute to the literature on text mining techniques.

2 - The Voice of Emotion: Advancing Marketing Research Through Real-Time AI Emotion Measurements

Ertugrul Uysal, ETH Zurich, Zurich, Switzerland, Sascha Alavi, Alex Mari, Fotis Efthymiou

This paper introduces a novel methodological approach for analyzing consumer emotions through voice, leveraging recent advances in computational psychology and artificial intelligence (AI). While traditional approaches to voice analysis in marketing research have provided valuable insights on consumer emotions, we conceptually argue and empirically demonstrate that AI emotion measurements provide significant benefits to marketing research in studying consumer emotions. That is, this new method offers unprecedented granularity by measuring up to 48 distinct emotional expressions in real-time conversation. Two key methodological benefits of AI emotion measurements for marketing research are demonstrated through pilot studies. First, expanded emotional granularity more than doubles the predictive power compared to traditional emotion measurement approaches, with complex, nuanced emotions emerging as meaningful predictors of consumer outcomes. Second, the sentence-to-sentence measurement capability enables real-time emotional trajectory analysis, revealing dynamic patterns and inflection points that static measurement approaches cannot capture. The pilot demonstrations show how this methodology advances beyond basic acoustic parameters to capture the rich emotional information that voice naturally conveys. The paper concludes by discussing how this methodological framework opens new avenues for investigating the role of emotions in consumer behavior across voice-mediated contexts that are increasingly prevalent in the digital marketplace.

3 - AI-Based Salesforce Performance Evaluation: Gains, Costs, and Heterogeneity

Qing Li, Hong Kong Baptist University, Hong Kong, Hong Kong, Xiaolin Li, Danny Wang, Flora Gu

Advances in AI has motivated firms to route and record more client interactions through digital systems, enabling AI-based evaluation tools that monitor salespeople's conversations and assess their performance. This transition fundamentally changes salesforce feedback and control by replacing infrequent, manager-curated reviews with automated, high-frequency, multidimensional performance scores. However, existing research on AI in sales and on performance feedback offers little guidance on how this shift to always-on, algorithmic evalution affects salespeople's effort allocation, learning, and customer outcomes in the field.

We study the adoption of an AI-evalution system that provides daily performance scores, that are multidimensional and capturing key aspects of salespeople's skills and performance, derived from salespeople's recorded sales calls, embedded within a CRM and rolled out in a quasi-experimental fashion. AI-evaluation adoption boosted new customer acquisition, with individual salespeople's new orders increased by 59.2%. At the team level, new orders and revenue rose by 42.0% and 116.2%, respectively. Concurrently, repurchase improved, as the customer retention rate increased by 2.3%. However, these gains came with significant costs, such as reduced work efficiency. Moreover, we observed substantial heterogeneity, as the impact varied significantly based on salespeople's prior performance levels. For instance, high performers saw the greatest increases in new orders, while medium performers benefited the most in revenue but also experienced the most adverse side effects after adoption.

Overall, our findings offers practical insights for optimizing AI-evaluation to enhance customer acquisition and retention while mitigating heterogeneity and costs.

4 - Collaboration and Knowledge Sharing in Teams: A Graph-Based Deep Learning Approach

Sarang Sunder, Indiana University, Bloomington, IN, United States, Qianyin Xia, Yi Zhao, Esra Akbas

Collaboration and knowledge sharing are fundamental to organizational performance, yet jointly modeling and separately quantifying their effects in multi-team settings remains empirically challenging due to complex team structures and endogenous team formation. This paper introduces a **Two-Stage Hypergraph Neural Network (TSHyGNN)** framework to model agent behavior in multi-agent, multi-team environments. By representing teams as hyperedges, the framework captures higher-order collaboration structures beyond dyadic networks and enables the simultaneous modeling of within-team collaboration and cross-team knowledge sharing. The two-stage design addresses endogeneity arising from agents' strategic team formation, while the hypergraph neural network architecture incorporates external networks as holistic covariates to improve performance prediction. Using sales data from a large U.S. financial services firm, we show that TSHyGNN substantially outperforms traditional econometric models and summary-based network measures in predicting team outcomes. Simulation analyses further demonstrate that teams with more diverse skill compositions generally outperform homogeneous teams and that both collaboration and knowledge sharing generate substantial economic value. Notably, the indirect effects of knowledge sharing can exceed the direct benefits of collaboration by up to two to three times, with the magnitude of these effects varying across offices. Overall, this study provides a novel methodological framework and offers new insights into how collaboration and knowledge sharing jointly shape organizational performance.

TC11

B129

Online Reviews III: AI and Reviews

Contributed Session

Contributed

Chair: Subin Sudhir, IIM Indore, Indore, N/A, India

1 - When AI Summarizes Consumer Voices: The Originality Cost of AI Review Summaries in Hospitality Operations

Jie Li, Syracuse University, Syracuse, NY, United States, Wooyong Jo, Hyoryung Nam

Online reviews play a crucial role in service operations by informing firms about service quality. Traditionally, platforms helped consumers process large volumes of reviews using simple aggregates such as average ratings or frequently mentioned keywords. Recently, service firms adopted GenAI to automatically generate textual summaries of past reviews, aiming to synthesize diverse customer experiences into concise, balanced overviews. While operationally efficient, the broader effects of these AI summaries on subsequent consumer reviews remain less understood. We exploit the partial roll-out of AI-generated summaries on TripAdvisor hotel reviews to identify their causal impact on subsequent user-generated review, using consumer review data of hotels in Texas. Employing a difference-in-differences research design, we find that the introduction of AI summaries significantly reduces the perceived helpfulness of subsequent reviews. Investigating the mechanisms, we examine changes in review characteristics and find that the introduction of AI summaries reduces the diversity and originality of subsequent reviews. Specifically, after the AI summary implementation, reviews for treated hotels exhibit less dispersion in ratings, become shorter, and reflect reduced topical diversity. Moreover, subsequent reviews become increasingly similar to the AI-generated summaries in both structure and content, indicating a loss of originality in how consumers express their voices. Collectively, the findings reveal an operational trade-off in AI-enabled review summary systems: while GenAI summaries enhance information-processing efficiency, they simultaneously diminish the richness of customer feedback that firms rely on for diagnosing service issues and guiding quality improvement. The results offer new insights into the design and management of AI-enabled service operations.

2 - Less is More: the Impact of AI-Generated Summary on Review Ratings

Min Zhang, College of Management and Economics, Tianjin University, Tianjin, China, People's Republic of, Yuxuan Sun, Yin Bai, MINGYUAN GUO

AI-generated summary (AIGS) is an instantiation of generative AI tools that reconstructs dispersed collective wisdom into rich, balanced, and readable knowledge, increasingly piloted by leading e-commerce platforms. However, there remains a lack of empirical evidence to determine whether AIGS has causally enhanced review ratings. Drawing on expectation confirmation theory, this study employs a difference-in-differences approach on a large-scale Amazon panel to estimate the causal effect of AIGS on review ratings, measured as the average star rating of newly posted reviews in each period. Results demonstrate that AIGS improves review ratings by presenting more comprehensive information about product traits, thereby reducing mismatch risk and supporting more accurate post-purchase evaluations. This study advances theory by explicating the informational nature of AIGS and demonstrating its role as a feasible pathway to enhance review ratings. For practice, we offer actionable guidance for the strategic deployment of AIGS within online review systems.

3 - How Competition in Genai Availability Shapes Consumer Reviews

Weilong Gu, LMU Munich School of Management, München, Germany, Martin Spann

Generative artificial intelligence (GenAI) is increasingly influencing the way consumers search for products and communicate their experiences. First research results document the impact of GenAI availability on consumer reviews relative to environments with where GenAI is unavailable. As markets evolve, consumers may now face variation in GenAI availability, ranging from single-tool dominance to competition among multiple tools. Yet little is known about how such variation impacts consumer behavior.

This study examines the impact of competition among GenAI tools on consumer reviewing behavior. We leverage the regulatory approval for general, public use of eight LLMs in August 2023 in mainland China as an event. Following this approval, several LLMs were launched over the course of two months for consumers to use in mainland China. This setting allows us to isolate the effects of GenAI competition in mainland China and compare them to Hong Kong as a control group, where GenAI availability during the same period remained concentrated around a single tool.

Using a difference-in-differences research design, we analyze hotel reviews from Ctrip.com posted by users in mainland China vs. Hong Kong. We examine the impact of GenAI competition on review similarity, volume, and sentiment. This study contributes to our understanding of the impact of Gen AI on consumer word-of-mouth behavior in online environments.

4 - From Many Voices to One Summary: The Impact of Google Maps-- AI Review Summaries on Reviewer Engagement

Yancheng Zhang, University of Oxford, Oxford, United Kingdom, Amy Pei, Wen Xie

Large language models are increasingly embedded in digital platforms to summarize user generated content, yet causal evidence on how such AI mediation affects contributor behavior remains limited. We study the introduction of Ask Maps, an AI powered feature on Google Maps that generates conversational answers based on summaries of restaurant reviews. We exploit the public release of Ask Maps on the Apple App Store in April 2025 as a natural field experiment. We compile restaurant level panel data for New York City, matching 2,999 restaurants that appear on both Google Maps and TripAdvisor. Using a difference in differences design, we compare changes in review activity on Google Maps, which adopts AI based review summarization, to TripAdvisor, which does not introduce a similar feature during the study period. We find that Ask Maps increases review volume, with effects most credibly identified at the monthly level and strengthening over time, consistent with gradual user adoption following the feature launch. The effects are heterogeneous. Increases in review activity are larger for restaurants with higher pre treatment review stocks and are driven primarily by highly active contributors, while the share of reviews written by first time contributors does not increase significantly. We also find a positive effect on restaurant ratings after excluding the initial post treatment period. Overall, AI powered review summarization raises user participation, but the gains accrue disproportionately to established restaurants and top contributors, with implications for platform design and the evolution of online content ecosystems.

5 - The Paradox of Review Helpfulness in Online Platforms

Subin Sudhir, Indian Institute of Management Indore, Indore, India

Over the past decade, extensive research has examined the factors influencing the perceived helpfulness of online reviews. While prior studies have largely focused on why reviews are deemed helpful, this paper shifts attention to an under-explored outcome: why reviews are voted as *not helpful*. Specifically, the study investigates whether factors traditionally associated with review helpfulness also contribute to reviews receiving not-helpful votes.

The analysis draws on a large dataset of 81,393 consumer reviews collected from Flipkart.com, a leading Indian e-commerce platform and subsidiary of Walmart. Flipkart allows users to evaluate reviews using both "*thumbs up*" (helpful) and "*thumbs down*" (not helpful) options, enabling a simultaneous examination of both evaluations. Web scraping was employed for data collection. Review text was analyzed using the Linguistic Inquiry and Word Count (LIWC) software to capture linguistic and affective dimensions. To account for excess zeros in voting behavior, zero-inflated Poisson regression models were used.

The results reveal that several well-established antecedents of helpfulness—such as review length, review rating, positive affect, and negative affect—also significantly influence not-helpful votes. Notably, review length, affective tone, review ratings, etc show inconsistent results which are further moderated by product type. Collectively, these findings highlight a key limitation in prior literature, which has examined review helpfulness in isolation. When helpful and not-helpful evaluations are analyzed together, the antecedents appear largely symmetrical. Future research should therefore focus on identifying moderators that meaningfully differentiate when and why the same review characteristics lead to perceptions of helpfulness versus not-helpfulness.

TC12

B130

Retailing III

Contributed Session

Contributed

Chair: Olga Ungureanu

1 - The Return Window Dilemma

Ella Mao, Stanford University, Stanford, CA, United States, Sridhar Narayanan, Venkatesh Shankar

Product returns are a major expense for retailers, yet little empirical evidence exists on how return window length affects consumer behavior despite dramatic policy variation across retailers. Contrary to conventional wisdom that longer windows encourage opportunistic returns, this study exploits natural variation where holiday purchases receive extended windows versus the standard policy and finds that extended windows reduce return rates, increase median time to return, and shift consumers toward exchanges versus refunds.

We further propose a structural model combining signaling theory and Bayesian learning to examine the underlying mechanisms. Longer announced windows signal firm confidence in product quality, reducing perceived risk and increasing purchase conversion. Extended realized windows allow consumers to accumulate more signals about product fit, decreasing posterior uncertainty and enabling more accurate assessment—explaining both lower return rates and longer time to return. Better learning helps customers retain good matches while returning poor ones, increasing satisfaction and long-term customer lifetime value. Our findings address critical gaps in marketing literature by demonstrating that returns are fundamental to demand formation rather than purely operational outcomes. For managers, this suggests the fear of "policy gaming" may be overstated and that return windows represent a powerful tool for increasing purchase conversion, reducing return rates, and enhancing customer lifetime value through signaling, learning, and loyalty effects.

2 - Chain-Linked Markets

Richard Grice, National University of Singapore, Singapore, Singapore

This paper introduces a model of networked price competition and its emergence from the choices of consumers. The model micro-founds networked competition in the choices of consumers who consider limited yet heterogeneous sets of alternatives and have convex preferences over them. The demand emerging from these choices features sparse substitution, connecting firms in a network, and I prove that price competition over this network has a unique equilibrium in pure strategies. The model itself is composed of a novel combination of three classic oligopoly-modelling elements -- a partitioned unit mass of consumers, heterogeneous consideration sets, and linear-quadratic utility functions. As a result, the model reveals how characterisations of price competition in classic oligopoly models are limit cases of networked competition. By analysing the model further, I connect market-level outcomes to a local measure of competition between pairs of firms: diversion ratios. Diversion ratios measure the competitive threat imposed by one firm on another, and I show that the centrality of firms in a network with diversion-ratio ties provides a direct measure of their pricing power. Thus I present a way to take a commonly-used empirical measure of pairwise competition and aggregate it to measure the constraints on firms' price-setting provided by both directly- and indirectly-connected competitors.

3 - Do Selling Restrictions Weaken Incentives? Evidence from a Multi-Level Marketing Platform

Shuxiao Wang, University of International Business and Economics, Beijing, China, People's Republic of, Wanjiang Deng, Junhong Chu

We study how changes in selling rights affect user behavior across different levels in a multi-level marketing (MLM) setting using detailed data from a cosmetics platform. In this setting, users can invite new members and earn commissions from their invitees' purchases, while only higher-level users are allowed to sell products directly to downstream users along the referral chain. We exploit a policy change that removed the selling rights of LV3 users (mid-level users), forcing their downstream buyers to purchase from upstream LV2 users instead. We identify the causal effects by comparing users located at different positions along referral chains, whose exposure to the policy change varies due to network structure.

We find that LV2 users' monthly invitations decline by 3.63%, and their monthly sale amount drops by 21.54%. This effect is stronger for LV2 users with larger size of downstream LV3 users, suggesting that the removal of competition from downstream members leads to managerial slack. LV4 users respond heterogeneously. LV4 users with commissions earned previously tend to increase orders and reduce invitations, whereas those without commissions earned tend to invite more but order less. These patterns indicate that effort reallocation drives the

downstream response. Overall, our study makes contribution by showing that weakening the rights of users at certain levels in a MLM setting may backfire due to the removal of vertical competition and effort reallocation.

4 - Understanding the Complexity of Business-to-Business Customers: Modeling Quote Response Using Purchase Behavior

Olga Ungureanu, VU Amsterdam, Amsterdam, Netherlands, Bruno Jacobs, Yuri Peers

Business-to-business (B2B) firms increasingly collect detailed customer-level data through CRM systems, emphasizing the need for interpretable methods that translate this information into actionable insights. A particular challenge in this setting is that product use is heterogeneous between and within customers, and similar products may have different applications across industries, all of which leads to complex purchase patterns and customer decisions. To address these different forms of heterogeneity, we develop a novel unified model that fuses customer purchase behavior with quote responses. A set of latent purchase motivations is identified from purchase data, and these motivations are simultaneously used to understand and explain customer responses to quotes. Our empirical application involves one of the world's largest B2B industrial gas suppliers. The data covers approximately 80,000 customers purchasing from an assortment of more than 8,000 products, totaling over 2 million purchases and 34,000 quotes. The results show that the model consistently outperforms benchmark methods in explaining quote response. By uncovering how different purchase motivations shape quote response within and across product categories, the model delivers actionable guidance on how firms can adjust quotes, such as through targeted discounting or alignment with purchases, to manage heterogeneity in complex B2B settings. Our paper addresses the growing need in B2B for interpretable, data-driven methods that translate customer-level information into actionable insights to support better decision-making, targeting, and customer relationship management.

TC13

B131

Marketing-Finance Interface III

Contributed Session

Contributed

Chair: Nikita Gupta, BG0701B, Spjimr mumbai, 400058, 400058

1 - The Dark Side of Corporate Governance :Impact on Marketing Capability and The Moderating Role of Internal Resources

Jeeyoon Kim, Korea University, Seoul, Korea, Republic of, Shijin Yoo

While corporate governance is widely recognized as a determinant of how firms deploy resources and execute strategy, relatively little research has examined its implications for marketing capability, despite marketing's importance as a competitive differentiator. Drawing on agency theory and slack resource theory, this research examines both the direct relationship between corporate governance and marketing capability and whether internal firm capabilities moderate this relationship. Marketing capability is conceptualized as the efficiency with which marketing inputs generate market outcomes and is estimated using stochastic frontier analysis. Empirically, the study draws on a panel dataset of 7,380 firm-quarter observations from 186 Korean firms observed quarterly from 2015 to 2024, with hypotheses tested using System GMM. The results show that corporate governance exerts a negative influence on marketing capability. Importantly, this effect is contingent on internal capabilities. Operations capability and profitability mitigate the negative relationship by generating slack resources that can be allocated to marketing. In contrast, R&D capability strengthens this negative effect, as R&D and marketing compete for the same pool of organizational resources. Overall, this study demonstrates that corporate governance does not uniformly lead to beneficial outcomes, and that its effects vary depending on firms' internal resources, with important implications for top management teams, boards of directors, and investors.

Keywords: corporate governance, marketing capability, stochastic frontier analysis, operations capability, R&D capability, agency theory, slack resource theory, System GMM

2 - The Face of Inefficiency: Ceo Facial Structure and Investment Inefficiency

Saeed Janani, University of Denver, Denver, CO, United States, Ali Besharat

Prior research shows that facial width-to-height ratio (fWHR) is a stable physical attribute associated with dominance, testosterone exposure, and risk-taking tendencies. While existing studies link CEO fWHR to corporate risk-taking, leverage, acquisitions, and stock return volatility, little is known about how these innate traits affect the efficiency of firms' investment decisions. This study examines whether CEOs' fWHR influences corporate investment inefficiency, defined as the absolute deviation of a firm's actual investment from its optimal level given fundamentals, capturing both overinvestment and underinvestment.

Using a sample of 5,631 CEOs from 1,289 publicly traded firms over 20 years, we combine facial-image-based measures of CEO fWHR with panel data on firm financials and governance characteristics. We find that higher CEO fWHR is associated with significantly greater investment inefficiency, consistent with the idea that more risk-tolerant and dominant CEOs are more prone to pursue value-deviating investment policies. Further analyses reveal two important contingencies. First, this relationship is amplified under high market uncertainty, when discretion and informational frictions are greater. Second, it is stronger for firms with weak marketing capability, suggesting that marketing capabilities partially buffer the adverse consequences of CEO risk-taking tendencies.

These findings extend upper echelons and behavioral corporate finance research by showing that CEOs' physical traits shape not only firm risk, but also the quality of capital allocation. Managerially, the results highlight the value of investing in marketing capabilities and market sensing to mitigate inefficient investment, especially in uncertain environments.

3 - Striking First: Order of Tone, Information Transmission, and Investor Reaction&Mdash;Evidence from Analyst Report Text

Bing Zhang, Renmin Univ of China, Beijing, China, China, People's Republic of, Baoying Zhao, Zhihong Yi, Fei Xue

From the perspective of information presentation order, this paper investigates how the order of textual tone shapes information transmission in capital markets. Using a sample of analyst research reports on Chinese A-share listed firms from 2009 to 2022, we find that: (1) After controlling for the overall tone of the analyst report, the priority net tone is significantly positively correlated with short-term market reactions following the report release; (2) The market reactions to the priority tone aligns with the "incremental information view," with no evidence of long-term return reversals; (3) The priority tone of analyst reports predicts firms' future performance, conveying incremental information about firms' fundamental prospects; (4) The market reactions to the priority tone of analyst reports is significantly amplified when institutional ownership of the covered firms is higher, the reports are issued by star analysts, or the level of information transparency of the covered firms is lower; (5) Analysts who effectively convey incremental information early in their reports are more likely to advance their careers and be recognized as star analysts. This study reveals the critical role of information presentation order in capital market pricing and attention allocation, providing a new perspective for understanding how market participants process "first-impression information". Moreover, it extends research on limited attention and market behavior biases, while offering new theoretical support for information disclosure and high-quality investment research.

4 - When Money Buys Time and When It Doesn't: Income, Gender, and the Social Organization of Household Work

Nikita Gupta, SP Jain Institute of Management and Research, Mumbai, India

Can income buy time? Classic household production models predict that as income rises, households substitute money for time by purchasing convenience goods and services. We revisit this prediction through the lens of consumer choice and intra-household decision-making, focusing on unpaid household work such as cooking and

domestic production. Using large-scale longitudinal household data from India, we model households' reliance on monetary versus time inputs through a money–time (M/T) ratio that captures the extent of market substitution in household production. We find three key results. First, higher income is associated with greater monetary intensity in household work, consistent with substitution toward market inputs, but the magnitude is modest and exhibits strong diminishing returns. Second, substitution is sharply gendered: women's earnings have a substantially stronger effect on increasing monetary intensity than men's earnings, implying that who controls income critically shapes time-saving consumption. Third, the ability to substitute money for time is constrained by context. Substitution is stronger in urban settings with access to convenience goods and services, weaker in rural areas, and muted in households and regions characterized by stronger patriarchal norms. Together, these findings challenge the assumption that rising income uniformly relaxes time constraints. Instead, time-saving consumption depends on access to markets, intra-household control, and social norms. The results contribute to marketing theory by highlighting how resource substitution, agency, and constraints jointly shape consumer choices, and by showing that income effects on convenience consumption are mediated by gender and institutional context rather than income alone.

TC14

B132

Game Theory I

Contributed Session

Contributed

Chair: Zimin Pang, Fudan University, Shanghai, 200000

1 - How Should a Publisher Design Its Gift Article Strategy and Manage Social Interactions?

Jinzhao Du, The University of Hong Kong, Hong Kong, Hong Kong, Wilfred Amaldoss

Consumers derive functional utility from the content of news articles. In addition, they derive social utility from social interactions centered around news articles. The growth of digital news consumption has encouraged media platforms, such as The New York Times and The Financial Times, to allow subscribers to gift articles to non-subscribers. This paper theoretically examines how publishers should design their gift article strategies and manage the social interactions facilitated by gift articles. First, we know from the literature on multi-sided markets that monetizing consumer attention through advertising intensifies price competition and does not increase profits. Our analysis shows that advertising revenue from gift articles raises profits because it comes from competitors' consumers rather than the publisher's own. Second, prior literature shows that positive network effects intensify competition and reduce profits. In contrast, we show that although consumers' desire for social interaction induces a positive network effect, publishers can leverage their gift article strategies to improve profits. Third, contrary to intuition, publishers may restrict gifting when consumers' social circles are smaller. Fourth, the presence of consumers indifferent to social interaction can, under certain conditions, amplify rather than mitigate competition. Finally, the altruistic utility consumers derive from gifting to non-subscribers allows publishers to further leverage gift article strategies to enhance profits.

2 - Do Supply-Side Crackdowns Reduce Illicit Goods Consumption?

Yifang He, University of Pittsburgh, Pittsburgh, PA, United States, Yuetao Gao, Yue Wu

Regulators often opt for supply-side crackdowns on illicit goods (e.g., drugs, prostitution services, and digital piracy) to reduce their consumption. Consequently, firms supplying illicit goods typically adopt measures to evade such crackdowns by making it difficult for regulators to detect them. This paper shows that this regulatory approach may unexpectedly result in an increase in the consumption of illicit goods.

3 - When AI Joins the Team: Incentive Design for Human-AI Collaboration

Bo Pang, NUS IORA, Singapore, Singapore, Yuting Zhu

The rapid integration of Artificial Intelligence (AI) into organizational processes necessitates a re-evaluation of traditional incentive schemes. Utilizing a principal–agent framework, this study analyzes how the integration of AI reshapes optimal contracting. Our model identifies two critical dimensions: the *incentive effect*, focusing on shifts in individual effort, and the *selection effect*, addressing changes in human capital composition. By

delineating the patterns of human-AI synergy, we uncover the underlying mechanisms of these effects. The results offer a new theoretical perspective on human-AI coordination and provide actionable insights for incentive design across diverse institutional settings.

4 - Why is a New Rolex Cheaper than a Used One? The Role of Scarcity in Luxury Resale Markets

Abhinav Uppal, Indian School of Business, Hyderabad, India, Nanda Kumar, Manish Gangwar

The prices of certain luxury goods are often higher in the resale market than in the primary market. Popular models of Rolex watches, for instance, sell in the secondary market at prices 20-100% above retail prices in the primary market. This is puzzling, since given the demand at even higher prices, Rolex can very well choose to raise prices in the primary market to increase its profits without compromising the product's luxury status. While prior academic work has offered explanations for higher resale prices in the context of event tickets, such as fairness, reduced risk closer to the event, or demand uncertainty, these explanations do not translate well to luxury goods. In this paper, we posit a novel mechanism underlying this phenomenon and develop a game-theoretic model to show how and when consumers' preference for scarcity can lead to higher prices in the secondary market. Additionally, our model offers guidance to luxury retailers considering Retailer Certified Pre-Owned (RCPO) programs. We identify conditions under which a brand like Rolex would benefit from authenticating second-hand watches to capture a share of resale value, and when such an initiative may not work out.

5 - From "Agent" to "Principal": the Transformation of Ad Agency

Zimin Pang, Fudan University, Shanghai, China, People's Republic of, Bobby Zhou, Lin Tian

In the online advertising market, advertisers often face uncertainty regarding the valuation that an ad slot can generate and therefore delegate ad-buying to agencies for their informational and operational advantages. While agencies have traditionally operated as agents acting on behalf of advertisers, they have recently begun to shift toward a principal model, in which agencies purchase the digital ad slot directly from the publisher and then resell it to advertisers. This paper develops a game-theoretic model to study the incentives driving this operational shift and its implications for market participants. We analyze the agency’s optimal strategy under market uncertainty and examine how the principal model reshapes strategic interactions among the ad agency, advertisers, and the publisher. The analysis shows that advertisers’ valuation uncertainty plays a key role in the profitability of the principal model and identifies the conditions under which this principal model is attractive for the ad agency. We further examine the implications for the ad price and the resulting effects on advertisers, the publisher, and the overall advertising market. Our findings address essential concerns in the advertising industry and provide managerial insights into how this trending agency operating model shape market interactions and value distribution in the digital advertising market.

TC15

B133

Causal Inference: Networks and Peer Effects

Contributed Session

Contributed

Chair: Uğurcan Dündar, WU Vienna, Vienna, Austria

1 - A Representative Sampling Method for Peer Encouragement Designs in Network Experiments

Yanyan Li, University of Houston, Houston, TX, United States, Sha Yang, Qing Liu

Network experiments using peer encouragement designs are widely used to estimate direct and indirect effects of social marketing campaigns. To satisfy the Stable Unit Treatment Value Assumption (SUTVA), contaminated units are typically removed from analysis. This exclusion approach often leads to two problems: underrepresentation (i.e., the post-exclusion samples are not representative of the population), and undersupply (i.e., the post-exclusion samples are too small for reliable inference). This research proposes a representative ego network sampling method that directly addresses these challenges. The method uses a Metropolis-Hastings algorithm with a distance constraint to generate samples whose joint distribution of key network attributes

converges to that of the population while ensuring contamination-free ego networks. Using both simulated and real-world networks, we show that the proposed method consistently generates larger and more representative samples than the standard exclusion approach. These samples support more accurate and reliable estimation of both average and heterogeneous treatment effects and lead to improved statistical inference. The advantages of the method are most pronounced when experiments require large samples, population networks are small or dense, or higher-order contamination must be controlled. Practically, the method can be adapted for various applications, providing a valuable tool for firms designing social marketing campaigns.

2 - ***Cancelled*Estimation of Heterogeneous Treatment Effects in Network-Based Quasi-Experiments**

Jingbo Wang, Chinese University of Hong Kong, Hong Kong, Hong Kong, Sha Yang

We propose a novel framework to estimate heterogeneous treatment effects in network-based quasi-experiments, addressing the challenge of interference without requiring prior assumptions on spillover mechanisms. Our approach leverages a dual neural network architecture combined with graph convolutional networks to process full non-Euclidean graph structures. We establish formal theoretical identification conditions and provide functional approximation guarantees for the neural estimator.

Validated via Monte Carlo simulations and applied to a massive online multiplayer game with over 140,000 users, our method reveals that reaching level milestones increases daily transactions by 45-63%. Crucially, we uncover significant heterogeneity based on network position: socially isolated players exhibit stronger responses to content unlocks than well-connected players. These findings extend causal deep learning to networked settings and offer actionable insights for personalized player retention strategies.

3 - Gamification of Accountability: Peer Effects of Public Lists

Sudip Bhattacharjee, University of Connecticut, Storrs, CT, United States, Debanjan Mitra

Organizations increasingly rely on **relative performance information**—leaderboards and simple "lists"—to motivate employees. Prior research in marketing and related fields shows that social comparison, reputational concerns, and feedback visibility can shape effort. It is difficult to isolate whether these tools create **implicit incentives** versus merely reflecting underlying performance differences. Field evidence is especially scarce in settings where ***monetary incentives are absent*** *and professional autonomy is high*—exactly the environments where many firms deploy internal scoreboards, sales dashboards, etc.

This study addresses that gap by examining a unique context: the U.S. federal judiciary. Judges are largely insulated from conventional pay-for-performance mechanisms, but they are subject to strong professional norms and public scrutiny. The focal intervention is the publicly released "Six Month List," which identifies judges with overdue motions, and acts as a "shaming" list in the U.S. federal judiciary. While not a formal ranking, the list operates like a scoreboard: it makes performance comparable and socially visible—key ingredients emphasized in the gamification literature (e.g., feedback loops, social comparison, and status cues).

Methodologically, we build a longitudinal panel (2010–2019; 17 terms; 94 districts) and merge it with judge demographics and ideology measures. We estimate endogenous peer effects, incorporating judge, district, and term fixed effects and peer measures designed to reduce simultaneity concerns. Results and managerial implications can inform the design of leaderboards, dashboards, and other feedback systems by clarifying when peer pressure is likely to be strongest and when it may attenuate in large groups.

4 - Identifying Central Individuals Without Social Network Information

Luca Lazzaro, University of Zurich, Zurich, Switzerland, Mingmin Feng, Norina Furrer, Manon Delvaux, Federico Cammelli, Manuel Sebastian Mariani, Rene Algesheimer, Radu Tanase

By targeting central individuals in a social network, marketers and policymakers can design seeding interventions that promote information diffusion, product adoption, or behavior change. A crucial requirement is that decision makers possess complete social network information. However, in practice, social network information is often unavailable or prohibitively costly to collect. In this paper, we study the problem of identifying central individuals in the absence of social network information. Using a field study in a secluded

cocoa-farming community in Côte d'Ivoire (N = 589), we collect complete social network data and elicit nominations of central individuals. This design allows us to compare two approaches for identifying central individuals without social network information: social sensing and one-hop strategies. Social sensing leverages individuals' knowledge of the network by eliciting nominations of central individuals. One-hop strategies identify central individuals by sampling friends of randomly selected individuals, motivated by the friendship paradox—the fact that friends of random individuals have, on average, more connections. We find that individuals identified through social sensing have 1.5 times higher degree centrality than those identified through one-hop strategies. Yet, social sensing systematically conflates social visibility—observable individual characteristics—with degree centrality, leading to biased nominations that depend on who is visible rather than who is most central. By contrast, one-hop strategies select less central individuals on average but do not exhibit nomination bias. These findings reveal a fundamental trade-off between centrality and nomination bias, with direct implications for seeding interventions under information constraints.

5 - Design Matters: Improving Inference in Geo-Experiments

Uğurcan Dündar, WU Vienna, Vienna, Austria, Elea McDonnell Feit

Geo-experiments are widely used to evaluate marketing interventions when individual-level randomization is not possible. In geo-experiments, treatment is assigned to geographic regions, like cities, rather than individual users. These regions are few in number, highly heterogeneous, and differ systematically in size, baseline demand, seasonality, and growth. Random assignment, typical for user-level experiments, remains unbiased in expectation but can produce imprecise treatment effect estimates with high variance and low power. Imprecise estimates obscure economically relevant effects and limit practical value.

In practice, practitioners often move beyond pure randomization by carefully selecting which geos to include in each treatment arm and then randomly assigning geos to treatment. When pre-treatment panel data are available, matching strategies typically focus on aligning pre-treatment outcome trajectories across treatment arms, using characteristics like size and demographics as secondary constraints. Several academic approaches have formalized this intuition. Some explicitly tie the design to a particular analysis framework: for example, Doudchenko et al. (2025) design geo experiments explicitly for synthetic control–style estimators and therefore rely on the stability and structural assumptions required for those estimators to be valid. We instead propose a less assumption-laden analysis strategy and develop a corresponding optimal design procedure that aligns with the intended estimator. Through extensive simulation studies under realistic data-generating processes and common violations encountered in practice and industry sales data, we evaluate how this approach compares in precision and accuracy. We emphasize multi-arm geo-experiments, which are common in marketing practice but methodologically underdeveloped.

TC16

B134

Estimating Marketing Effects

Contributed Session

Contributed

Chair: Jan Klostermann, University of Cologne, Albertus-Magnus-Platz, Cologne, 50923, Germany

1 - How Income Perceptions and Living Standards Shape Inequality and New Product Diffusion

Emilio Luis Sáenz Guillén, Bayes Business School, City St George's, University of London, London, United Kingdom, Dimitrina Dimitrova, Vladimir Kaishev

We develop a stochastic methodology for modeling the distribution of income as perceived by individuals in a population. The latter methodology is based on the assumption that income perceptions depend on and are influenced by the "visible" standard of living of individuals, measured through the value of their possessed goods (e.g., car, house etc.) and consumptions (e.g., expenditures on groceries, leisure, holidays etc.). Therefore, modeling the joint distribution of perceived income and standard of living is at the core of our proposed methodology. It includes a (Gaussian) copula model and the two marginal models in the form of free-knot splines. Both the marginals and the copula are estimated using data collected by surveying a sample of 1,000

individuals representative of the UK population.

We use this estimated joint distribution to assess perceived inequality in the population both marginally and jointly with respect to perceived income and standard of living. For this purpose, we construct the corresponding univariate and multivariate Lorenz curves and their related Gini coefficients.

Numerical results demonstrate that: 1) The estimated perceived income distribution is very close to the real income distribution, and so are their corresponding Lorenz curves and Gini coefficients. 2) Inequality is higher if measured jointly.

We have applied our methodology to extend the threshold model of new product diffusion by allowing it to be driven by the joint distribution of perceived income and standard of living. We tested the model based on synthetic and real data examples.

2 - Drivers of Brand Share: Evidence from a Global Survey

Huidi Lu, University of Oxford, Oxford, United Kingdom, Felipe Thomaz

Prior research on the determinants of brand market share has largely been limited to single categories or specific geographic contexts, restricting the generalizability of its conclusions. This paper provides the first large-scale, cross-category, and cross-market analysis of brand share drivers worldwide. Using data from Kantar's BrandZ, the most extensive international consumer survey currently available, we examine the determinants of brand market share across nearly 30,000 brands spanning multiple product categories and all major global markets.

We develop a Bayesian hierarchical modeling framework to estimate brand market shares while allowing for heterogeneity across countries and categories. To address potential endogeneity among key brand metrics, we employ a Gaussian copula approach, yielding unbiased estimates of causal effects. Across contexts, we find robust evidence that brands with higher awareness, more favorable attitudes, and stronger differentiation achieve greater market share.

These findings reinforce core branding theories that emphasize the importance of being known, liked, and distinctive. At the same time, our results help reconcile competing perspectives in the literature. Consistent with the "salience-first" view, brand awareness emerges as a significant and pervasive driver of market share. However, awareness alone is insufficient. Once endogeneity is accounted for and brand attitudes are decomposed, brand meaningfulness, capturing both functional performance and emotional connection, often exerts a substantially larger impact on market share than awareness.

Overall, this study offers generalizable empirical evidence on the drivers of brand performance and provides actionable insights for managers competing across diverse markets and product categories.

3 - From Ranking to Matching: Evidence on Information-Driven Risky Choice Updates in China&Rsquo; Gaokao

Yiding Li, Pamplin College of Business, Virginia Tech, Blacksburg, VA, United States, Xintong Han, Xin (Shane) Wang

We investigate how information shapes strategic ranked choice updating and allocation outcomes in high-stakes, competitive environments. We study a unique information provision event in China's College Entrance Examination (Gaokao), in which a university invites all potential applicants to participate in a mock major rank order list (ROL) submission and subsequently provides personalized relative-position information. Using administrative data that tracks individuals' ROLs before and after intervention for all mock participants and realized admission outcomes for admitted students, we show that relative-position information induces directional choice updating: individuals receiving positive information revise more aggressively, while those receiving negative information become more conservative, amplifying stratification. These behavioral responses exhibit substantial heterogeneity and translate into a trade-off between admitted major quality and ordinal matching outcomes through endogenous ROL updating. Moreover, when participation is endogenous,

individuals who participate in the information provision but do not ultimately include the university in their final submission (“ghost competitors”) distort information signals, causing transparency to backfire. Our findings highlight both the power and limits of personalized information related to social influence and underscore the importance of accounting for strategic behavior and participation dynamics in information design for centralized matching markets.

4 - The Effect of Waiting on Satisfaction

Jan Klostermann, University of Cologne, Cologne, Germany, Chris Hydock, Sezer Ulku

Waiting for products and services is a regular occurrence for customers. Waits can impact who frequents a business, how much they spend, and their satisfaction – making operational decisions surrounding waits a critical concern for managers. Current research suggests that waits negatively impact satisfaction by serving as a source of discomfort and displeasure that creates anxiety and frustration. However, waits can also serve as a signal of an offering's quality – for instance by suggesting it is in demand or created with care. Critically, the existing research does not address how the combination of product quality and waiting impacts satisfaction. In three observational studies and three experiments, we demonstrate that these two factors interact – waits negatively impact satisfaction for low-quality offerings, but this effect can be mitigated, or even reversed, for higher quality offerings. The interaction we document provides novel insight for managers allocating resources to alleviating wait times. Specifically, we suggest that allocating resources to alleviating wait times will benefit companies (through increased customer satisfaction) offering lower quality offerings; however, for companies with higher quality offerings, alleviating waits will have diminished (or possibly negative) effects. Together, this research provides novel theoretical insight about the effect of waits on satisfaction, as well as practical insights for managers seeking to optimize the operational levers that might encourage or diminish waits.

TC17

B135

Generative AI and Marketing Content Creation

Contributed Session

Chair: Dominique Lauga, University of Cambridge, St. Louis, MO, N/A, United States

1 - Sense Without Sensibility? How AI-Generated Content Shapes Consumer Engagement via Competing Informational and Emotional Pathways

Yin Bai, Tianjin University, Tianjin, China, People's Republic of, Xudong Cui, Min Zhang, Qingmei Tan

AI-generated content (AIGC) is reshaping the landscape of content marketing and redefining the dynamics of online brand communication. Anchored in dual-process theory, this study examines the objective content features of AIGC and investigates how its use in advertising copy influences consumer engagement through two competing pathways: informativeness and emotionality. Leveraging large-scale field data, our empirical analysis demonstrates that a greater proportion of AIGC in advertising copy is positively associated information entropy but negatively associated with emotional arousal, which further shapes consumer engagement. Notably, the impact of AIGC varies systematically across product categories: for search products, greater reliance on AIGC attenuates consumer engagement, whereas for experience products, the effect is reversed. These divergent patterns stem from the shifting relative salience of informational versus emotional content across contexts. Collectively, this research advances the emerging literature on AI-enabled marketing and offers actionable insights for managers seeking to strategically integrate generative AI into marketing practice.

2 - Generative AI and Content Homogenization: The Case of Digital Marketing

Chaoran Liu, Peking University, Shanghai, China, People's Republic of, Tong Wang, S. Alex Yang

Traditionally, entrepreneurs and small businesses, constrained by limited resources, struggle to create high-quality marketing content, which limits consumer engagement and hampers growth. Generative artificial intelligence (Gen AI) presents a powerful, yet affordable tool to overcome this challenge. However, the widespread adoption of Gen AI may have unintended consequences. Specifically, content generated by popular large language models may appear more similar to each other compared to human created content, known as content homogenization. To examine the extent of content homogenization and its potential implications, we

study the restaurant industry – a highly fragmented sector where 70% of the establishments are owned by independent entrepreneurs. We leverage the country-wide ChatGPT ban in Italy during April 2023 as a natural experiment to examine how access to Gen AI affects content homogenization, consumer engagement, and volume of social media marketing content created by small business owners. Our study shows that restaurants in the treatment group—located in Milan, Italy—experienced relative decreases of 15%, 12%, 2%, and 3% in lexical, syntactic, semantic, and language style similarity in their Instagram marketing content during the ban, suggesting that access to ChatGPT leads to content homogenization. We also find the ban has a positive effect on consumer engagement – an approximate 3.5% increase in average like counts – despite negative effects on posting frequency and post length. This research aims to provide valuable insights to entrepreneurs and small businesses on how to better harness the capability of Gen AI while mitigating potential drawbacks.

3 - When Everyone Gets the Same Spark: Effects of Generative AI on Creative Diversity in the Creator Economy

Franziska Vogel, University of Mannheim, Mannheim, Germany, Jens Foerderer, Catherine Tucker

Generative AI is expected to reshape the nature and diversity of output in the creator economy, yet its implications remain understudied and largely confined to laboratory experiments. We address this gap by conducting a quasi-experimental field study using large-scale data on creators and their outputs over time. Specifically, we study the rollout of YouTube's Inspiration Tab, an ideation feature that provides creators with AI-generated content ideas, storylines, and visual guidance. Access was granted to creators in the United States in November 2024, while creators across Europe did not receive the feature.

We construct a longitudinal panel of matched creators and combine platform data with multimodal measures derived from video transcripts, thumbnails, and viewer comments. Using difference-in-differences event studies, we examine how AI-assisted ideation affects content production, creative diversity, and user attention.

We find that access to AI inspiration increases content supply along both margins: additional creators enter the platform following rollout, and incumbent creators publish more videos. Productivity effects are heterogeneous and stronger in lower-expertise domains. Turning to creative diversity, AI inspiration reshapes creators' internal content portfolios: creators reuse more similar language and concentrate on fewer topics, while experimenting more with visual presentation. Importantly, these within-creator shifts do not translate into ecosystem-level homogenization – linguistic, topical, and visual diversity across creators remains stable.

Finally, increased content supply translates into higher aggregate reach but lower per-video engagement. Views, likes, and comments per video decline, while audience sentiment remains unchanged, reflecting intensified competition for limited user attention rather than reduced content quality.

4 - Will It Click? Advertising Strategy with Generative AI

Dominique Lauga, University of Cambridge, Cambridge, United Kingdom, Elie Ofek, Itay Fainmesser

Increasingly, companies are leveraging AI technologies to interact with consumers, with many marketers adopting Generative AI tools to create personalized messages at scale. In this paper, we model the impact of GenAI on advertising strategy. Firms seek to sell a product to heterogeneous consumers and can imperfectly identify their message preferences, i.e., which creative is most likely to prompt a response (or click). The firm has a baseline advertising message template and uses GenAI to adapt it and tailor a message to each consumer. However, GenAI messages can deviate from the intended consumer's preference. In a monopoly, the optimal advertising strategy results in a click probability that exhibits an inverted U-shape, depending on the consumer's message preference. We also uncover an interplay between the ability to identify consumers' preferences and GenAI technology. Specifically, when GenAI is not too accurate, improvements in the ability to identify consumers may initially lead firms to target fewer consumers. We extend the model to a competitive setting with two firms equipped with GenAI. We find that if the consumer is located closer to a firm in the message space, counterintuitively, the probability of clicking on a firm's ad decreases, while that of its rival increases, as GenAI's accuracy improves. Consequently, improved GenAI accuracy intensifies competition and leads to reduced profits; while the reverse is true as the ability to identify consumer preferences improves. Finally, we

show that firms' investments in GenAI capability are strategic substitutes, potentially leading to asymmetric investment levels across competitors.

TC18

B136

Marketing in Presence of Externalities

Contributed Session

Contributed

Chair: Niklas Nagel

1 - Gun Violence, Information Exposure, and Demand for Firearms

Jessica Kim, Bocconi University, Milan, Italy, Kai Zhu

This paper estimates the reponse of gun demand with respect to gun violence incidents. Using 4 million firearm transactions from a major online marketplace and incident-level data from the Gun Violence Archive (2010-2018), we leverage spatial and temporal variation in violence incidents to identify demand response. Our paper distinguishes between mass shootings and localized incidents, measuring both local responses and spatial spillovers. We find substantial heterogeneity in the response across locations, varying systematically with local demographic and socioeconomic characteristics. These estimates provide three contributions: quantifying market responses to gun violence, documenting geographic spillovers in demand, and revealing systematic heterogeneity in responses across communities.

2 - The Impact of Air Pollution on Consumer Shopping Behavior and Store Performance in The Fashion Industry

Yanyu Li, Shanghai University of Finance and Economics, Shanghai, China, People's Republic of, Qi Sun, Fang Wu, Yi Xiang

Recent marketing literature has begun to examine how air pollution shapes consumer behavior. However, little is known about how consumers adjust the composition of their spending in response to air pollution. This is an issue particularly relevant in the fashion industry, where consumption reflects a tension between utilitarian needs (functionality) and affective needs (self-expression and mood management), making purchases highly sensitive to shifts in the environment. To fill this research gap, we analyze SKU-level transaction data from 2,289 physical stores of a large apparel company across 42 cities for the entire year of 2017. Using a hierarchical linear model, our findings reveal that air pollution significantly reduces transaction volume but increases average transaction value (ATV). Although these effects partially offset each other, the net impact is a significant decline in total sales. We further show that the increase in ATVs is driven by higher average item prices, not by larger quantities purchased. Moreover, we find that negative mood mediates the observed relationship between air pollution and average item prices. Finally, we find that the effect of air pollution on consumer spending is amplified among loyalty program members, in standalone stores, and for design-oriented and colorful products. Our findings offer valuable insights for marketing research and retailing practitioners.

3 - Beyond the Thermometer: the Contextual Effect of Temperature Anomalies on Green Consumption

Andrew Petersen, Penn State University, State College, PA, United States, Aadya Sanwal, Rajkumar Venkatesan, Karen Winterich

We examine whether local temperature anomalies affect green consumption. We combine NielsenIQ retail scanner data with National Weather Service records, media coverage transcripts, and the Yale Climate Opinion Maps for 2,703 U.S. counties from 2014 to 2019. Using PanelMatch, we estimate the causal effect of temperature anomalies on green product market shares by exploiting week-to-week deviations from 30-year normals. The average treatment effect on the treated of temperature anomalies on green product market shares is not statistically significant. This, however, masks substantial heterogeneity. Temperature anomalies increase green product market shares when contemporaneous media coverage frames climate change as psychologically close by emphasizing its local and nearterm impacts. Consumer responsiveness is also conditional on the marketing mix. When green products are more competitively priced within the category, offered in broader

assortments, and supported by in-store promotions, they experience larger share gains during anomalous temperature weeks. Responses are attenuated in counties where climate change beliefs are widely held, suggesting that temperature anomalies primarily influence marginal rather than committed green consumers. These findings show that temperature anomalies do not independently translate into green consumption. Instead, media framing, marketing mix, and prior beliefs are key contextual mechanisms through which temperature anomalies affect green consumption.

4 - Innovate OR Influence? the Impact of Lobbying on Sustainable Innovation

Sandeep Arora, University of Manitoba, Winnipeg, MB, Canada, Zixia Cao, Gautham Vadakkepatt

This study investigates the relationship between a firm's lobbying activities and its sustainable innovation efforts and examines how scrutiny from external stakeholders shapes this relationship. Building on research at the intersection of corporate political activity, stakeholder theory, and innovation strategy, we empirically assess whether firms' political engagement is associated with variation in sustainability-oriented innovation outcomes. We further examine whether scrutiny from shareholders and consumers moderates the relationship between firms' lobbying activities and sustainable innovation outcomes. Using a longitudinal firm-level research design and panel-based empirical models that account for unobserved heterogeneity, the study examines how firms' political engagement and market-facing scrutiny jointly shape sustainable innovation pathways. This research contributes to sustainable innovation and corporate political strategy literatures by clarifying how firms navigate regulatory influence and innovation under multi-stakeholder scrutiny.

5 - Priced at Birth: Birthdate-Matching Prices in the Eyewear Industry

Niklas Nagel, University of Freiburg, Freiburg, Germany

The birthday-numbers/price effect describes the consumers' tendency to prefer products with prices matching their own birthdate, driven by a positive self-association with the offered prices. This study provides the first large-scale field evidence on this largely unexplored behavioral pattern. We study this effect's impact on demand using eyewear frame sales data from 411 opticians encompassing 2.5 million customers over a 20-year period in a logit difference-in-differences approach. Our results suggest that, at average marginal effects, consumers are 6% more likely to select prices with matching birth-day, -month or -year to the left of the decimal separator, compared to non-matching consumers. Additionally, we investigate the impact of choosing birthdate-matching prices on the repurchase rate and find a positive effect of choosing a birthdate-matching price to the left of the decimal separator. In contrast, no product selection nor repurchase effect can be identified for birthdate matching prices to the right of the decimal separator. We conclude by outlining several promising avenues for future research on this understudied heuristic.

TC19

B137

Online Marketplaces

Contributed Session

Contributed

Chair: Daniel Schwartz, Universidad de Chile

1 - Similarity as a Strategy: Strategic Product Presentation in E-Commerce Marketplaces

Yuan Feng, UNSW, Sydney, Australia, Ljubomir Pupovac

Consumers increasingly shop in crowded e-commerce marketplaces where physical inspection is impossible and attention is scarce. In such environments, product value is inferred from digital presentation through text and images. Managers therefore face a dilemma in configuring product presentation: whether emphasizing coherence with category norms or differentiation from competitors is more effective for generating consumer engagement.

Using a large-scale cross-sectional dataset of 348,712 products in a major e-commerce electronics marketplace, this study examines how coherent versus differentiated product presentation influences engagement, measured by review volume. Product presentation is conceptualized along two dimensions. First, we distinguish similarity among products from the same store within a category (within similarity) from similarity between a focal

product and competing products from other stores within the same category (across similarity). Second, similarity is measured separately for textual and visual elements. Textual similarity is operationalized via TF–IDF cosine similarity on titles and feature bullets, and visual similarity via OpenCLIP image-embedding cosine similarity on primary images.

We estimate Poisson models with high-dimensional fixed effects to relate presentation similarity to consumer engagement. Results show that engagement is driven primarily by across similarity rather than within similarity: products more coherent with category norms receive higher engagement than those that differentiate aggressively. Heterogeneity analyses reveal modality- and position-specific effects. Textual coherence is more beneficial for lower-rated products, whereas visual coherence is more beneficial for top-ranked brand-operated stores. These findings clarify when coherence with category norms functions as a strategic asset for engagement under platform governance.

2 - Information Acquisition In Online Marketplaces: Evidence from Wegolook Inspection Service on Ebay

Zhuoqiong Chen, Harbin Institute of Technology, Shenzhen, Shenzhen, China, People's Republic of, Xiaogang Che, Yongdong Liu, Hantao Jiao

This study investigates the impact of eBay Motors' inspection policy on the demand and supply sides of the used car market. In March 2016, eBay Motors and WeGoLook introduced an inspection service for all eBay car auction listings, allowing potential buyers to obtain a standard report with interior and exterior photos of a car for a small fee, aimed at increasing buyer confidence and verifying non-mechanical conditions. On the demand side, we observe that the policy positively affects buyers' willingness to pay, resulting in higher final auction prices. We also find a decrease in the price premium gained from sellers' information disclosure. Furthermore, the policy has a greater impact on professional dealers and low-quality cars in terms of increasing consumers' willingness to pay. On the supply side, we provide evidence of a decrease in moral hazard through an improvement in seller disclosure and other performance, with adverse selection being more likely reduced through improved product quality than changes in seller composition.

3 - Data Preferences in Firm Learning: Evidence from An Online Auction Platform

Xiaojie Li, Boston College, Chestnut Hill, MA, United States

Firms rely on data to learn and improve their decisions, but when both their own and competitors' data are available, do firms use others' data to expedite their learning? This paper investigates this question by studying used-car auction sellers on Ali Auction, China's largest online auction platform. Sellers on the platform can only choose the ending hour of their auctions—a critical decision, as different hours attract varying numbers of residual bidders and lead to different payoffs. Although these sellers are experienced in local offline auctions, joining the national platform exposes them to new demand patterns and intensified competition, creating a need for learning. To support this, the platform offers full access to both their own and others' auction data, including the auction outcomes and object information. I develop a structural model of seller learning that allows for differential use of these two data sources. Estimation results show that inexperienced sellers rely more on others' data, but as they gain experience, they increasingly prioritize their own data. Counterfactual simulations indicate that under full information, sellers could improve profits by 6.4%, a gap primarily driven by their preference for their own data. These findings imply that (1) data sharing alone may be insufficient to optimize seller decisions, and (2) platforms can improve outcomes by guiding new sellers using others' data early on. Overall, the results suggest that the platform can play a coordinating role to help sellers converge on optimal auction timing.

4 - Improving the Efficacy of Online Learning Platforms Using Artificial Intelligence

Chul Kim, Baruch College, City University of New York, Long Island City, NY, United States, Ritu Agarwal, P. K. Kannan, Bill Rand

Digital learning platforms that offer virtual education are growing rapidly, with online learning increasingly replacing or complementing traditional in-person instruction. To the extent that online learning opportunities create both societal value – by expanding access to education and economic benefits – reflected in new business models, the demand for effective online learning is accelerating. We propose an artificial intelligence (AI)-based approach for more efficacious online learning on such platforms by incorporating three theoretically and empirically supported pedagogical factors– relevancy, embeddedness, and variety. We implement the proposed approach in an online learning platform for K-12 mathematics education. Using data from a natural experiment,

we obtain robust empirical evidence of the efficacy of the proposed approach in improving learners' proficiency and key marketing outcome of learner retention. Extensive robustness analysis, including replication of the field study in a different country, provides support for these key findings. From a managerial perspective, our study offers insights into balancing service quality and operational efficiency with AI, a core challenge in the digital education landscape. In addition, from a pedagogical standpoint, our study enriches the understanding of how AI can support adaptive learning models.

5 - The Illusion of The Click Economy in Email Marketing: How Price Disclosure Affects Online Conversions

Daniel Schwartz, Universidad de Chile, Santiago, Chile, Marcel Goic, Martin Navarrete

Firms strategically introduce information frictions to shape consumer behavior and improve commercial outcomes. In digital marketing, withholding price information represents a widespread tactic premised on curiosity-driven exploration: incomplete information creates an "information gap" that motivates clicks. However, it is unclear which mechanism drives sales. Price obfuscation may increase sales by encouraging exploration among uncertain customers, or decrease sales by attracting low-intent clicks while disrupting self-selection among purchase-ready customers.

We report evidence from a large-scale randomized field experiment with a leading Latin American retailer. Across 2.44 million promotional emails to 1.3 million customers over 15 campaigns, we randomly varied whether product prices were displayed. Hiding prices substantially increased click-through rates by 0.63 percentage points from a 3.45% baseline—a 22% lift. However, this engagement boost did not translate into sales: conversion rates were precisely estimated at +0.004 pp on a 0.629% baseline (p=0.833, 95% CI: [-0.031, 0.039]), with no effects on revenue per customer, cross-category purchases, or offline sales over four months.

Heterogeneity analyses reveal that among less-engaged customers, price obfuscation modestly increases both clicks and purchases. Among high-value customers, price transparency enables self-selection: conversion increases by +0.0051 pp per $100 in past annual spending. These offsetting mechanisms produce the null average effect. A simple targeting policy—showing prices to high-value customers (top 31%) while hiding them from others—improves both CTR (+13.9%) and conversion (+6.1%), generating $142,400 in additional revenue per million emails. Our findings demonstrate that optimizing click-based metrics can systematically mislead firms about campaign effectiveness.

Thursday, June 11, 4:00 PM - 5:30 PM

TD01

B002

ISMS Dissertation Award Winners

Invited Session

Special Session

Chair: Nitin Mehta, University of Toronto, TORONTO, ON, Canada

1 - Designing Self-Sustaining Markets: An Application to Content Platforms

Lei Huang, MIT Sloan School of Management, CAMBRIDGE, MA, United States, Juanjuan Zhang

When supply incentives are driven by demand, the natural force of the market may suppress the provision of products that are valuable to some consumers, leading to market failure. This paper explores a solution. Focusing on content platforms, we design a recommendation mechanism that maximizes total user utility by strategically allocating demand to sustain valuable content production. Theoretically, we prove that the optimal recommendation mechanism considers not only consumption utility, as in standard recommender systems, but also creator sensitivity, which captures how easily a creator can be incentivized by demand, and creator contribution, which reflects a creator's importance to users overall. Computationally, we develop PixSet, a novel data transformation framework that converts variable-length sets (e.g., numbers of creators of various types) into fixed-size tensors (e.g., density distribution over pixels in a type space), which simplifies estimation as a

computer vision problem with 99.9% gain in computational efficiency. The proposed recommendation mechanism is validated by both an observational-data analysis and a field experiment on Tencent WeChat, one of the world's largest content platforms. This mechanism has since been deployed as the default recommendation system at WeChat, serving billions of users and tens of millions of creators each day.

2 - Blind Targeting: Personalization under Third-Party Privacy Constraints

Anya Shchetkina, The Wharton School, Philadelphia, PA, United States

3 - Demand Estimation and Pricing of Perishable Food

Kohei Hayashida, University of California San Diego, San Diego, CA, United States

Demand estimation of perishable food products is challenging because freshness is typically not recorded in available data. To address this measurement challenge, I collect novel customer transaction and batch-level production panels from a Japanese grocery chain's prepared fried-food category, enabling direct observation of freshness for each unit in both purchases and choice sets. With this unique data, I study consumer willingness-to-pay for freshness, its joint heterogeneous distribution with price sensitivity, and grocers' optimal pricing by freshness using improved demand estimation. I build and estimate a model of consumer batch choice (i.e., freshness) for perishable goods, capturing heterogeneous freshness preferences and price sensitivity. I find substantial demand for freshness: an additional hour of freshness for an average product equals 10.56% of its full price. I then model the retailer's dynamic markdown problem–trading-off discount losses against future stockout losses–and show that optimal markdowns can be zero under observed heterogeneity and the production process. To validate this counterfactual prediction, I conduct a field experiment, finding that optimal nondynamic pricing increases profit by 9.86% [2.98, 17.2] and outperforms the store's status-quo policy. My findings can explain cross-grocer differences in pricing-by-freshness policies as a function of consumer heterogeneity.

TD02

B003

When Marketing Drives Value: Roles, Resources, and Communication

Invited Session

Special Session

Chair: Joep van der Plas, TU Eindhoven

1 - Do Chief Customer Officers Affect Firm Value? An Event Study

Inês Ferraz Teixeira, KU Leuven, Leuven, Belgium, Yves Van Vaerenbergh, Alexander Edeling, Shuba Srinivasan

The executive position of Chief Customer Officers (CCO) is on the rise. In 2019, Forrester reported that the number of CCOs grew by more than 1,000% over the previous five years, a number that has only been increasing ever since. However, to date, there are no academic insights about this new role. This paper examines the short-term impact of the announcement of a CCO appointment, using the event study methodology. Such examination is particularly relevant since investors might perceive CCO appointments as positive (i.e., strengthening customer relationships) or negative (i.e., adding costs or role responsibility conflicts). We are the first to conceptualize the role of CCO and provide empirical evidence about the stock market reaction to the announcement of a CCO appointment, contingent on (i) the CCOs' individual characteristics, (ii) the CCOs' role responsibilities, (iii) the top management team composition and (iv) the firm- and industry-level context. Our results show an overall positive investor reaction to the appointment of a CCO, and also reveal substantial heterogeneity in investor responses based on executive background and contextual factors. These findings provide companies and investors with actionable guidelines for the strategic design of the CCO role.

2 - Aligning Advanced Services with Strategic Emphasis and Environmental Conditions: A Dictionary Approach

Joep van der Plas, University of Cologne, Cologne, Germany, Neomie Raassens, Patricia Roost, Shantanu Mullick

Advanced services are increasingly viewed as a source of competitive advantage and long-term financial success for manufacturing firms. However, realizing these benefits is not straightforward, as such services require substantial resource investments and differ significantly from traditional manufacturing capabilities. A firm's strategic emphasis on value appropriation or value creation can either enable or constrain the offering of advanced services, as it guides how managers allocate limited resources. By adopting a dictionary approach applied on 10-K financial reports released by 1,626 publicly traded U.S. manufacturing firms, this study examines how the interaction between advanced services and strategic emphasis impacts firm value. We further argue that this interaction and its impact on performance depends on environmental conditions, i.e., the level of demand and technological uncertainty of the industry. Our results show that advanced services providers with a strategic emphasis on value creation see the financial benefits of their strategy, while those with a strategic emphasis on value appropriation do not benefit. This two-way interaction effect is contingent on demand and technological uncertainty (three-way interactions). Based on these insights, we offer managerial guidelines on the boundary conditions for implementing advanced services strategies.

3 - The Price is Right: Stock Market Reactions to Pricing Information in Earnings Calls

Paul Seehawer, Goethe University Frankfurt, Frankfurt, Germany, Alexander Edeling, Alexander Himme, Shuba Srinivasan

Many consider pricing to be the most powerful marketing lever for revenue, profit, and thus firm value creation. Despite this consensus, there is limited research on how pricing information affects investor behavior. This research focuses on pricing information in earnings calls, which we conceptualize as informative pricing-related signals that allow investors to form timely expectations about firm value. Using signaling theory, the authors develop a conceptual framework for pricing information in earnings calls. Empirically, this is the first marketing study to apply FinBERT, a large language model developed specifically for financial texts, to identify and classify pricing information in over 26,000 earnings call transcripts for the period 2008-2024. The study finds that managers provide pricing information in the vast majority (98.6%) of earnings calls. An event study shows that pricing information with negative sentiment has a stronger impact on firm value than positive pricing information. The authors further investigate the moderating effects of signaler- (CEO vs. CFO), signal- (cost vs. demand; past vs. future), and signaling-environment-related (part of the earnings call; actual pricing performance; inflation; industry concentration) factors. Our findings have important implications for the general power of pricing and the disclosure of pricing information in corporate communications.

4 - How Uncertainty in the External Environment Shapes Conservatives's and Liberals' Hedonic Consumption

Daniel Fernandes, Catholic University of Portugal, Lisbon, Portugal, Jihye Jung, Nailya Ordabayeva, Kyuhong Han, Vikas Mittal

This research examines how consumers' political identity shapes their preferences for hedonic consumption. Complementing prior research showing that conservatives are generally less interested in hedonic consumption than liberals, the present research proposes that political ideology may interact with perceptions of uncertainty in the external environment to shape hedonic consumption. Specifically, high (vs. low) uncertainty bolsters conservatives' preference for hedonic consumption because it increases conservatives' avoidance motivation, and consequently, their reliance on feelings. In contrast, liberals are less sensitive to perceptions of high (vs. low) uncertainty in the environment. Framing uncertainty in a positive light or shifting consumers' decision process toward deliberative reasoning attenuates the effect. Seven studies combining different methodologies, primary and secondary data, real and hypothetical behavior, and different product categories provide converging evidence for the phenomenon, its underlying mechanism, and boundary conditions. The results have relevant implications for firms operating in turbulent environments.

TD03

B004

Sustainability IV

Contributed Session

Contributed

Chair: Elena Gasulla

1 - When Should Firms Invest in Sustainability? Strategic Implications of Sustainable Innovations in Vertically Segmented Markets

Levin Zhu, University of Hawaii at Manoa, Shidler College of Business, Honolulu, HI, United States

Growing consumer interest in purchasing sustainable products has led to an increasing number of firms introducing environmentally or socially responsible goods to the market. I analyze a theoretical model of horizontally differentiated firms that set prices and sustainability levels for a product line in a segmented market with low and high sustainability valuation consumers. Unlike attributes where consumers with higher valuations for that attribute also have stronger brand preferences, such as technological innovation or "quality" associated with a specific brand, sustainability is an attribute that can be adopted by multiple firms and need not be tied to the brand itself. As such, I model higher sustainability valuation consumers as considering brands as more substitutable (via lower "transportation costs"). I find increased substitutability among the products targeted to the higher sustainability valuation consumers can lead to lower margins for the more sustainable products compared to less sustainable ones. Of particular interest, I show when the higher sustainability valuation consumers have relatively similar valuations compared to the low valuation segment, firms are incentivized to increase the sustainability levels (above efficient levels) as well as prices of their high sustainability products to prevent cannibalization of the less sustainable, higher margin products. I validate my theoretical findings using empirical evidence from retail purchase data in consumer packaged goods markets.

2 - The Effect of Climate Disaster Experience on Sustainable Vehicle Purchases: The Case of Hurricane Harvey

Anthony Adam Sy, New York University, New York, NY, United States

Consumers' experience of the adverse effects of global warming may increase the saliency of climate change to their own circumstances, which in turn could drive sustainable purchasing decisions. We contribute to the literature investigating this claim by analyzing the effect of climate disasters on consumers' purchasing behavior of new vehicles. In particular, we investigate how the onset of Hurricane Harvey in Texas on August 2017, arguably the disaster that destroyed the largest number of vehicles in American history, affected the monthly sales and market shares of vehicles with different fuel types. We also investigated how the disaster affected vehicle purchasing behavior in terms of purchase price, miles per gallon (MPG) and vehicle empty weight. Using a difference-in-differences methodology, we found that in affected counties, the share of electric vehicles decreased by 0.110 percentage points, the average purchase price decreased by USD 779, the average MPG increased by 0.380, and the average vehicle empty weight decreased by 71 lbs. Overall, we conclude that there is no economically significant increase in sustainable purchasing behavior due to the disaster. We surmise that this may be partly due to the low penetration of electric and hybrid vehicles in the Texas market during that year. We plan to conduct a similar analysis using the more recent Hurricane Beryl, which made landfall in Texas on July 2024, to see if the conclusions change. Furthermore, we plan to use other methods, such as generalized synthetic control, to probe the robustness of our main results.

3 - Shifting Consumer Choice from Ballistic Price-Driven to Diffusive Sustainability-Oriented Decisions Through Sustainability Nudges.

Elena Gasulla, Universidade da Beira Interior, Covilha , Portugal, Nuno Sousa, Paulo Duarte, Susana C. Silva, Enrique Bigne

Online product choice unfolds in attention-competitive environments where multiple alternatives are displayed simultaneously and compete for consumer attention. Such settings generate information overload, incentivizing consumers to rely on efficient comparison heuristics that favor ballistic decision making (rapid, price-based screening with minimal information sampling) over diffusive evaluation to integrate product details. This dynamic disadvantages sustainable products, often positioned at price premiums, struggling to compete on price salience alone. Yet little is known about how sustainability cues compete for attention and influence decision processes in realistic multi-product choice environments.

This research aims to examine how sustainability cues can reshape attention allocation and evidence accumulation in online multi-product choice. We conduct a controlled laboratory eye-tracking experiment in which participants repeatedly choose one product from eight-option assortments across apparel categories,

generating fixation data across multiple product- and attribute-level areas of interest. Choices, response times, and visual attention are analyzed using an attention-based drift diffusion framework extended to high-dimensional choice sets, allowing direct comparison between ballistic and diffusive decision dynamics.

Preliminary analyses suggest that sustainability cues reallocate visual attention away from exclusive price screening toward non-price product information. Within the extended diffusion framework, this shift is expected to manifest as slower but more diffusive evidence accumulation, higher effective decision thresholds, and reduced dominance of price in the choice process. Conceptually, this research advances decision-making and sustainability theory by formalizing how strategic sustainability nudges can interrupt ballistic choice and induce diffusive evaluation, increasing the likelihood that responsible products enter consumers' consideration and choice processes.

TD04

B005

AI and Productivity

Contributed Session

Contributed

Chair: Emil Palikot, Stanford University, Stanford, CA, United States

1 - Generative AI and the Division of Labor in Knowledge Work : Evidence from Open Source Ecosystems

Lena Poinsignon, Institut Mines Telecom Business School , Évry-Courcouronnes, France, Vincent Lefrere, Antonio Russo, Maximilian Schaefer

Generative AI is reshaping open source software (OSS) development by changing how developers search for information and write code. This paper examines whether the public release of ChatGPT-3.5 is associated with a reallocation of OSS activity on GitHub, and whether responses differ between institutional (firm-linked) and independent developers. We build a large-scale monthly panel from a random sample of one million developer accounts, collecting data on their public repositories, contribution activity, and visibility signals (stars and forks) via the platform's REST API. Institutional developers are identified based on self-reported employer information and contributions to organization-owned repositories, while others are classified as independent. Exploiting the release of the ChatGPT-3.5 release, we estimate a difference-in-differences design with developer and month fixed effects. In addition, we collect GitHub Archive events to enrich the measurement of public activity. Relative to independents, institutional developers display a stronger post-shock decline in the number of public repositories. Concurrently, their remaining public projects become more visible and are more likely to rely on pre-existing work : they receive more stars and exhibit a higher share of outgoing forks. A plausible explanation for these results is that firms rationalize their open source strategy in the presence of genAI. While maintaining many public repositories could serve as brand-building and signalling technical excellence, part of these promotional work can now be achieved through AI-generated content. Firms reallocate developers' time towards a smaller set of strategically important projects, while independent developers adjust in the same direction, but less sharply.

2 - Generative AI and the Gender Gap: Evidence from a Large Digital Content Platform

Hongcan Zhou, University of Hong Kong, Hong Kong, Hong Kong, Ivy Chu Dang, Hongchuan Shen, Michael Zhang

While the rapid growth of generative artificial intelligence (GenAI) is reshaping the creative economy, its impact on gender inequality remains underexplored. We investigate gender differences in GenAI adoption, productivity, and market exit by analyzing over 500,000 creators on a leading digital content platform following a major GenAI shock. We find that following the release of a high-quality GenAI tool, a substantial gender gap in AI adoption emerges: male creators adopt AI 3.5 times more than female creators. We further document that female

creators face declining productivity and are more likely to exit the platform over time, indicating a persistent disadvantage in long-term participation. Further analysis reveals that this disadvantage stems primarily from the adoption gap; conditional on adoption, female creators exhibit productivity levels comparable to their male counterparts. Our findings suggest that in the long run, this gap in AI adoption could permanently harm the platform's diversity and creative output.

Keywords: Generative AI, Gender Gap, Gender Inequality, Creative Economy

3 - Content-Aligned Cover Design: A Multimodal Deep Learning Approach to Understanding and Enhancing Media Cover Success

Yijing Xu, University of Wisconsin–Madison, Madison, WI, United States, Remi Daviet

Cover design remains a decisive factor in how audiences evaluate media products: book covers, movie posters, and related promotional imagery shape expectations about genre, emotional tone, and narrative content, and strongly influence purchase decisions. Yet, despite the importance of these cues, firms typically rely on intuition, negotiation, and iterative trial-and-error when developing cover concepts. This process is subjective, costly, and resource-intensive, and designers must tailor every cover to the unique characteristics of the underlying content —precluding any one-size-fits-all solution.

In this paper, we introduce a novel multimodal deep learning framework that supports this creative workflow by leveraging visual and text transformers. The approach first identifies semantic elements (e.g., objects, actions) and perceptual elements (e.g., colors, textures) that are predictive of cover performance given a description of the media content. It then uses generative models to propose examples of cover designs optimized along these learned drivers. By grounding the system in established theories of visual and meaning-based processing, the framework provides interpretable insights into why specific cues matter.

For managers, this method offers a structured way to diagnose the components of high-performing cover designs, reduce reliance on costly manual experimentation, and enable creative teams to explore a wider range of informed concepts early in development.

4 - Efficient Screening: Evidence on Question Redundancy and TimeSavings in AI Interviews

Emil Palikot, Northeastern University, Boston, MA, United States

AI-conducted interviews offer a scalable solution for candidate screening, yet impose substantial time costs on job seekers. In Aka et al. (2025), we demonstrate the predictive validity of AI interviews but document a stark efficiency tradeoff: for every hour of recruiter time saved, candidates collectively invest approximately 45 hours completing structured assessments. In this paper, we investigate whether AI interviews can be shortened without sacrificing information quality, thereby improving this tradeoff. Using a dataset of 10,000 interview transcripts, we first document significant redundancy in current interview protocols—many questions contribute little incremental predictive power for candidate grades or subsequent hiring manager evaluations. We identify systematic patterns in question redundancy, finding that certain question types consistently yield minimal additional signal once core competencies have been assessed. Based on these findings, we develop and experimentally test a modified interview algorithm that dynamically adjusts interview length based on accumulated information. Our results demonstrate substantial time savings for candidates with no measurable loss in predictive accuracy for either AI-generated assessments or downstream hiring outcomes. These findings offer a path toward more candidate-friendly AI recruitment processes that preserve selection quality while meaningfully reducing the burden on job seekers.

TD05

B008

Consumer Attention

Contributed Session

Contributed

Chair: Martin Meissner

1 - Endogenous Attention and Context Effects in Discrete Choice

Moha Ghaderi, Pompeu Fabra University, Barcelona, Spain

I introduce the attention-entropy random utility (AERU), a behavioral discrete choice model in which a decision-maker endogenously allocates attention across subsets of attributes in order to increase subjective confidence by reducing ex post choice uncertainty, and subsequently chooses an option based solely on the attended information. By endogenizing attention, the decision problem is reformulated from “which alternative to choose” to “which informational cues to process,” with the observed choice emerging as the outcome of this attentional allocation. The AERU framework nests random utility model (RUM) under transparent conditions, yet it is not restricted by Luce’s independence of irrelevant alternatives (IIA), order-independence, or regularity. This flexibility enables AERU to capture key context effects (compromise, similarity, attraction) in a disciplined manner and to generate sharp, testable predictions regarding the conditions for each context effect. From an empirical standpoint, AERU preserves the parsimony of the multinomial logit, requiring only a single additional attention parameter. Employing a scalable estimation procedure based on block coordinate ascent combined with a quasi-Newton method, I provide results from computational experiments demonstrating that AERU can produce better in-sample and out-of-sample predictions.

2 - An Empirical Model of Endogenous Attention

J. Miguel Villas-Boas, University of California, Berkeley, Berkeley, CA, United States, Tianyu Han, T. Tony Ke

Before making a choice, individuals can gradually gather information on multiple different possible alternatives. Analysts may observe how long individuals spend gathering information on each alternative, when they switch from one alternative to another, and when they ultimately make their final choice. We develop an empirical model on this choice process, endogenizing the choice of which alternative the individual obtains information from at each point in time, and estimate the model with data from eye-tracking experiments. The empirical analysis yields estimates of the relative size of search costs, attention switching costs, and informativeness of search for information. Counterfactual analysis shows that higher attention switching costs reduce search duration and induce fewer attention switches; in comparison, higher search costs also reduce search duration but induce more attention switches. The model also delivers that there is a positive correlation between attention to an alternative and the likelihood of that alternative being chosen, through the individuals choosing to learn more about the alternatives for which the individuals have beliefs of a higher preference.

3 - Attention-Revealed Preference Heterogeneity

Ana Martinovici, Erasmus University, Rotterdam, Netherlands, Ralf van der Lans, Rik Pieters

Consumers vary substantially in their preferences for brands, product features, and prices. In addition to preference heterogeneity, consumers also differ in what information they attend to when choosing from a set of multi-attribute alternatives. The eye-movements that consumers make during these decision processes indicate their allocation of attention to the different brands and attributes. We propose a theory and develop a novel model of attention-revealed preference (ARP) that extends the role of attention beyond mere selection, and that leverages the link between moment-to-moment allocation of attention and utility accumulation (Martinovici, Pieters, and Erdem 2023). The model is rooted in psychological and economic theories of visual attention and choice that allows us to infer individual level preferences. The ARP model extracts preference measurements for brands and importance weights for attributes from differences in moment-to-moment attention allocation between brands and attributes that arise as consumers sequentially decide what information to inspect, when and for how long, before making a purchase. The model is calibrated on eye-tracking and choice data from studies on consumer choice between multiple complex alternatives (e.g., laptops, TVs) for which information is displayed side-by-side in an attributes-by-brands matrix. The results show that attention reflects the value that consumers assign to attribute levels and their importance, and thus extend recent work in marketing (Martinovici, Pieters, and Erdem 2023) that used attention as a reflection of each brand’s overall utility and choice probability.

4 - Attentional Processes During Impulse Buying

Martin Meissner, Technical University of Munich, Heilbronn, Germany, Konstantin Kleffke

Impulse buying constitutes a major share of consumer purchases, yet the attentional processes that precede such decisions remain poorly understood. This study addresses this research gap by investigating visual attention

when consumers make impulse purchase in an online shopping environment. Using a laboratory-based eye-tracking experiment with incentive-aligned participants, we collected gaze data during product choice tasks and distinguished between impulse, planned, and no-purchase decisions. Preliminary findings comparing impulsive buying with no-purchase decisions reveal that impulse purchases are associated with longer decision times, increased fixations, and significantly higher pupil dilation, suggesting heightened arousal. Temporal analysis further indicates that arousal peaks before the purchase is made, highlighting the predictive potential of changes in pupil dilation while consumer make purchases. These results contribute to theory by advancing a process-oriented understanding of impulse buying and demonstrate the utility of psychophysiological measures. Practically, they offer insights for retailers seeking to identify and influence impulse buying while raising ethical concerns about consumer vulnerability and the need for data privacy protections in emerging digital retail contexts. Future work will refine predictive models and explore regulatory implications in light of increasing eye-tracking capabilities in online and virtual shopping environments.

TD06

B009

Multimodal Influencer Marketing: New Tools, New Insights

Invited Session

Special Session

Chair: Lan Luo, University of Southern California, Los Angeles, CA, United States

Co-Chair: Yutong Shao, University of Southern California, Los Angeles, United States

1 - What Makes Virtual Influencer Posts Effective: a Multi-Dimensional Anthropomorphism Framework and Real-World Evidence from Instagram

Amelie Huber, Technical University of Munich, Munich, Germany, Janina Garbas, Maximilian Beichert, Jochen Hartmann

Virtual influencers (VIs) are increasingly used in social media marketing, yet little is known about how their designed humanlikeness shapes audience engagement. Unlike human influencers, VIs can strategically vary their degree of humanlikeness across posts. Prior research, however, has largely conceptualized anthropomorphism as a stable, unidimensional influencer-level attribute, overlooking both its multidimensional nature as a psychological judgment and its dynamic, post-level expression. This research introduces a multidimensional anthropomorphism framework to examine how humanlikeness-related cues embedded within individual virtual influencer posts are associated with engagement outcomes. Using a large-scale, multimodal dataset of approximately 10,000 Instagram posts from around 80 virtual influencers, we combine platform engagement metrics with automated analyses of visual and textual content. Adopting a post-level perspective, we capture systematic variation in how virtual influencers deploy different facets of humanlikeness across images and captions. By relating these post-level anthropomorphic cues to engagement outcomes while accounting for influencer- and time-specific heterogeneity, this research advances theory on anthropomorphism in digital marketing and provides new insights into how audiences interpret and respond to virtual influencer content.

2 - Does Domain Specialty Matter in Influencer-Brand Collaborations? a Network-Based Machine Learning Approach

Yutong Shao, University of Southern California, Los Angeles, CA, United States, Lan Luo

In influencer marketing, follower count is commonly used to determine collaboration prices and guide sponsorship decisions. However, the role of influencer domain specialty (the thematic focus of their content, such as Science & Technology) tends to be underweighted. We develop a domain-aware, network-based machine learning model to evaluate whether and how important domain specialties are in enhancing engagement predictions. We find that incorporating influencer domain specialties significantly improves predictive accuracy, indicating that follower count alone is insufficient for sponsorship decisions. Using counterfactual influencer-brand pairings, we study how to utilize domain specialties to inform more effective influencer marketing decisions. First, contrary to prior literature that favors congruency, we find that cross-domain collaborations outperform within-domain ones on average. Second, brands should prioritize generalist influencer domains (e.g.,

Entertainment and Comedy) rather than niche domains (e.g., Autos & Vehicles). Third, partnering with influencers from novel domains follows an inverted-U pattern—moderate novelty helps, while extreme deviation from prior influencer domains diminishes returns. Taken together, these results underscore the strategic value of domain-aware influencer selection and caution against follower-count heuristics in pricing and sponsorship decisions.

3 - The Impact of Banning Online Gambling Livestreams: Evidence from Twitch.Tv

Qifan Han, Chinese University of Hong Kong, Shenzhen, Shenzhen, China, People's Republic of, Jasmine Yang, Andrey Simonov

How effective is platform self-regulation at eliminating harmful content? We examine Twitch's ban on unlicensed online gambling livestreams implemented in October 2022. Using a novel panel dataset covering the top 6,000 Twitch streamers, we identify banned content and affected streamers by leveraging video analysis of historical clips, high-frequency stream titles, and in-stream chats. On the supply side, the policy led to a 63.2% reduction in weekly gambling streams and a 44.3% decrease in overall streams among streamers whose content was banned. Streamers whose gambling content was not banned also reduced their gambling and overall content, indicating spillover effects from the policy. This reaction was more pronounced among popular streamers and those with greater reputation concerns. On the demand side, while the policy reduced total viewership, low-tier subscriptions, and engagement, revenue from high-tier subscriptions (reflecting more loyal viewers) remained unaffected. The policy also reduced the gambling viewership for viewers classified as minors, although the magnitude was slightly smaller than for other viewers. Our findings highlight both the potential and limitations of platform self-regulation: although targeted bans can substantially reduce targeted content and its engagement, complementary actions may be necessary to mitigate unintended side effects and ensure effective protection for specific user groups.

TD07

B010

Generative AI in Advertising

Invited Session

Special Session

Chair: Jochen Hartmann, Technical University of Munich, München, Germany

Co-Chair: Ziqian Ding, Carnegie Mellon University, Pittsburgh, PA, United States

1 - Generative AI and Firm Productivity: Field Experiments in Online Retail

Dante Donati, Columbia Business School, New York, NY, United States, Lu Fang, Zhe Yuan, Kaifu Zhang, Miklos Sarvary

We quantify the impact of Generative Artificial Intelligence (GenAI) on firm productivity through a series of large-scale randomized field experiments involving millions of users and products at a leading cross-border online retail platform. Over six months in 2023-2024, GenAI-based enhancements were integrated into seven consumer-facing business workflows. We find that GenAI adoption significantly increases sales, with treatment effects ranging from 0% to 16.3%, depending on GenAI's marginal contribution relative to existing firm practices. Because inputs and prices were held constant across experimental arms, these gains map directly into total factor productivity improvements. Across the four GenAI applications with positive sales effects, the implied annual incremental value is approximately $5 per consumer—an economically meaningful impact given the retailer's scale and the early stage of GenAI adoption. The primary mechanism operates through higher conversion rates, consistent with GenAI reducing frictions in the marketplace and improving consumer experience. Importantly, these gains do not appear to be driven by deceptive practices: product return rates and customer ratings did not deteriorate. Finally, we document substantial heterogeneity: smaller and newer sellers, as well as less experienced consumers, exhibit disproportionately larger gains. Our findings provide novel, large-scale causal evidence on the productivity effects of GenAI in online retail, highlighting both its immediate value and broader potential.

2 - Winning Losers in Luxury Fashion: How AI Can Leverage Non-Winning Designs to Improve Crowdsourcing Outcomes

Martin Reisenbichler, WU - Vienna University of Economics and Business, Vienna, Austria, Page Moreau, Emanuela Prandelli, Martin Schreier, Tatiana Rittler

For centuries, organizations have tapped into the wisdom of crowds to solve complex problems and address creative challenges. AI tools have the potential to fundamentally flip the traditional model, where only a few winners are implemented and awarded with a lucrative prize. Indeed, the overwhelming majority of submissions are rejected, and the intellectual property invested in their solutions are discarded. In this research, we collaborate with a luxury fashion brand (Missoni), a digital co-creation platform for fashion design (AWAYTOMARS [AWTM]), and a technology company to host a real crowdsourcing contest in the luxury fashion industry. Like traditional contests, the winning submissions were determined and subsequently translated into market offerings. In addition, however, all the losing submissions were submitted to an AI application which recommended a design that conformed to the contest constraints. A large laboratory study and an in-market test compare the contest-winning designs to the AI recommended loser-based counterparts illustrating that the AI wins over human winners. Follow-up studies replicate our findings and offer explanations for the surprising pattern of results.

3 - Assessing the Potential of Genai for Visual Content Creation for Influencer Marketing

Maximilian Witte, University of Hamburg, Hamburg, Germany, Julia Rosada, Mark Heitmann, Harald van Heerde

Brands increasingly sponsor influencers to produce visual content. Unlike conventional advertising, influencers have creative autonomy in content creation. This means that despite sponsorship agreements, influencers often prioritize their personal influencer salience (i.e., visibility) in visual content to preserve genuine connections with their community, at the expense of brand salience and the alignment of the content with the brand's visual communication style. To overcome this tension between brands and influencers, this research assesses the potential of visual generative AI (GenAI) to create visual brand content for sponsored posts. The authors develop a new visual GenAI workflow that is trained on influencer-, brand-, and social media visual content and compare the visual content it generates to conventional influencer content. Across four studies, this research shows that GenAI content with low-touch human input can improve the visual balance between brands and influencers, while maintaining perceived alignment with influencer and brand communication styles as well as influencer authenticity. The research also finds that sponsored collaborations involving GenAI are acceptable to influencers as well as to consumers when AI content creation is disclosed. Collectively, these findings underpin fundamental shifts in how sponsored influencer content is going to be created in the very near future.

4 - Music Marketing with Generative AI

Jochen Hartmann, Technical University of Munich, München, Germany, Benedikt Roder

The multibillion-dollar music industry faces severe content creation bottlenecks, making multimedia marketing assets prohibitively costly for smaller artists. This research introduces a Marketing Asset Generation Engine (MAGE) that can produce over 700 million video ad variations reflecting each artist's visual identity using only a music track's audio and album cover as minimal inputs. In collaboration with one of the world’s largest music labels, we conduct four preregistered field studies with over 11 million impressions across 75 campaigns for 33 real music tracks on TikTok and Meta to validate MAGE. First, on average across all studies, MAGE-generated ads significantly outperform human-designed ads on TikTok, while performing insignificantly different on Meta, all at 98\% lower production cost. Second, neither marketing professionals nor laypeople can reliably identify winning ads such that random sampling of MAGE’s outputs performs as well as human-curated "best" selections. In contrast, an AI-in-the-loop system trained on past performance data can predict pre-launch which MAGE-generated ads will perform best for specific audience segments. Third, AI video ads exhibit heterogeneous effects with higher CTRs for younger audiences. These findings demonstrate that generative AI can democratize music marketing by making effective, on-brand video ads accessible at scale.

TD08

B011

Economics of Sports Gambling

Invited Session

Special Session

Chair: Poet Larsen, Harvard University, Los Angeles, CA, United States

1 - Cross-Channel Spillovers for Addictive Goods: Evidence from Online spORts Gambling and State Lotteries

Poet Larsen, Harvard University, Cambridge, MA, United States, Sriniketh Vijayaraghavan, Uttara Ananthakrishnan

As online sports gambling (OSG) expands rapidly across the United States—30 states and the District of Columbia now have some form of OSG—policymakers face critical questions regarding its potential to generate state revenue. We examine the impact of OSG's rollout on demand for state lotteries, an alternative gambling market, and a crucial source of funding for education, scholarships, and other public services. Leveraging the staggered adoption of OSG across states, we analyze changes in lottery demand using a county-level lottery sales dataset across 18 states plus DC and a separate transaction-level dataset covering 80% of all independent convenience stores in all 50 US states. We find consistent evidence that OSG significantly cannibalizes lottery demand, with lottery sales declining by 4.9% to 6.7% in the 16 months following the introduction of OSG, leading to limited state fiscal gains. Given the low state revenue margins on OSG sportsbook taxes compared to state lotteries, we find that less than half (43%) of sportsbook tax revenue is net new revenue; the other 57% would have been generated through state lotteries. Finally, we show that the substitution is driven by heavy lottery players ("whales") reducing consumption, and that stores in neighborhoods with high concentrations of young Black men see the most significant decline in sales. For state policymakers, these results challenge the notion that OSG is a potential fiscal windfall. The pursuit of new tax revenue from sportsbooks must be balanced against the erosion of state lottery demand.

2 - Tax Design, Pass-Through, and Incidence in Sports Betting

Jeffrey Ohl, University of Chicago, Booth School of Business, Chicago, IL, United States, Matthew Brown

In sports betting markets, the pass-through and incidence of taxation depends on the tax base. An excise tax on wagers in Illinois passed through one-to-one to prices, but taxes on gaming revenues do not pass through to prices. Instead, narrative evidence suggests that firms respond to revenue taxes by reducing marketing expenditures. To understand how these reductions affect demand, we measure the causal effect of advertising on sports betting deposits using a border design. Our estimates imply that a policy that reduces local TV sportsbook advertising by 10% would reduce sports betting deposits by 1.75%. We discuss the policy implications of these facts, which depend on whether there are distortions in sports betting consumption, and on the characteristics of bettors who respond to prices versus marketing.

TD09

B127

Online Reviews IV: Authenticity

Contributed Session

Chair: Mihai Orzan, Bucharest Academy of Economic Studies, Mosilor 199, Bl.3, Ap.43, Bucure?ti, 020859, Romania

1 - Detecting Fake Reviewer Communities with Graph Neural Network and Active Learning

Jianwei Wang, University of New South Wales, kensington, Australia, Leyao Tan, Kaixin Liu, Kai Wang, Shuo Zhang

Online reviews play a crucial role in consumer purchasing decisions on e-commerce platforms, creating strong incentives for sellers to engage in fake review manipulation. Despite extensive efforts by researchers and platforms, detecting fake reviews remains challenging due to the rise of generative AI tools and the scarcity of ground-truth labels. To address these challenges, we propose a graph neural network (GNN)–based detection method that operates on the co-review network. Our approach leverages the community structure of fake reviewers and incorporates active learning to ensure scalability in real-world e-commerce markets. We evaluate

the method on multiple benchmark datasets and find that it achieves a 6% improvement in F1 score compared to state-of-the-art baselines, while requiring only 10% of the benchmark training data. Post-hoc explanatory analysis shows that our advantage arises from better capturing the community structures among fake reviewers. Applying our method to a new large-scale dataset from a leading Chinese e-commerce platform reveals that sophisticated fake reviewers uniquely identified by our method distort market information and real consumer decisions more than the naive fake reviewers detectable by traditional methods. Overall, our study contributes to understanding the organizational structures and strategic behaviors behind fake reviewers and provides managerial guidance for better platform governance over review manipulation.

2 - Mapping Visitor Experience: Hotel Review Trends and Webcare

Yuho Chung, Lingnan University, Hong Kong, Hong Kong, Ling Peng, Wanyi Zheng

We examine how hotel reviews have evolved amid the boom in generative AI and how content and style vary across cultures. Using AI-based text analytics, including topic modeling and stylistic profiling, we extract latent dimensions of visitor experiences from a large, multilingual corpus and compare them across guests' countries of origin and review languages. We also assess temporal shifts coinciding with widespread AI writing tools. Results show systematic cross-cultural differences in emphasis (e.g., service, amenities, value) and tone, as well as temporal changes, such as greater lexical uniformity and standardized phrasing, consistent with increased AI assistance. These insights help hotels tailor communication and services to culturally specific expectations, adapt reputation management to AI-influenced writing styles, and monitor evolving guest priorities to enhance satisfaction.

3 - ***Cancelled*Benchmarking with AI Generated Prompts in Online Review Platforms**

Dai Yao, The Hong Kong Polytechnic University, Hong Kong, Hong Kong, Baozhen ZHAN, Dan Bi

Online review platforms increasingly use generative AI (GenAI) not just to summarize content but to guide users to write new content. This study examines the AI-generated review prompts (AIGP) introduced by Yelp to suggest key topics and track coverage in real time. We leverage its staggered rollout across business categories on the platform as a quasi-natural experiment to examine its dynamic benchmarking effects. Using difference-in-differences, we document a "More Words, Fewer Stars" effect: AIGP increases review length while decreasing ratings. Consumers allocate additional text primarily to prompted attributes, especially vertical quality over horizontal taste. Mediation analysis reveals that AIGP does not directly lower ratings; instead, the decline operates through increased cognitive effort and compensatory mindset—reviewers who invest more effort become less willing to give high ratings. These findings reveal an important trade-off for platform design: while GenAI tools produce richer, more structured reviews, they tighten evaluative standards and shift rating distributions, advancing our understanding of consumer review generation and benchmarking theory.

4 - Cue-Based Authenticity Judgments in AI-Generated Online Reviews

Mihai Orzan, Bucharest University of Economic Studies, Bucuresti, Romania, Mihaela Constantinescu, Maria Petrescu, Alin Cretu, Ana-Ruxandra Neacsu

AI-generated texts are increasingly becoming tools for online review, used by both bots and human reviewers, raising new questions about how consumers infer authenticity. Building on Information Manipulation Theory and the Heuristic–Systematic Model, our research conceptualizes source inference as cue-based judgment in which consumers combine message features (review length, specificity, wording, and sales tone) with marketplace signals (review valence) and shift between heuristic and more systematic scrutiny when cues conflict. We employ a multi-method design, which includes a repeated-measures experiment collecting trust, usefulness, and source-identification ratings, complemented by interviews, eye-tracking, and a synthetic-data extension. Participants identified AI-generated reviews more accurately than human-written reviews, and longer reviews usually increased source-identification accuracy. Review length also robustly increased perceived trust and usefulness across conditions. However, an "AI penalty" was context-dependent: it emerged most strongly in too-good-to-be-true settings and in highly positive (5-star) reviews, but was attenuated or even reversed under lower-valence conditions. Eye-tracking reveals a significant valence-by-length interaction in visual attention, consistent with context-driven shifts between heuristic and systematic processing. Qualitative evidence points to detail richness, unnatural or corporate language, and persuasive tone as key diagnostic cues. The findings advance a nuanced process for AI-review credibility evaluation, suggesting that improving review ecosystems

requires increasing diagnostic richness (prompting concrete details and discouraging ultra-short extreme reviews) and targeting cue combinations that trigger trust, rather than relying on disclosure or detection tools alone.

TD10

B128

Retail and Policy

Contributed Session

Contributed

1 - The Dynamics of Retail Oligopoly

Guang Zeng, Nova School of Business and Economics, Lisbon, Portugal, Arie Beresteanu, Paul Ellickson, Sanjog Misra, James Reeder

This paper empirically examines competition between supermarkets, treating it as a dynamic discrete game between heterogeneous firms. We focus on the overall impact of Walmart's entry on incumbent supermarket firms, quantifying the effects on prices, producer surplus, consumer welfare, and overall competitive structure. Employing a thirteen-year panel dataset of store-level observations that includes every supermarket firm operating in the United States across a large sample of geographic markets, alongside the rapid proliferation of Walmart Supercenter entry, we propose and estimate a dynamic structural model of chain-level competition. In this model, incumbent firms decide each period whether to add or subtract stores or exit the market entirely, and potential entrants choose whether or not to enter. Product market competition is captured via a discrete-choice demand system, incorporating detailed information on prices and characteristics of chains, as well as unobserved heterogeneity in chain-level quality. Our estimation approach combines two-step estimation with a scalable ML-based approximate value-function iteration procedure—incorporating orthogonalization-based bias correction and automatic differentiation to accelerate computation—thereby enabling estimation of the dynamic game in this large-scale, high-dimensional setting.

2 - **Cancelled***A Dynamic Analysis of Intangible Assets in A Merger in Retailing

Mitsukuni Nishida, Johns Hopkins Carey Business School, Baltimore, MD, United States

Despite the strategic intent to enhance profitability, nearly half of all mergers fail. This paper investigates the mechanisms driving post-merger performance through a structural analysis of a merger in the retailing industry in Japan. Utilizing a dynamic game of outlet expansion estimated via sequential Monte Carlo methods, I decompose the merger's effects into revenue, cost, and intangible components. The model treats intangible factors as unobserved, serially correlated state variables that are heterogeneous across firms. While descriptive analysis indicates a post-merger slowdown in sales that varies geographically, the structural estimation identifies potential causes of the slowdown. The results reveal that revenue and cost functions remained unchanged; instead, the slowdown was driven by a significant decline in intangible assets. This deterioration is spatially dependent, increasing with the distance from the parent company's headquarters.

3 - A Decentralization Mechanism for All-Win Through Productivity Enhancement

Bangdong Zhi, University of Bristol, Bristol, United Kingdom, Jiong Sun, Yingchen Yan

Passive vertical ownership is under intense regulatory scrutiny as a potential tool for collusion. We offer a counter-intuitive defense, demonstrating its role as a critical commitment device to escape the "Expansion Trap." In many sectors, the pursuit of sales volume (scale) can disproportionately inflate the marginal cost of productivity effort (efficiency), leading centralized firms to under-invest in deep efficiency gains. We propose a decentralized framework to resolve this tension. First, by delegating retail pricing to a reseller, it creates a double-marginalization effect that acts as a structural "brake" on scale. Second, a passive equity stake in the reseller acts as a financial conduit, allowing the firm to recapture the value of efficiency gains. We identify the conditions for a Pareto-improving "all-win" outcome.

TD11

B129

Marketing-Finance Interface IV

Contributed Session

Contributed

Chair: Domenico Fabrizi, UNIVERSIDADE CATÓLICA PORTUGUESA, lisboa, Portugal

1 - Multinational Marketing Strategies and Investor Behavior

Wiebke Keller, Leuphana University Lueneburg, Lueneburg, Germany, Theresa Veer

As firms increasingly compete globally, advertising not only influences consumers but also shapes how investors evaluate firms across borders. This study examines how multinational firms adjust advertising across home and foreign markets and how these decisions influence investor perceptions, relying data of more than 100 multinational firms and an experiment on investment behavior.

Although global advertising can strengthen international visibility, many firms still perceive foreign markets as riskier and thus favor domestic spending. How this behavior impacts firm performance remains an open question. Because investors themselves often rely on familiarity and geographic proximity when assessing firms, advertising scope may affect investment choices and, consequently, stock performance.

In this mixed method study, we investigate whether firms systematically prioritize domestic advertising when expanding or reducing budgets, and whether such patterns impact overall firm performance. Second, we analyze how investors respond to firms that differ in headquarters location, performance, and advertising focus, and whether local or global marketing amplifies or mitigates investors' geographic biases.

Our results indicate that firms often lean toward their home markets, increasing domestic advertising more rapidly under circumstances of growth and reducing foreign advertising more under financial constraints. These myopic tendencies are associated with weaker firm performance. On the investor side, advertising scope shapes decisions: local advertising reinforces preferences for nearby firms, while global advertising enhances the credibility of foreign firms.

Based on a multi-decade dataset and an investment experiment, these findings offer guidance for optimizing global advertising strategies to improve firm and stock market performance.

2 - From Posts to Profits: Investigating the Financial Performance Impact of Social Media in the Service Economy

Yana Asenova, Kühne Logistics University, Hamburg, Germany, Christian Barrot, Jan Becker

Social media has become an essential marketing tool across industries, shaping brand-consumer interactions and influencing firm performance. Visually focused platforms like Instagram are particularly important for experiential services, where purchase decisions depend heavily on imagery and local visibility. However, many small, resource-limited firms remain hesitant to consistently use social media, due to uncertainty about how online activity translates into economic value. Meanwhile, prevailing advice emphasizes frequent posting and high engagement without clearly showing their financial returns.

This study explores how firms' social media activities generate measurable economic value, using the restaurant industry as a representative example. Restaurants operate with slim margins, compete locally, and rely increasingly on digital visibility, making them a well-suited case for this research. We examine the causal relationship between social media activity and firm performance, focusing on which factors – such as post source and content themes – drive financial outcomes.

This study contributes to the discussion on social media marketing effectiveness by offering context-specific insights for small businesses. Preliminary findings show that, first, social media adoption itself positively influences financial performance, indicating that platform presence already creates value. Second, success factors for small businesses differ from common assumptions: economic returns are driven more by firm-

generated content than by earned or paid media. Third, the effectiveness of social media posts varies across content types, emphasizing the need to distinguish between formats and themes.

3 - The Repetition Penalty: The Impact of Repeated Crowdfunding on Backer Investment Behavior

Jaekang Heo, SKK University, Seoul, Korea, Republic of, Inyoung Chae

Our research examines the impact of repeated crowdfunding—relaunching the same product across multiple campaign rounds—on backer investment behavior. While prior research predominantly focuses on one-shot campaigns, we challenge this view by investigating the sustainability of repeated crowdfunding. To empirically test the effect of repeated crowdfunding on funding performance, we first analyze field data of 21,690 reward-based campaigns from Wadiz, South Korea's leading crowdfunding platform. Using instrumental variable (IV) analysis to account for endogeneity, we document a robust "repetition penalty," wherein successive rounds lead to a significant decline in both financial (achievement rate and number of backers) and non-financial performance metrics. Furthermore, we find that the repetition penalty is significantly attenuated for products characterized by high perceived physical risk.

To replicate the field study findings and test the mechanism, we conduct two online experiments. In the first experiment, we demonstrate that the repetition penalty is mediated by a reduction in perceived innovativeness, providing evidence for optimal distinctiveness theory and the sensation–familiarity framework. In the second experiment, we manipulate product risk profiles to confirm a crucial boundary condition: the negative impact of repeated crowdfunding is significantly mitigated for safety-sensitive products.

These results highlight the dual nature of repetition signals: while repetition signals a loss of novelty for innovation-seeking backers, it can serve as a signal of safety for products with high physical risks. Managerially, this implies that creators can effectively leverage repeated crowdfunding for sustained capital acquisition by striking an optimal balance between novelty and familiarity.

4 - Insurances In Revenue Management: Evidence from the Airline Industry

Domenico Fabrizi, Univesidate Católica Portuguesa, Lisboa, Portugal, Sungtak Hong, Jinglong Zhao, Hermon Kweon, Francisca Grandon Valencia, Josue Yoon

Airlines increasingly offer flexible fare products that allow passengers to cancel for any reason in exchange for future travel credits rather than cash refunds. While such products expand consumer choice, their impact on firm revenues, capacity allocation, and consumer welfare remains theoretically and empirically ambiguous. Flexible products may increase demand by reducing uncertainty risk and by attracting travelers with a higher likelihood of cancellation, but they may also induce strategic booking and cancellation behavior that distorts capacity utilization and pricing incentives.

Using a large-scale field experiment in which the availability of a cancellation insurance is randomized across routes, we estimate the causal effects of offering flexibility. Leveraging detailed traveler-level booking, pricing, and cancellation data, we document how insurance availability affects booking timing, cancellation behavior, and the composition of demand across fare classes.

TD12

B130

Marketing of Higher Education

Invited Session

Special Session

Chair: Laura Kornish, University of Colorado Boulder, Boulder, CO, United States

1 - The Pricing and Financing of Education -- Student Loans and Income Share Agreements

Shubhranshu Singh, Johns Hopkins University, Baltimore, MD, United States, Weining Bao, Kinshuk Jerath

This paper examines the pricing and design of one of the most important services that an individual can consume in their lifetime, and one with tremendous lifetime impact—university education. University education in the US is usually priced as a lump-sum tuition amount, which is typically financed through a student loan. Such a loan subjects the student to the possibility of loan default in the case of an unfavorable post-education job outcome, leading to adverse financial effects for the student. Partially to address this issue, the income share agreement (ISA) pricing format, in which the university gets a fraction of the student's post-education income, is recently being increasingly offered as an alternative to (or in combination with) student-loan financing. We examine a university's decision of offering tuition and ISA pricing with endogenous student learning effort, which affects job market outcomes and expected future income. We find that, conditional on the student joining the university, an ISA results in lower student effort and lower expected future income than a student loan. The university prefers ISA financing if the student faces a large adverse impact from loan default; otherwise, the university prefers student-loan financing. Generally speaking, the university offers higher quality education when it charges higher lump-sum tuition. From a policy point of view, student surplus is always higher in the case of ISA financing than student-loan financing, but if the adverse impact of loan default can be sufficiently reduced, using student-loan financing without an ISA component maximizes expected social welfare.

2 - The Impact of Advertising on College Enrollment

Stephanie Cellini, George Washington University, Washington, DC, United States

There is tremendous variation in both the costs and benefits of a college education in the United States. A student's college choice has enormous implications for the price they pay, the debt they incur, their likelihood of completion, and their future earnings. Research has shown that information about college options plays a key role in college choice, but we know little about how information conveyed in commercial advertising by higher education institutions impacts student enrollment and choice. In this paper we assess the impact of commercial advertising (e.g., paid advertising on television, radio, outdoor ads, internet display ads, or social media) by U.S. colleges and universities on student enrollment. We draw on Nielsen AdIntel advertising data to implement a boundary discontinuity design, based on "Designated Market Areas" (DMA). Because DMA borders do not align with city and county borders, we ask whether exogenous exposure to television advertising on one side of DMA boundary induces greater enrollment in an advertising college among students in the same county who would otherwise have similar local college options. We also describe the geographic and temporal patterns of advertising spending in higher education for different types of institutions including online, selective, for-profit, and public institutions.

3 - Hazardous Pricing at U.S. Colleges

Laura Kornish, University of Colorado Boulder, Boulder, CO, United States, Donald Lichtenstein, John Lynch

Educational debt in the U.S. is now over $1.7 trillion, with about half of that for undergraduate programs. This debt has far-reaching societal impacts, including delaying marriage, childbearing, and home ownership. In this paper, we explore a novel correlate of the mounting educational debt: the colleges' choices on how to frame the price. We study the use of high posted prices ("cost of attendance" in the language of higher education) and discounts ("institutional grants"). In both public and private colleges in the U.S., there has been a sharp increase in the use of institutional grants in financial aid packages for students. Work on Advertised References Prices (ARP) has shown that people respond differently to a discounted ARP compared to an equivalent net price with no reference and no discount. In the context of higher education, the posted prices serve as the ARP and the scholarship as the discount. In existing work on ARPs, typically researchers measure outcomes such as interest in the offer and valuation of the deal. In this paper, we measure a different outcome than prior studies, one that is central in higher education: educational debt. Our central result is that for private schools in the U.S., for the same net cost, students and their families borrow more when a price is framed with a discount. We show that borrowing is more sensitive to the posted price than it is to the discount; in other words, borrowing is not adjusted down dollar-for-dollar with discounts.

4 - More Progress, Less Attrition: the Role of User-Generated Content in Online Education

Varad Deolankar, National University of Singapore, Singapore, Singapore, Ali Goli, S. Sriram, Pradeep Chintagunta

Content platforms routinely face the challenge of managing user engagement and attrition. We study how engagement with user-generated content (UGC) in discussion forums affects both engagement with core content and user retention, using data from Coursera, a popular online education platform. We develop a measure of UGC relevance and use exogenous variation in forum content to identify the causal effect of UGC engagement on user behavior. Our analysis reveals that increased UGC engagement leads to a 33.93\% decrease in time spent on the current module's course material. Importantly however, this reduction in engagement reflects more efficient learning rather than diminished user interest. We find that UGC engagement facilitates course progress, increases engagement with subsequent modules, and reduces the likelihood of attrition. A relevance-based UGC ranking policy results in a 16.80\% improvement in overall course retention compared to the existing recency-based policy. Our findings demonstrate that in online education, reduced time spent on current content can reflect more efficient progress when supported by relevant UGC. Platforms should therefore prioritize design interventions that improve learning efficiency and course completion rather than optimizing solely for short-run engagement metrics that can be misaligned with long-run retention.

TD13

B131

Game Theory II

Contributed Session

Contributed

Chair: Wilfred Amaldoss, Duke University, Durham, NC, United States

1 - On the Role of Sales Agent in Product Line Design

Song Lin, Hong Kong University of Science and Technology, Hong Kong, Hong Kong, Xinyu Cao, Xingyu Fu

Firms often rely on commissioned sales agents to sell a product line, but these agents' incentives may not fully align with the firms'. We formalize this agency tension and show that it is first-order: with an uninformed agent who controls both pricing and persuasion, a two-version product line cannot be sustained in equilibrium. The agent's personal payoff biases effort and pricing toward the easy-to-sell, high-quality product, leading to product line collapse. Strikingly, even an infinitesimal sales delegation may trigger this collapse. We then propose three managerial remedies. First, empowering the agent with customer information can facilitate product line implementation, though incentive misalignment persists and the relaxed (first-best) outcome is not attained in general. Second, limiting the agent's pricing discretion restores managerial control and can sometimes sustain a product line. Third, offering product-specific commission rates --- penalizing sales of high-end products while rewarding those of low-end ones --- can induce product line implementation in equilibrium. Together, these results offer guidance for firm-salesforce coordination: firms should view information access, pricing authority, and commission structure as complementary levers to align selling incentives with product line strategy.

3 - How Can Search Engines use Information Aggregation Units to Compete with and Profit from Sellers?

Wilfred Amaldoss, Duke University, Durham, NC, United States, Fei Long

We increasingly see information aggregation (IA) units, such as Google Flights and Google Shopping, on search engine results pages (SERPs). These IA units help consumers find products that offer lower prices or a better fit. Moreover, consumers can purchase through the direct channel (by typing the seller's URL or using a bookmark) or through the search channel (by using a search engine). Our analysis shows that the search engine can strategically leverage IA units to increase advertising revenue. This occurs because IA units compel advertisers to bid more to protect their direct traffic. When a seller loses the ad auction, the IA unit takes the prominent position on the SERP, making the search channel more attractive and diverting traffic from the seller’s direct channel to the more competitive search channel. However, search engines use only moderately effective matching technology in IA units. If the matching becomes too precise, sellers may be forced to lower prices to retain their direct traffic. This erodes sellers' profit margins and leads them to bid less for ads, thereby hurting the

search engine's ad revenue. Finally, although one may expect better matching technology to improve consumer welfare, we find that it can harm some consumers.

TD14

B132

Algorithms and Fairness

Contributed Session

Contributed

Chair: Ricardo Montoya, Catholic University of Chile, Santiago, Chile

1 - Consumer Behavior and Algorithmic Price Competition: the Case of Reference Dependence

Seyedeh Neda Ahmadi Amiri, Sauder School of Business, Vancouver, BC, Canada, Eddie Ning, Wenjia Ba

As AI and humans increasingly coexist in the marketplace, it is important to understand how human psychology interacts with algorithmic decision-making. How do consumer behavioral patterns influence algorithmic pricing and the resulting prices, profits, and consumer welfare? Do behavioral patterns make consumers more vulnerable to algorithmic collusion? Should consumer AI agents emulate human psychology or act rationally?

This paper investigates how consumers' reference dependence affects price competition. We show theoretically that reference dependence creates two opposing forces on equilibrium prices: higher demand elasticity lowers prices, while easier collusion raises them. We hypothesize that the downward force dominates when algorithms set prices. We test our predictions using simulated experiments in which reinforcement-learning pricing algorithms compete repeatedly over reference-dependent demand. We find that reference dependence intensifies price competition, leading to lower prices, lower firm profits, and higher consumer welfare, even though algorithms become more collusive. These effects persist even when pricing algorithms do not account for behavioral demand features, when consumers are loss-averse, and under alternative assumptions on how consumers form reference prices. Human behavioral biases, while individually non-rational, can collectively discipline pricing and improve consumer outcomes, especially when facing algorithms. We discuss the implications of these findings for the design of consumer AI agents.

2 - Fair to Whom? Algorithmic Fairness in Marketing with Multiple Protected Attributes

Joric Donnet, Erasmus University Rotterdam Rotterdam School of Management, Rotterdam, Netherlands, Aurelie Lemmens

Algorithmic decision-making is widely used in marketing applications, ranging from campaign targeting to pricing. However, a growing body of research has shown that such algorithms can automate, reproduce, and sometimes amplify discrimination embedded in the training data. In response, several approaches in the causal machine learning literature have proposed methods to design fair(er) algorithms. Most existing approaches, however, focus on a single dimension of discrimination even though, in practice, discrimination often arises through the interaction and co-occurrence of multiple protected characteristics. Motivated by this gap, we seek to incorporate a more comprehensive understanding of the dynamics of discrimination in the design of fair(er) algorithms. We focus on the fairness notion of statistical parity, which we argue is particularly relevant for many marketing applications. In this context, fairness entails that algorithmic decision-driven policies do not systematically over- or under-target any protected group, nor expose them to systematically different prices.

The contribution of this work is twofold. First, we show that neglecting some protected attributes when designing a fairness-aware policy can generate adverse effects on other, unaccounted-for protected groups. We identify the conditions and mechanisms through which fairness interventions may paradoxically lead to less fair outcomes when evaluated from a different perspective. Second, we develop a method allowing fairness constraints to be imposed on a broader set of protected attributes. Our approach offers a flexible framework capable of accommodating a broad set of protected attributes and estimation methods, making it applicable to a wide range of causal machine learning problems.

3 - Responsible AI in Customer Experience: a Multi-Method Investigation of Fairness, Bias, and Accountability

Abas Mirzaei, Macquarie University, Sydney, Australia, Shahrzad Baghaipour

The integration of artificial intelligence in customer experience (CX) has transformed marketing processes, yet concerns about unintended consequences, including fairness issues and bias, have emerged as critical challenges for both practitioners and researchers. While AI-enabled CX tools promise enhanced personalization and efficiency, their implementation may inadvertently perpetuate discriminatory practices and create inequitable consumer experiences.

This study addresses this gap by examining responsible AI in CX through a multi-method approach combining theoretical foundations with consumer perspectives. First, a systematic literature review synthesizes existing academic research to identify key antecedents and consequences of responsible AI implementation in customer experience contexts. This review establishes a theoretical foundation for understanding the factors that enable or hinder responsible AI implementation and the resulting impacts on consumer outcomes. Second, the study employs text mining techniques to analyze consumers' self-reported experiences with AI-enabled CX tools across multiple data sources, including Reddit threads and consumer complaint platforms. This analysis captures authentic consumer voices, revealing real-world manifestations of AI-related fairness concerns and biases that may not be apparent through traditional research methods.

By integrating insights from academic literature with empirical evidence from consumer narratives, this research develops a comprehensive framework for responsible AI in customer experience. The framework offers both theoretical contributions to the emerging literature on AI ethics in marketing and forward looking practical guidance for organizations seeking to implement AI systems that prioritize fairness, transparency, and equitable treatment. The findings provide actionable insights for marketers, policymakers, and technology developers in consumer-facing applications.

4 - Optimal Pricing of Points in Points Plus Cash Reward Programs

Ricardo Montoya, Catholic University of Chile, Santiago, Chile

Reward programs increasingly allow members to top up their balances at redemption by paying cash for missing points, a practice known as Points–Plus–Cash (PPC). We develop a finite-horizon model of PPC pricing in which customers differ in point-earning rates and reward valuations. The optimal policy admits closed-form solutions: the per-point price rises convexly as the redemption deadline approaches and declines with reward size. The resulting path segments members endogenously into early, intermediate, and last-minute redeemers. We show that these properties are robust to a range of extensions, including correlated heterogeneity, distinct partner transfer prices, goal-gradient consumption acceleration, nonlinear reward costs, and constant-price benchmarks. Within the model, we characterize the profit implications of dynamic PPC pricing relative to constant pricing. An empirical illustration using publicly available PPC menus from a major U.S. airline documents how observed per-point prices and reward sizes map into the model’s key objects and how its screening logic is reflected in actual program design. Overall, the framework provides a tractable foundation for analyzing PPC schemes and clarifies how intertemporal screening can be implemented through pricing and reward design.

TD15

B133

Pharmaceutical and Healthcare Marketing

Contributed Session

Contributed

Chair: Yizhi Lu, The University of Minnesota, 515 E Grant St, Minneapolis, MN, 55404, United States

1 - Does Branding Affect Perceived Drug Safety?

Manuel Hermosilla, University of Illinois at Chicago, Chicago, IL, United States

Prior research in marketing provides compelling evidence that brand equity influences intimate aspects of consumer decision making and can articulate long lasting competitive advantage for products and companies. Building on this research, in this project we investigate the question of whether brand equity may affect the public's perception of how safe pharmaceutical drugs are. We do so by analyzing data of the FDA's Adverse Event Reporting System (FAERS)—a centralized system that receives millions of reports each year describing adverse events suffered by patients consuming specific drugs. For our analysis, we take advantage of the large success of that the company Pfizer experienced with its covid-19 vaccine, which by several accounts provided a large boost its brand. Comparing the number of reports received for Pfizer (non-vaccine) drugs against drugs manufactured by firms not involved in the development of Covid-19 therapeutics, we find a disproportionate decline of about 8% in the number of reports for Pfizer drugs following the Novemeber 2020 announcement of Pfizer's Covid-19 vaccine 95% effectiveness in clinical trials. This effect is not explained by a decline in consumption of Pfizer drugs or delays in the adverse event reporting process. Moreover, we show that this effect mostly stemmed from adverse event reports originated by consumers (as opposed to providers). Overall, we interpret this evidence as supportive of the idea that the significant boost of the Pfizer brand (by virtue of its Covid-19 vaccine success) may have positively influenced the public's perception of how save non-covid Pfizer drugs are.

2 - A Dynamic Model of Pricing for Prescription Drugs After Patent Expiry -- The Moderating Role of off-Patent Uses for the Drug

Abhik Roy, Quinnipiac University, Hamden, CT, United States

Amaldoss and He (2009), developed a model of price competition between a name brand prescription drug and its generic counterpart. This research extends the static mdel to a dynamic model and tests the latter using data from a number of markets where an off-patent prescription drug competes against its generic version. In addition to price, the effects on demand of direct-to-consumer advertising and detailing activities by the name brand are included in the modeling framework. It is found that the name brand can act as a price leader if it spends on DTC advertising of a brand specific nature, and if it continues promoting the drug among prescribers through detailing. Uniquely in this study, the impact of off-patent applications of the drug (uses beyond those for which it was originally approved) on price competition is examined. We find that off-patent uses enable the name brand to act as a price leader. The model is estimated using price and sales data from three drug categories – antidepressants, hypertension, and hyperlipidemia. Constraints are imposed on the parameters of the system of equations, based on a solution to the dynamic price and advertising game. It is found that the existence of a system of Stackelberg price competition coincides with significant effects of advertising on category demand, and that this effect is enhanced by the existence of off-patent uses that the drug is prescribed for. This has implications for the management of prescription drugs in the 'decline phase' of their product life cycle.

3 - The Impact of Limited Consideration on Market Outcomes in The Hospital Industry

Jack Berger, University of Toronto Rotman School of Management, Toronto, ON, Canada

This paper introduces a random consideration sets model of hospital demand to analyze market interactions while relaxing the assumption that patients necessarily consider all options available from within their contracted networks of providers. A key contribution of the model is its ability to quantify the impact of bounded rationality on market outcomes when firms compete for consideration via advertising. The demand model identifies and estimates the probability that each patient considers and chooses each in-network hospital within a geographic radius of their home. On the supply side, hospitals compete in a two-stage game: (i) with each other for patients' consideration through advertising expenditure, and (ii) with insurers through Nash-in-Nash bargaining over prices. Assuming full consideration in hospital demand biases distance elasticities downward in magnitude, as it fails to account for attention decreasing with distance. Counterfactual simulations show that limited consideration reduces healthcare access and artificially differentiates products, leading to higher average prices and greater price dispersion across hospitals. A retrospective merger is used as a natural experiment, providing evidence that accounting for bounded rationality in models of imperfect competition can improve the accuracy of counterfactual predictions.

4 - Mandating Transparency: Heterogeneous Effect of Hospital Price Disclosure

Xinyao Kong, Indiana University, Bloomington, IN, United States, Tong Guo, Yanwen Wang

We examine the causal impact of state-mandated hospital price disclosure on negotiated billing prices between healthcare providers and insurers. Using ten years of claims data from the Health Care Cost Institute (HCCI), we study Massachusetts and North Carolina's public price-comparison websites launched between 2015 and 2018. These websites disclosed insurer-specific procedure prices at the provider level, substantially increasing transparency. Exploiting this quasi-experimental variation in a difference-in-differences framework with control states, we find that mandated disclosure leads to sizable price increases for outpatient imaging procedures: approximately $43–$164 in Massachusetts and $17–$98 in North Carolina within three years of implementation. Price dispersion declines in North Carolina while remaining stable in Massachusetts. In more concentrated markets, price increases are significantly larger (particularly in North Carolina), and price dispersion declines more. Insurers absorb over 73% of price increases, limiting pass-through to patients. Our findings highlight that mandated transparency does not uniformly lower prices; instead, effects depend on local market structure and insurance contract design, with important implications for the national implementation of hospital price transparency policies.

5 - Quality Regulation and Pharmaceutical Development: Evidence from the Introduction of Bioequivalence in China

Yizhi Lu, The University of Minnesota, Minneapolis, MN, United States, Ce Matthew Shi

Regulations designed to ensure product quality can generate unintended effects on firms' research and development (R&D) and innovation incentives. This paper examines the impact of quality regulation in China-a large developing economy where firms face critical choices between pursuing genuine innovation and imitative R&D. Using new data from official drug application records, we exploit a quasi-experimental policy setting to identify how national quality regulations for generic drugs influence pharmaceutical R&D at both the market and firm levels. We find that China's 2015 regulatory reform, which enforced stringent bioequivalence standards for generic drugs, significantly reduced the number of new generic drug applications for affected molecules. Applications for close-substitute molecules also declined, whereas those for less substitutable drugs remained unaffected. In contrast, innovation activity, measured by new clinical trial applications in related markets, did not experience a significant decline at the firm level. These findings highlight the importance of understanding the policy forces that shape the direction of firm R&D in emerging markets.

TD16

B134

Experiential Marketing

Contributed Session

Contributed

Chair: Zhenning Liang, HKUST, Hong Kong

1 - Leveraging Influencer Networks for Successful Event Marketing

Yiwei Li, Lingnan University, Hong Kong, Hong Kong, Jisu Kim, Robert Palmatier

Influencer-event marketing (IEM) is a rapidly growing strategy in which firms leverage influencers to co-create live or virtual event experiences with their audiences that function as marketing vehicles. By drawing on social network theory and adopting a network architecture perspective, this study synthesizes influencer marketing and event marketing literature to reconcile some inconsistent findings and theorize how the key social network features, such as their nodes (network degree), structure (network density), and ties (relational embeddedness, structural embeddedness), can determine IEM effectiveness. Leveraging large-scale longitudinal field data from a livestreaming platform, the findings indicate that IEM enhances sales because viewers perceive enhanced experiential value; network degree, network density, and relational embeddedness reinforce its effectiveness. However, the influencer's structural embeddedness exerts an inverted U-shaped effect on IEM effectiveness, suggesting the strength of weak ties: Influencers with moderate levels of structural ties are most effective, apparently because they avoid excessive competition. These insights advance a network-based understanding of influence and offer actionable implications for influencer marketing research and practice.

2 - Was Expo 2025 Osaka Truly a Success? A Panel Data Analysis and Determinants of Visitor Support

Hidetomo Tsuji, Keio University, Minato-Ku, Japan, Akira Shimizu

Mega-events such as Expos and the Olympics have reached a turning point, shifting from symbols of national success to subjects of intense scrutiny regarding the use of public funds. In the modern era, gaining public "support" has become a prerequisite for hosting such events, transcending the mere goal of attracting visitors. However, the psychological mechanisms underlying the generation of this support remain underexplored from the perspective of consumer behavior.

Focusing on Expo 2025 Osaka, Kansai, this study utilizes panel data from 3,056 individuals to investigate changes in attitudes toward supporting the event and the factors driving these changes. First, a paired t-test revealed that the level of support for the event shifted positively following the Expo. Second, an Inverse Probability Weighting Difference-in-Differences (IPW-DID) analysis using propensity scores demonstrated that actual visitation significantly increases support for the event. Third, factor analysis, multiple regression analysis, and multiple mediation analysis indicated that the quality of the experience influences the rise in support, mediated by visitor satisfaction.

This study offers implications for the sustainable management of future mega-events involving consensus building.

3 - How to Make Customers More Forgiving After Service Robot Failure? A Study on Robot Gesture and Perceived Robot Extroversion Impact

Zhenning Liang, The Hong Kong University of Science and Technology, Clear Water Bay, Hong Kong, Xueni (Shirley) LI, Wei-Kang Kao, Willie Tao, Lexie Lan Huang

As service robots become increasingly prevalent, how customers react to their service failures has gradually emerged as a noteworthy topic. The research investigates the impact of service robot gestures on customers' mild misbehavior during service failures and its underlying mechanisms, examining the mediating roles of perceived robot extroversion and customer-robot rapport. To mitigate customers' mild misbehavior following robotic service failures, we propose a hypothesis: incorporating robot gestures can enhance the perception of an extroverted personality and foster harmonious human-robot relationships. Two preliminary studies indicate that 1) robots with gestures are perceived as more extroverted and evoke greater levels of human-robot rapport, and 2) they reduce mild customer misbehavior—an effect that cannot be explained by human-like qualities or cuteness. This study advances research in human-robot interaction by examining the impact of robot gestures on customer perceptions, with a particular focus on customers' mild misbehavior during service failures. We aim to provide practical insights for service robot development and marketing, thereby optimizing design, enhancing robot integration, and improving customer relationships.

TD17

B135

Video Streaming

Contributed Session

Contributed

Chair: Bobbie Krijger, Tilburg University, Tilburg, Netherlands

1 - Content Release Strategies and User Engagement on Advertising-Based Video-on-Demand Platforms

Sibo Zhang, University of New South Wales, Sydney, Australia, Yiting Deng, Yu-Ting Lin, Maggie Chuoyan Dong

Video-on-Demand platforms increasingly differ in how they release serialized content—either all at once (“binge”) or sequentially (“episodic”)—yet little is known about how these strategies shape user engagement in advertising-based video-on-demand (AVoD) environments. Using three years of viewing records from a major AVoD platform, we examine how release strategy affects both within-show engagement (progression rate) and cross-show spillover (viewing of other series). Binge-released shows yield significantly higher progression rates

and stronger positive spillover across the platform. These effects are robust across propensity-score matching and instrumental-variable specifications. Furthermore, we employ a Large Language Model (LLM) to extract content features from transcripts—such as cliffhanger strength—to investigate the heterogeneous effects of release strategies. The findings highlight release strategy as a key content-scheduling lever for sustaining engagement and maximizing advertising exposure—offering guidance for AVoD platforms and for subscription services introducing ad-supported tiers.

2 - Too Much of the Same? Linguistic Distinctiveness and Audience Response in Tv Series

Zeynep Aydın Gökgöz, Sabanci University, İstanbul, Turkey, Zeynep Karagür

In light of the growing entertainment and streaming industry, TV series experience an increasing popularity. However, anecdotal evidence shows that only a small proportion of TV series are successful. While the success factors of movies have already been extensively analyzed in existing literature, research on TV series is scarce and mainly focuses on cross-sectional differences across series. However, the success of TV series cannot only be explained by cross-sectional factors, as a major challenge for a TV series' success is to maintain audience interest over a longer period, i.e., across several episodes. Hence, this research considers within- series factors that keep audience's interest and consequently impact the series' success. In specific, this research focuses on the effect of episode-level novelty compared to previous episodes on episode success. Using a unique dataset of 12,991 episode-level observations from 1,627 TV series, we construct an episode-level novelty measure via text analysis of episode subtitles and test its effect on episode ratings, recognizing that episodes form an interdependent sequence in which novelty is inherently defined relative to preceding episodes and audience responses may carry over across episodes. We perform robustness checks across different operationalizations of novelty and sub-samples of TV series. Overall, our findings offer actionable guidance for TV studios and streaming platforms seeking to design series that perform more consistently over time.

3 - The Impact of Password-Sharing Restrictions on Video Streaming Demand

Bobbie Krijger, Tilburg University, Tilburg, Netherlands, Hannes Datta, Bart Bronnenberg

Password-sharing restrictions are increasingly used by streaming platforms to limit illegitimate access, but their market-wide consequences remain unclear. While these policies directly target non-paying users, they may also prompt some of these users to redirect their streaming demand to competing platforms. We study the impact of Netflix's password-sharing restrictions on demand allocation in the streaming market using a difference-in-differences framework. Specifically, we use household-level panel data to compare changes in subscription propensity for non-paying users at Netflix and competing platforms before and after the introduction of restrictions in May 2023. Beyond understanding overall demand reallocation, we examine which non-paying users are more likely to convert to a paid Netflix subscription. To do so, we account for pre-restriction adoption behavior, including length of access, average usage, and acquisition mode. By evaluating the effectiveness of these restrictions, we shed light on the broader implications of monetization strategies for platform competition in multihoming markets.

TD18

B136

Retail Innovations

Contributed Session

Contributed

Chair: Aidin Namin, Loyola Marymount University, Los Angeles, CA, United States

1 - Easing the Path to Augmented Reality (AR) in E-Commerce: A Comparative Study and Behavioural Insights from Web and Mobile AR

Kishokanth Jeganathan, Poznań University of Economics and Business, Poznań, Poland, Andrzej Szymkowiak

Small and medium-sized enterprises (SMEs) face persistent barriers to adopting augmented reality (AR) in e-commerce marketing due to the high costs and technical complexity of mobile app–based AR solutions, limiting their ability to enhance customer experience and influence purchase behavior. This study examines whether Web-based AR (WebAR) can serve as a viable and scalable alternative to Mobile App AR (MAR) by comparing their ability to deliver two core AR affordances critical to marketing effectiveness: Environmental Embedding and Simulated Physical Control. Results reveal no significant differences between WebAR and MAR in delivering these affordances, challenging the assumption that app-based AR provides a superior consumer experience. Beyond experiential outcomes, the study investigates how the process of accessing AR shapes consumer responses. Findings show that perceived usefulness strongly predicts behavioral intention in WebAR, while its effect is weaker in MAR, underscoring the importance of frictionless, goal-oriented AR entry points in marketing contexts. Across both platforms, ease of use and attitudes toward the access process significantly influence behavioral intentions, whereas enjoyment enhances attitudes but does not directly drive intention. Additionally, prior AR experience positively affects perceived ease of use, highlighting the role of familiarity in consumer acceptance of immersive technologies. Together, these findings position WebAR as a cost-efficient, low-friction marketing tool that enables SMEs to deploy high-quality AR experiences without sacrificing consumer value. The study offers actionable insights for marketers and digital strategists on how AR access design influences adoption and effectiveness, contributing to ongoing discussions on technology democratization and experiential marketing.

2 - Interactive User-Generated Content for E-Commerce: How the "Ask Purchasers" Feature Affects Product Sales

Lijing Wang, Renmin University of China, Beijing, China, People's Republic of

This study examines the impact of the "Ask Purchasers" section, a form of interactive user-generated content (UGC), on product sales. As a platform where potential buyers can ask previous purchasers questions, it provides high-credibility information that reduces perceived risks related to product and cost. Using data from a major e-commerce platform, two empirical studies explore how the quantity and structural characteristics of questions in the “Ask Purchasers” section influence product sales. Study 1 finds that the total number of questions positively impacts product sales, with product price and popularity strengthening this effect. However, satisfaction with cross-platform information search weakens the positive impact. Study 2 shows that greater similarity among questions negatively affects sales, though positive question sentiment and product price mitigate this effect. Overall, the findings highlight the value of the “Ask Purchasers” section in offering reliable decision-making information, thus reducing perceived consumption risks. The results also indicate that the effectiveness of information acquisition and risk reduction is influenced by factors such as product price, cross-platform search satisfaction, and the sentiment of the questions.

3 - How Shopping Clubs Work: Differential Effects of Nudges Across the Customer Decision Journey

Nadine Schröder, Hochschule Bielefeld University of Applied Sciences and Arts, Bielefeld , Germany, Christina Schamp, Thomas Reutterer

Online shopping clubs like BestSecret or limango represent about 11% of the European fashion market and are projected to surpass traditional off-pricing retail by 2025 (Balchandani et al., 2022). These clubs utilize a unique e-commerce model, offering exclusive memberships for access to time-limited sales events, fostering a competitive shopping experience. A key feature is the use of digital nudges (i.e., mechanisms designed to influence behavior (Thaler, 2018; Ghose et al., 2023)) throughout the customer journey. Nudges range from pre-purchase alerts (e.g., newsletters about limited-time offers) to purchase reminders including scarcity nudges (e.g., “last sizes”) and social proof indicators (e.g., “very popular choice”).

While prior research has focused on nudges in isolation and short-term impacts on purchase intentions (e.g., Eisenbeiss et al., 2015; Song et al., 2021), the differential effects across the purchase funnel and their long-term effectiveness remain largely unexplored.

Our study aims to fill this gap by analyzing how different nudges in combination impact various stages of the customer journey, from pre-purchase interactions to post-purchase behaviors.

We utilize a unique dataset of daily campaigns and transaction data from a major online shopping club, covering thousands of customers. The retailer varied the types and combinations of nudges in their communications, allowing us to classify campaigns. Our analysis employs fixed effects models to assess the impact of nudges on different stages of the customer journey.

Preliminary findings indicate that nudges significantly influence purchase behavior. Additionally, the effects vary depending on the types of assortment and campaign strategies.

4 - Rethinking Digital Native Enthusiasm: Segmenting Consumer Adoption of Retail Innovations

Aidin Namin, Loyola Marymount University, Los Angeles, CA, United States, Brian Ratchford, Rupinder Jindal, Dinesh Gauri

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This study investigates how consumers adopt emerging retail technologies, focusing on whether digital natives (i.e., Gen Z and Millennials) are consistently more receptive to innovation. Using two nationally representative surveys, respondents rated their intention to use 11 technology-based retail solutions. Finite Mixture Modeling revealed three adoption segments: Prospects, Agnostics, and Laggards. While younger consumers are more likely to be Prospects, only a minority show strong enthusiasm for new retail tools, and overall interest remains modest across age groups. Prospects are typically younger, female, higher-income, and more likely to live in the U.S. Northeast. Consumers respond most positively to subscription models, contactless checkout, and personalized recommendations, whereas drone delivery and virtual fitting tools attract less interest. The findings challenge assumptions of uniform tech-optimism among digital natives and highlight the value of segment-specific innovation strategies.

TD19

B137

Meet the Editors: MKSci, MgtSci, JMR

Invited Session

Special Session

Chair: Pedro Gardete, Nova School of Business and Economics, Carcavelos, Portugal

1 - Marketing Science Journal

Puneet Manchanda, University of Michigan, Ann Arbor, MI, United States

...

2 - Management Science (Marketing)

Jean-Pierre Dubé, University of Chicago Booth School of Business, Chicago, IL, United States

...

3 - Journal of Marketing Research

Raphael Thomadsen, Washington University in St Louis, St. Louis, MO, United States

...

Thursday, June 11, 6:40 PM - 7:30 PM

FT-T1B

B127

Flash Session T1B

Flash Session

Flash

1 - Mental Imagery Extremes and Consumer Engagement: Aphantasia and Hyperphantasia in Virtual Shopping Environments

Jinhee Han, Sacred Heart University, Fairfield, CT, United States, Nikki Wingate, Claudio Schapsis, Chloe Tian

Mental imagery is a fundamental cognitive process underlying perception, information processing, and judgment. Individuals vary substantially in the vividness of their mental imagery, with important implications for how virtual stimuli are cognitively constructed. Despite the growing adoption of immersive retail technologies, limited research has examined how mental imagery vividness shapes experiential and cognitive responses in virtual shopping environments at a process level.

This study serves as a pilot investigation of a mechanistic framework linking virtual experience attributes to affective brand outcomes, with mental imagery vividness as a key moderating factor. Drawing on mental imagery theory and information processing perspectives, the framework proposes that perceived interactivity, vividness, and novelty of a virtual shopping environment shape experiential perceptions—specifically immersion and intrusiveness—by influencing internal mental representations. These experiential perceptions affect elaborative processing, which in turn drives affective brand responses operationalized as brand love. Mental imagery vividness is theorized to condition the strength of these relationships.

Data were collected from 278 undergraduate students at a U.S. university who viewed a standardized virtual clothing store simulation designed to prompt mental visualization. Participants completed measures of mental imagery vividness (Vividness of Visual Imagery Questionnaire; VVIQ2), experiential perceptions, elaboration, and brand love. Analyses control for prior brand familiarity and baseline brand attitudes. Preliminary analyses are consistent with the proposed framework. The model was tested using structural equation modeling in SPSS Amos.

By validating these cognitive mechanisms in a controlled pilot setting, this research establishes a foundation for future studies using consumer samples and immersive AR/VR environments.

2 - Touched by the Past: The Giver-Receiver Asymmetry in the Appreciation of Upcycled Gifts

Zeming Ren, City University of Hong Kong, Hong Kong, Hong Kong, Yue Sun, Fangman Yan, Mengmeng Liu, Xueni (Shirley) LI

Gift-giving is a complex social practice that involves selecting, exchanging, and evaluating items intended to express care, strengthen relationships, and fulfill social obligations. The growing circular economy introduces a new dimension to this practice through upcycled products—items created from repurposed materials. Despite the upcycled goods market being valued at $49 billion, little research has examined their role in social exchanges. This study addresses this gap by examining the asymmetry between the giver and receiver in the evaluation of upcycled gifts.

Across three studies, we find that givers systematically underestimate recipients' appreciation for upcycled gifts. This discrepancy is primarily driven by givers' heightened concerns about contamination. While givers focus on the repurposed nature of these products, recipients emphasize the thoughtfulness of the gesture and the strengthening of their relationship with the giver, which mitigates concerns about perceived contamination. However, this asymmetry diminishes when the upcycled gift requires frequent physical contact (e.g., phone cases, notebooks). In these cases, the haptic interaction makes the repurposed nature of the product more salient to recipients, triggering contamination concerns and reducing their appreciation to levels similar to those of givers. Thus, while recipients generally value gifts, including prosocial ones, perceptions of cleanliness can still undermine their appreciation under certain conditions.

These findings deepen understanding of how perceptions of cleanliness and sustainability shape social exchange and provide practical insights into promoting sustainable consumption through gift-giving.

3 - Stop! Impact of Review Volume and Valence on Consumer Decision-Making

Sameed Khan, Suffolk University, Boston, MA, United States, Ann Kronrod, Yakov Bart

Product reviews are an integral part of the consumer decision-making process (AMC Global 2025; Ravula, Jha, and Biswas 2022). The current work examines how the number of reviews consumers read - review volume - varies by valence and impacts purchase intention and decision certainty. In three studies, we manipulate review valence and gauge participants' responses after they read as many reviews as they want. In Study 1, participants read either all positive or all negative reviews. We found that consumers read significantly more reviews when they are negative. Studies 2 and 3 compared reading only positive, only negative, or mixed valence reviews. We found recurring evidence that people read significantly more reviews when they read mixed-valence reviews than only negative or only positive ones. At the same time, participants perceived mixed-valence reviews as less reliable and less persuasive than both positive and negative reviews. These lower reliability ratings of mixed reviews challenge research suggesting that consumers are skeptical about the reliability of all-positive reviews (Mudambi and Schuff 2010; Wu et al. 2021). This work examines consumer perceptions beyond product attitudes and review ratings and focuses on the perceived reliability of product reviews. We discuss implications for researchers of product reviews and managers of platforms seeking to provide a better consumer experience.

4 - Beyond Early Vs Late: when Brands Speak up in Brand Activism

Matilde Bianchi, IE University - Business School, Madrid, Spain, Elisa Solinas

Brands increasingly issue public statements aligned with social movements, yet consumer responses may depend not only on whether a brand speaks out but also on when it does so. Prior work has largely focused on the former and treated timing as a coarse early-late distinction (Wu & Liu, 2024). In this project, we adopt a more dynamic perspective and explore how more fine-grained differences in the timing of a brand's public statement shape consumer responses.

In a pre-test (N=250), we apply the innovation adoption lifecycle (Rogers, 2003) to this context. The pattern is constant across all measures: brand attitude, perceived quality, likelihood to recommend and to purchase the product. Consistent with prior literature that silence can be costly (Qin et al., 2025), not making any statement results in the lowest evaluation compared to the other conditions *(<0.01 <ps< .065).* However, while prior work suggests making a claim early is better than making it late (Gerrath *et al*., 2025), when plotting our conditions, an inverted U-shape appears, such that statements delivered around the peak attention period tend to generate the most favourable responses, followed by pre- and post-peak statements. This might suggest that, as in product innovation literature, being the first does not always pay off (Golder and Tellis, 1993). Interestingly, the stage that led consumers to perceive the statement as more honest (very-late) underperformed all other stages. Next, we will replicate the effect across social issues and contexts and explore the role of motive attributions in driving it.

FT-T2B

B128

Flash Session T2B

Flash Session

Flash

1 - From Clutter to Clarity: How Consumers Process Front-of-Package Claims and Symbols

Hyowon Kim, Sungkyunkwan University, Seoul, Korea, Republic of, Youngju Kim

Front-of-package (FOP) claims and symbols are critical selling points, yet little is known about how consumers process multiple claim combinations. This study provides a quantitative investigation of optimal FOP design by examining whether consumers perceive claims individually or as benefit-based clusters, and how third-party certifications interact with textual claims. Through a market audit of breakfast cereals and conjoint analysis, we find that consumers organize claims into coherent health benefit clusters rather than processing them

individually. We identify minimum sufficient claim sets that maximize choice likelihood and reveal how third-party symbols can either amplify or substitute specific claim combinations. These findings challenge the prevalent practice of claim proliferation, demonstrating that strategic claim clustering—not quantity—drives message effectiveness. This research establishes actionable guidelines for packaging designers seeking to optimize FOP communication.

2 - Is It Possible? Website Morphing for AI-Enhanced Websites

Yicheng Dai, School of Design, University of Leeds, Leeds, United Kingdom, Boshuo Guo

Following recent breakthroughs, artificial intelligence (AI) has become a central focus for both industry and academia. Notably, the prior research in the field of marketing has often evaluated AI as a stand-alone application. However, in the e-commerce, AI is architecturally embedded in the modern retail websites. Therefore, we adopt an embedded, system-level perspective, treating AI and the website as a unit, and expanding research scope from an AI-consumer dyad to an AI–touchpoint–consumer triad. Based on the morphing theory, we proposed a modified dynamic algorithm that can jointly optimize embedded AI applications and traditional interface elements by modeling a latent consumer state which encompasses AI-attitude, perceived interface complexity, and cognitive style. Following a hybrid partially observable Markov decision process (POMDP)–multi-armed bandit (MAB) framework, the algorithm selects the morphs that maximize the probability of conversions. To test feasibility and effectiveness of this algorithm, we considered to design a virtual website for simulation testing. The contributions of this study can be divided into two aspects. On the one hand, we extend the original theory by introducing an AI-featured consumer state. On the other hand, we provide marketing managers with a real-time AI-enhanced website optimization that balances short-term conversion rates with long-term user adaptability.

3 - Debiasing OPT-in Online Surveys: Evaluating Weighting, Synthetic Data, and LLM-Based Approaches

Afiqah Adilla, INTAGE Inc., Tokyo, Japan, Naoko Oshiro, Toranosuke Oda

Opt-in online surveys have become a dominant mode of data collection in marketing research due to their speed and cost efficiency. However, since respondents self-select rather than being drawn from a probability-based sampling frame, these surveys often suffer from substantial sample bias. To understand the effectiveness of different correction strategies, we use data from a 2024 online survey containing variables that overlap with multiple Japanese national benchmarks, including the Population Census, Labour Force Survey, and Consumer Trend Survey. We evaluate four traditional weighting approaches— post-stratification, raking, propensity-based weighting, and sample matching—alongside two generative models (TVAE, CTGAN) and multiple large language model (LLM)–based synthetic data generation strategies (direct prompting and prompting with distributional information). To evaluate robustness under severe selection bias, we further conduct stress tests by artificially distorting our survey to create samples with extreme gender imbalances. Across all experiments, CTGAN produces the smallest average divergence from national benchmark distributions, and for more than 70% of held-out benchmark variables, the absolute standardized mean difference (SMD) is lower than that of the unadjusted sample, even under substantial sample distortion. LLM-based synthetic data generation exhibits higher volatility, with results varying by question type and prompting approach. Traditional weighting methods yield only incremental improvements relative to the unadjusted sample. Overall, our results identify when modern generative models can meaningfully reduce bias in opt-in online surveys, and when conventional weighting or LLM-based approaches are insufficient, offering practical guidance for marketing researchers seeking to improve the external validity of non-probability survey data.

4 - State-Owned Capital Shareholders and Private Listed Companies Tax Credit Rating

Wang Shengjun, Renmin University of China, Beijing, China, People's Republic of, NI Zebin

Examining the influence of state-owned capital shareholders on the tax credit management of private enterprises has significant theoretical and practical implications for advancing the construction of the social credit system and deepening ownership reforms. This study, fouced on a sample of A-share listed private companies in China from 2014 to 2022, investigates the effect of state-owned capital shareholders on the tax credit rating of private enterprises. The research finds that state-owned capital shareholders significantly reduces the tax credit rating of private enterprises. Mediation test indicate that the easing effect of financing constraints and the shelter effect of

political connections brought about by state-owned capital shareholders diminish the motivation and requirement for private enterprises to strive for an A-rating in tax credit, thereby exerting a negative impact. At the same time, this paper excludes the alternative explanation that state-owned capital shareholders increases the difficulty of tax payment of private enterprises, and thus affects their tax credit rating. Heterogeneity analysis reveals that higher levels of internal and external corporate governance can mitigate this negative effect. Further analysis shows that this negative effect mainly stems from the local state-owned capital shareholders rather than central state-owned capital. This paper not only enriches the literature on the economic consequences of state-owned capital shareholders and the influencing factors of tax credit rating, but offers important insights for the development of corporate tax credit systems and the deepening of mixed ownership reform.

FT-T3B

B129

Flash Session T3B

Flash Session

Flash

1 - Encouraging Content Creation via Public AI Chatbots: Evidence from a Social Media Platform

Mingyang Liu, The Hong Kong Polytechnic University, Hong Kong, Hong Kong, Bicheng Yang, Dai Yao

Social media platforms have deployed badges, peer recognition, social norms, and monetary rewards, yet motivating sustained user contributions remains difficult. Recent advances in natural language processing and large language models (LLMs) enable a new social nudge channel: AI chatbots that leave publicly visible comments on user posts. We assess this strategy using data from a leading social media platform, constructing a seven-month user-level panel that spans the introduction of an AI chatbot. Employing difference-in-differences methods, we find that chatbot nudges increase both the volume and the quality of user-generated content. To interpret these effects, we draw on social capital theory. The observed patterns are consistent with the pillars of relational social capital. We further test two moderators—commitment and reciprocity—and find that the nudge is more effective for more committed users and when the chatbot's comment is provides stronger reciprocity cues (e.g., longer and posted earlier), lending additional support to the proposed interpretation. These results refine understanding of UGC incentivization and social nudges and provide actionable guidance for platforms seeking to enhance engagement through AI-driven interventions.

2 - Optimizing the Multi-Dimensional Live-Streaming Mix: a Structural Modeling Approach

Xiaofen Wang, Peking University, Guanghua School of Management, Beijing, China, People's Republic of, Yingjie Zhang

Live-streaming commerce has become a central sales channel for brands, yet there is limited understanding of how brands optimally design their live-streaming strategies across multiple dimensions. Using detailed brand-influencer-session level data, this paper studies how brands jointly choose the allocation between brand-owned and influencer-led livestreams, influencer follower tier, product assortment breadth, and live-streaming frequency. We document substantial heterogeneity in strategy adoption and performance. Although all 16 strategy configurations implied by these dimensions are observed in the market, brands disproportionately concentrate on a small subset, and commonly adopted strategies are often not performance-maximizing. Optimal strategies also vary systematically across brands with different price tiers, suggesting that observed behavior may reflect frictions rather than optimal decision-making. To interpret these patterns, we develop a structural model of brands' live-streaming strategy choices that captures the trade-offs underlying multi-dimensional strategy design. The model is estimated to fit observed behavior and sales outcomes, and is used to evaluate whether brands' decisions are consistent with optimal strategy selection. Counterfactual analyses quantify the potential gains from alternative live-streaming strategies and highlight conditions under which reallocating live-streaming efforts can improve performance. Our findings provide new insights into influencer strategy design and offer guidance for optimizing livestreaming strategies in digital marketplaces.

3 - Green Bullwhip Effect and Government Subsidy Policies

Mengyuan Shen, School of Management, Fudan University, Shanghai, China, People's Republic of, Yu Zhang, Lin Tian

Indirect emissions along the channel (Scope 3 emissions) constitute a major component of firms' total emissions, yet they have long been overlooked in firms' sustainability decision-making and policy design. As consumers increasingly attend to end-to-end greening across the product value chain, voluntary green actions of firms within the channel and the associated coordination issues call for systematic investigation. This paper develops a manufacturer–retailer model to examine firms' voluntary green-effort decisions under consumers' green preferences, compare behavioral differences along the vertical structure, and explore the coordinating effects of government green subsidies. We find that, in the absence of subsidies, consumers' green preferences amplify green effort upstream, generating a "green bullwhip effect" that results in insufficient downstream green effort from a channel-system perspective. Building on this, we compare three green subsidy policies: retailer unilateral subsidies, manufacturer unilateral subsidies, and full-chain subsidies. The results show that retailer unilateral subsidies can mitigate downstream firms' insufficient green effort. Under the same subsidy rate, full-chain subsidies increase firms' profits and consumer surplus. Moreover, in most settings, full-chain subsidies maximize social welfare. This paper provides a theoretical basis for understanding the mechanism through which consumers' green preferences shape green actions of firms within the channel, and for the differentiated design of green subsidy policies.

4 - Dynamic Marketing Capabilities and Artificial Intelligence: Systematic Literature Review

Lucas Damasio, Pontifical Catholic University of Paraná, Curitiba, Brazil, Carla Netto

A systematic literature review (SLR) was developed on the relationship between Dynamic Marketing Capabilities (DMCs) and Artificial Intelligence (AI) applied to marketing, categorizing the findings into different perspectives. Research on CMDs focuses on antecedents, moderators, consequences, as well as the conceptualization and measurement of buildings. Studies highlight the positive influence of DMCs on innovation and competitive advantage. On the other hand, studies on AI in marketing analyze its internal (generation of efficiency and knowledge) and external (relationships and performance) impacts with a limited number of studies that connect these two themes. The study adopted the PRISMA methodology, as guided by Page at al. (2021). The realization of the SRL was motivated by the assumption that the adoption of AI and the development of a set of DMCs by companies are related phenomena. This argument is based on research that relates DMCs to the adoption of new technologies and capabilities (de Oliveira et al., 2024; Mikalef et al., 2021). However, AI presents a new set of opportunities and barriers, with possible contributions to the literature on DMCs. The findings of SLRs suggest that the relationship between DMCs and AI is strategic to promote organizational competitiveness. As an agenda for future research, this study identifies opportunities in three macro topics: AI and microfoundations of DMCs, AI as an antecedent or moderator of DMCs, and the costs and risks of AI.

5 - Veterinary Care and the Influence of Corporate Roll-Ups

Jordan Hutchings, University of Toronto, Toronto, ON, Canada

Private equity has rapidly transformed veterinary care through a strategy of serial acquisitions, or "roll-ups," consolidating thousands of locally owned clinics into a small number of corporate networks. I study how roll-ups reshape consumer demand, firm behavior, and workplace composition in a credence-goods market where quality is difficult to observe and competition is highly local. The acquisition strategies differ sharply across major corporate owners, with some firms rebranding clinics under a national umbrella brand, while others conceal ownership changes from consumers. By exploiting staggered acquisition timing and cross-market variation in ownership structure, I examine changes in consumer foot traffic and spend, as well as labor and hiring outcomes before and after acquisitions. This reduced-form approach allows me to analyze how roll-ups impact consumers, local competition, and workplace composition in a credence-goods market.

FT-T4B

B130

Flash Session T4B

Flash Session

Flash

1 - Hallyu in the Indian Market: Evaluating the Effect of Korean Brand Identity on Consumer Perception and Purchase Intention

Vivek Sharma, IIM Indore, Gwalior, India, Ayushi Gupta

The Hallyu waves and Korean culture's global impact have greatly influenced the consumer market outside of East Asia, opening new avenues for transcultural branding. With an emphasis on the relationship between cultural symbolism, brand aesthetics, and consumer behaviour, this study investigates how the Korean branch identity affects Indian consumers' views and purchase intentions. A systematic questionnaire was used to gather information from 208 Indian respondents who were familiar with Korean-branded goods like food items, electronics, and cosmetics. The investigation, which makes use of Partial Least Squares Structural Equation Modelling (PLS-SEM), shows that design aesthetics, cultural appeal, and perceived authenticity all greatly improve brand perception, which in turn has a positive impact on purchase intentions. By providing empirical data from the little-studied India-Korea setting, this study adds to the body of literature on transcultural branding by emphasizing how cultural affinity and symbolic branding influence customer engagement in emerging markets. To optimise market acceptance, the study offers foreign marketers' practical advice on striking a balance between cultural adaptation and brand consistency.

2 - Does E-Servicescape Matter in Livestreaming Sales? the Role of Flow Experience and Viewer Motivation

Ruohan Zhang, University of Macau, Macau, China, People's Republic of, Ying Ho

With the proliferation of the Internet commerce, livestreaming sales become an important way for people to entertain and consume. While plenty of research evidences support the importance of servicecape in traditional offline sales, the influence of digital sales environment (e.g., livestreaming room) on online consumers is less investigated. It would be intriguing to understand if elements of digital sales environment shape consumer experience and responses. This study investigates the relationship between livestreaming e-servicescape (i.e., aesthetics, functionality, interactivity, and financial logistics) on consumer behaviors (i.e., willingness to pay premium, word-of-mouth intention, and reward/gifting intention), and explores the roles that flow experience and viewer motivation play in this link. Data was collected from 533 Chinese consumers who have participated in live streaming sale of major Chinese e-commerce platforms (such as Taobao, Tiktok, Xiaohongshu, Kuaishou). Analysis results suggest that all e-servicescape dimensions induce flow experience in consumers, which in turn shape consumer responses. However, apart from a few exceptions, impacts of e-servicescape dimensions on consumers are partially mediated by flow experience. This calls for more research attention to identify other factors to explain e-servicescape's effect on consumers. Interestingly, consumers' self-expansion motivation enhances the impact of interactivity dimension on consumer responses. Interactivity exerts larger effect on consumers when the viewers possess high self-expansion motive. This highlights the need to consider consumers' viewing motive when designing livestream sales e-servicescape. Our results provide insights to the livestreaming industry on how to build and arrange livestreaming e-servicescape to enhance sales and marketing effectiveness.

3 - When Emojis Backfire: Evidence from Virtual Influencer Marketing

Tingxuan Zhang, University of Macau, Macau, China, People's Republic of, Shizhe Zheng, Cheris Wing Chi Chow, Matthew Tingchi Liu

Driven by the rapid advancement of artificial intelligence and computer-generated imagery, virtual influencers have emerged as a prominent force in digital marketing. Compared to human influencers, virtual influencers show greater controllability and brand consistency. Meanwhile, emojis are widely used in influencers' online communication. While prior research on human influencer marketing evidenced that expressive cues such as emojis uniformly enhance engagement, this phenomenon may not hold in the context of virtual influencers. Using a secondary-data study of Instagram posts published by virtual influencers, we analyzed the relationship between emoji use and engagement outcomes. The results show that, for virtual influencers, posts containing emojis are associated with lower engagement compared to posts without emojis. Moreover, we classified emojis

embedded in posts into facial versus non-facial categories and found that the negative association is more pronounced when facial (vs. non-facial) emojis are used. This research has several potential contributions. Theoretically, this research contributes to the emerging literature on virtual influencers by illustrating the dark side of using emojis in virtual influencer communication and discerning its differential effect of varying types of emoji. Our findings also offer practical insights for marketers on designing effective communication strategies for virtual influencers. Future studies should incorporate laboratory experiments to examine the underlying mechanism of the relationship between the use of emojis and virtual influencer marketing.

4 - Love is Not Blind: from Mating to Picky Consumption

Yingxin Liu, University of Sydney, Sydney, Australia

Driven by the fundamental motivation to mate, dating serves as a vivid illustration of how social needs strategically shape consumption (Taheran et al., 2024). While existing literature predominantly views mating-related consumption as “costly signaling” to display status, this perspective overlooks the profound vulnerability and social anxiety inherent in courtship (Griskevicius et al., 2006, 2007). This research proposes a shift in perspective. We argue that the mating mindset, individuals experience heightened social anxiety (Afram & Kashdan, 2015), in turn, fosters picky consumer behaviour that manifest as narrower latitudes of acceptance, greater attention to product attributes, and a lower tolerance for minor flaws.

Employing a mixed-method approach, this research integrates large-scale observational analysis with controlled experiments. Study 1a analyzes over 1.9 million Yelp reviews, revealing that consumers in mating contexts select restaurants with higher social validation but are significantly more critical in their reviewing process. Subsequent experimental studies are designed to establish causality, demonstrating that mating motives heighten state anxiety, which mediates the effect on pickiness. Furthermore, relationship security is identified as a critical boundary condition; the effect of mating motives on pickiness is attenuated in long-term relationships or when external validation buffers social anxiety.

Theoretically, this work broadens the mating motivation literature beyond promotion-focused signaling to highlight the prevention-focused role of anxiety as a trigger for situational pickiness. Practically, it suggests that businesses can mitigate negative feedback from dating consumers by offering proactive validation to alleviate their underlying social anxiety.

5 - Does Offering Multiple Product Versions Pay off? Vertical Differentiation and Performance in Reward-Based Crowdfunding

Zhenzhen Shi, Wuhan University, Wuhan, China, People's Republic of, Fue Zeng

Reward-based crowdfunding campaigns increasingly employ vertical product differentiation—offering multiple versions of a product that vary in quality or functional level—to attract heterogeneous backers. Despite its prevalence, little is known about whether vertical differentiation improves crowdfunding performance and through what mechanism. We propose that providing vertically differentiated versions enhances crowdfunding outcomes by increasing potential backers’ perceived diagnosticity, which in turn elevates crowdfunding performance. We further identify an important boundary condition of this effect: platform endorsement. When a campaign is endorsed by the platform, the endorsement itself serves as a salient evaluative cue, thereby weakening the incremental role of diagnosticity generated by vertical differentiation and attenuating the positive impact of vertical differentiation on crowdfunding performance.

We test these predictions using a multi-method approach. First, we analyze a large-scale dataset scraped from Kickstarter to examine the main effect of vertical product differentiation on funding performance and its moderation by platform endorsement. Second, four experiments establish causality and provide direct evidence for the proposed mediated moderation. Results across the field data and experiments consistently support the hypotheses: vertical product differentiation increases crowdfunding performance via perceived diagnosticity, but this advantage is weaker when platform endorsement is present. These findings advance understanding of product versioning strategies in reward-based crowdfunding and clarify when platform-level signals substitute for campaign-level design features in shaping funding outcomes.

FT-T5B

B131

Flash Session T5B

Flash Session

Flash

1 - When Historical Return Information Helps or Harms: Evidence on Purchase and Return Behavior in Online Retailing

Sybilla Merian, University of Lucerne, Lucerne, Switzerland, Andrea Giuffredi-Kähr, Malin Pimper, Silvia Blas-Riesgo, Radu Tanase, Martin Natter

Online retailers are increasingly experimenting with informational cues to reduce high product-return rates. An emerging market phenomenon is displaying historical return behavior, indicating whether previous customers kept or returned products. Retailers assume that this information improves purchase decisions and reduces returns by encouraging scrutiny of products with high return rates. However, theory suggests this signal may backfire: evidence of previous returns may increase the likelihood of a return. The authors analyzed data from two large-scale field studies conducted with a major European online retailer to investigate how displaying historical return rates affects purchase and return behavior. The studies differed in how prominently the return-rate information was displayed. When the information was less prominent and required consumer effort to access, only interested consumers used it to inform purchase decisions: moderately high return rates reduced purchase likelihood, particularly for high-priced products, whereas very low rates increased purchase likelihood for low-priced products. When the same information was displayed more prominently, reaching a broader audience, patterns indicated a backfiring effect: elevated return rates increased the likelihood of returns. These findings suggest that online retailers should provide return information selectively to support informed but responsible purchases.

2 - Show It vs. Say It: How Website Design Influences Visual Attention Across Age

Jingling Yu, ECNU, Shanghai, China, People's Republic of, Ralf van der Lans

As digital shopping environments become more visually complex, older consumers may find it increasingly difficult to navigate them effectively. These challenges are not only due to age-related declines in visual attention and cognitive speed, but also because many online platforms are designed with younger users in mind. Yet, older adults remain an important and growing consumer segment as the global population ages. This research explores how different formats of product presentation—specifically, visual-only displays versus those that combine visuals with text—affect product search performance across age groups.

In Study 1, participants completed an online shopping task where they searched for a target product displayed either as an image alone or with textual information. Interestingly, when product names and details were shown alongside images, older adults made fewer identification errors than their younger counterparts, despite much slower. Study 1 also varied the visual similarity between products and found that higher similarity moderately reduced search accuracy for all participants. To better understand the underlying cognitive mechanisms driving age-related differences, we conducted second study using eye-tracking. The study involved 352 Filipino domestic workers in Hong Kong, a group with a relatively consistent background but a broad age range from 25 to 60. Eye-tracking data revealed that older participants spent significantly more time fixating on textual content, and those who focused more on text were also more accurate in identifying the correct product. These findings support that older adults engage more deeply with textual information as a compensatory strategy for age-related changes in visual processing.

3 - Trait OR State? the Dynamics and Evolution of Health Consciousness as a Hidden Markov Model

Ruosi Wen, McGill University, Montreal, QC, Canada, Ernan Haruvy, Clarice Zhao

Extant work on healthy consumption in grocery basket data typically treats health consciousness as a latent state inferred from observed purchasing behavior. However, such frameworks implicitly treat health consciousness as

a stable, time-invariant household trait, with dynamics arising only through contemporaneous prices, promotions, or category substitution. This static-trait assumption cannot explain the pronounced within-household instability and recurrent "on–off" patterns in healthy consumption observed in long-run panel data. In particular, existing models are silent on why the same household repeatedly enters and exits healthy consumption regimes, and what systematic forces govern these transitions. We address this gap by reconceptualizing health consciousness as a latent, state-dependent process whose evolution is endogenously shaped by the Household Life Cycle (HLC). We model dynamics, explicitly linking life-cycle transitions (e.g., parenthood) to changes in the persistence and switching of health states. This allows us to explain instability in healthy consumption as a predictable consequence of life-stage processes rather than as noise or preference shocks.

4 - Investigating the Effects of Attitude Toward Globalization on Consumer Innovativeness

Bingxuan Guo, Wake Forest University, Winston Salem, NC, United States, Huachao Gao, Yinlong Zhang

Consumer innovativeness is essential for marketing scholarship for its importance explained in Bass model of innovation diffusion across globe. This paper examines a novel antecedent of consumer innovativeness, which is consumers attitude towards globalization. Using one secondary panel dataset of more than 100 countries, one individual-level survey, and one experiment, we find that attitude toward globalization has a positive effect on consumer innovativeness. Furthermore, we identify desire for new experiences as a viable mechanism underlying this effect. Theoretically relevant moderators such as product type is tested. These findings contribute to both desire for experiences and globalization literature.

5 - Recruit or Reuse? The Returns to Repeated Influencer Partnerships

Chloe Moon, Loyola Marymount University, Los Angeles, CA, United States, Wenshu Zhang, Hajin Shin, Bomnim Hwang

Brands face a practical tradeoff between continually searching for new influencers and reusing existing partners. Yet the returns to repetition are theoretically ambiguous: repeated exposure may strengthen relational capital and credibility, or it may erode effectiveness as audiences become saturated with recurring sponsorship. We study these dynamics in a South Korean social commerce setting (2018–2019) where each sponsored post is linked to influencer-attributed sales through unique tracking links. This linkage provides a direct mapping between brand–influencer partnership histories and influencer-attributed sales. We document how performance evolves as brand–influencer partnerships repeat and examine how timing and execution characteristics shape the returns to repetition. The study contributes to influencer marketing and relationship marketing by clarifying when repeated collaborations behave like relationship-building investments versus when they exhibit diminishing returns, offering practical guidance on influencer reuse strategies in social commerce.

Friday, June 12, 8:30 AM - 10:00 AM

FA01

B002

Session on Algorithmic Pricing

Invited Session

Special Session

Chair: Hangcheng Zhao, Rutgers University, Piscataway, NJ, United States

1 - Sophisticated Learners, Simple Rules: the Strategic Selection of Simple Rules in Algorithmic Pricing

Qiaochu Wang, New York University, New York, NY, United States, Shijian Liu, Anindya Ghose

Current debates on algorithmic collusion typically assume AI agents learn prices directly, overlooking the reality that most online sellers use repricers based on simple, pre-defined rules. We address this disconnect by modeling a Multi-Agent Reinforcement Learning (MARL) system where agents learn to select strategies, such as Undercut, Match, or Reset, rather than specific prices. We demonstrate that sophisticated learning of these simple rules consistently yields supracompetitive prices, scalable to markets with up to ten sellers. Depending on

consumer price sensitivity, we observe either stable tacit collusion or volatile Edgeworth Cycles. A key contribution of this work is our analysis of the "Reset" strategy. We identify a striking paradox: while Reset rules aid collusion in price-sensitive markets by speeding up recovery cycles, they can actually lower prices in less sensitive markets. In the latter case, the Reset mechanism acts as a "safety net" that reduces the risk of price wars, ironically emboldening agents to undercut more aggressively. Supported by empirical evidence from Amazon, our results suggest that the "menu" of rules available to AI agents is a critical determinant of market outcomes, offering vital implications for managers and policymakers.

2 - Competing Multi-Product Firms Using Single-Product Pricing Algorithms

Kohei Hayashida, University of California San Diego, San Diego, CA, United States, Karsten Hansen, Kanishka Misra, Mallesh Pai

Retailers are increasingly adopting AI-based automated pricing algorithms for pricing decisions. These algorithms offer scalability and ease of implementation, including the capability for automated price discovery through real-time experimentation. However, recent theoretical and empirical studies have indicated the potential for supra-competitive outcomes, sparking policy concerns.

Previous studies have focused on single-product firms. This paper explores competing multi-product firms, where the complexity of joint pricing becomes intractable due to the curse of dimensionality. We assume firms either employ independent single-product algorithms for each product or a unified algorithm applying a constant markup across products.

We first provide evidence that firms in practice use these algorithmic simplifications. We then show that if multi-product firms utilize single-product algorithms, supra-competitive pricing is unlikely to result. Formally, we analytically show a threshold of cross-product substitution above which single-period Nash equilibrium becomes the sole stable state. Our simulation experiments support this, showing that such algorithms often result in sub-competitive (below Nash) equilibrium. In contrast, firms using constant markups across products can reach supra-competitive steady-state prices. We show that when firms' products are demand-independent, constant markup models can support strategies akin to multi-market contact. Thus, our research refines the understanding of potential algorithmic collusion and offers policymakers insights into which algorithms might lead to supra-competitive prices.

3 - Algorithmic Pricing and Consumer Price Sensitivity

Diego Aparicio, IESE Business School, BARCELONA, Spain, Dean Eckles, Madhav Kumar, Catherine Tucker

Artificial Intelligence (AI) automates human decisions. Algorithmic pricing—an AI application for scalable price determination—is now prevalent in ride-hailing, travel, drugs, gasoline, and online retail. A common thread across all these implementations is heightened price variability due to frequent price adjustments made by the algorithms. We study the impact of this algorithmic pricing-induced price variability on consumer behavior. Using granular clickstream data from an online grocery retailer in the U.S. that implemented algorithmic pricing, we find that increased price variability exacerbates consumer price sensitivity. While extant literature shows that firms are better off using algorithmic pricing, these findings are economically consequential as AI pricing triggers side effects that undermine those gains, i.e., a more price-sensitive demand offsets some of the expected benefits of algorithmic pricing. We confirm the findings of our field study using controlled lab experiments.

FA02

B003

Inside Ad Tech: Targeting and Competition in Digital Display Advertising

Invited Session

Special Session

Chair: Robert Zeithammer, UCLA, Los Angeles, CA, United States

1 - Can Privacy Technologies Replace Cookies? Ad Revenue in a Field Experiment

Garrett Johnson, Boston University, Boston, MA, United States, Shunto Kobayashi, Zhengrong Gu

As regulators seek to balance user privacy with publisher sustainability, Google's Privacy Sandbox offers a potential replacement for third-party cookies. This paper presents the first independent estimates of the publisher-side economic effects of Privacy Sandbox, a suite of privacy-enhancing technologies for online advertising. Leveraging an open, industry-wide field experiment, we partner with a major ad management firm to evaluate over 200 million ad impressions across more than 5,000 publishers. We find that removing third-party cookies reduces publisher revenue by 29.1%, while Privacy Sandbox preserves just 4.2% of this lost revenue. We further document that Privacy Sandbox increases ad latency and reduces impression delivery by 2.9%. The results underscore the continued economic tension between privacy and the funding of online content.

2 - Dynamic Auctions with Budget-Constrained Bidders: Evidence from the Online Advertising Market

Shunto Kobayashi, Boston University, Boston, MA, United States, Miguel Alcobendas

When price discovery is necessary for time-sensitive goods, a common practice is to conduct an auction for each item sequentially, but dynamic incentives can lead to behavior distinct from static settings. We provide a novel empirical analysis of a large-scale sequential market that employs auctions to allocate objects to firms with budget constraints, leveraging a unique proprietary dataset of the online advertising market. In this market, because of their short-run budget constraints, participants face a tradeoff between winning auctions immediately or holding out for later opportunities. This dynamic incentive prompts them to adjust their entry rates and bidding strategies accordingly. We develop and estimate a finite-horizon dynamic game between bidders with heterogeneous budgets facing a sequence of simultaneous auctions to quantify this incentive and analyze its implication in competition and auction design. We find that a substantial markdown occurs due to the dynamic incentives arising from budget constraints, and this markdown varies significantly among bidders with different budgets. Using the estimated structural model, we provide a counterfactual simulation comparing the first-price and second-price formats. Unlike the standard environment, we find that dynamics and heterogeneous budgets lead to a significant disparity in the welfare distributions under them. This highlights that even a seemingly simple mechanism choice can have competitive implications in such a dynamic environment.

3 - Mass of Bids at Reserve

Robert Zeithammer, UCLA, Los Angeles, CA, United States

We document partial pooling of bids at the reserve price in a large digital display advertising market that uses first-price auctions. To explain this pattern, we exploit a unique feature of the data: direct observation of one bidder’s actual bidding strategy. This bidder follows a heuristic approach that mechanically generates a mass of bids at the reserve. Specifically, the bidder pre-computes bids based solely on valuation, ignoring the reserve price, and then censors bids upward to the reserve whenever valuation exceeds the reserve but the pre-calculated bid falls below it.

Although we do not directly observe other bidders’ strategies, we test a key implication of the heuristic model. When the reserve price decreases exogenously, the upper tail of the bidding distribution above the higher reserve should remain unchanged. We find that a majority of bidders exhibit behavior consistent with this prediction, suggesting widespread use of similar heuristics.

We then study the economic implications of heuristic bidding through counterfactual analysis. Comparing outcomes under the heuristic strategy to those under a Bayes–Nash equilibrium, we find that equilibrium bidding produces higher bids on average, increasing publisher revenue by 9% while reducing bidder surplus by 5%. These results indicate that simplified bidding heuristics, while convenient for bidders, lead to systematically lower revenues for publishers and contribute to inefficiencies in online advertising markets.

FA03

B004

Retail and Shopping

Contributed Session

Contributed

Chair: Eric Anderson, Northwestern University, Evanston, IL, United States

1 - Inflation-Induced Consumption Smoothing In Grocery Shopping: A Cross-Country and Cross-Category Investigation

Bastiaan van Houten, Tilburg University, Tilburg, Netherlands, Julian R.K. Wichmann, Marnik Dekimpe

Global inflation reached 10.4% in 2022—its highest level since 1988 (OECD, 2023)—and rising prices have become consumers' top concern worldwide (Ipsos, 2025). While previous marketing research has studied the trading-down behaviour of consumers in recessionary periods, inflation differs from business cycles in its scope, salience, and immediacy. We investigate how inflation affects two key forms of consumption smoothing in grocery retail: (1) brand switching from national brands to private labels and (2) channel switching from conventional retailers to discounters. Using large-scale, household-level panel datasets obtained through AiMark, we analyze grocery purchases across 33 countries and 78 product categories over nearly two decades (2005–2023).

We adopt a two-stage modeling approach. In Stage 1, we estimate market-specific error-correction models to estimate the short- and long-run effects of inflation on private-label and discounter volume shares. In Stage 2, we use weighted regressions to explain cross-market heterogeneity in these effects, leveraging eight country-level moderators (e.g., GDP per capita, informality) and four category-level characteristics (e.g., purchase frequency, functional risk).

Our findings indicate that inflation significantly alters market shares for both private labels and discounters, though the magnitude and persistence of these effects vary systematically across countries and categories. These results highlight inflation as a distinct macroeconomic shock and provide insights for marketers and policymakers by identifying where inflation-induced trading down is most likely to emerge.

2 - Opening Hours and Consumer Behavior: Evidence from GPS Data and Deregulation

André Trindade, NOVA School of Business and Economics, Carcavelos, Portugal, Javier Donna, Marit Hinnosaar, Toomas Hinnosaar

In 2019, North Dakota repealed its Sunday closing law, which had required most non-grocery stores to close between midnight and noon. Using this policy change and consumer GPS data, we study the impact of opening hours on shopping behavior and welfare. We compare visits before and after the repeal in North Dakota and neighboring states using difference-in-differences and event-study designs. The repeal caused a large increase in Sunday morning visits, originating partly from intertemporal, store-type, and cross-border substitution. The closing law's welfare loss is equivalent to increasing the travel distance to affected stores by about 1.4 miles per consumer.

3 - Who Benefits from Retail Events? Decomposing the Impact of Events on Mall Traffic and Store Conversion

Manuel Weber, WHU - Otto Beisheim School of Management, Vallendar, Germany, Christian Schlereth

Shopping malls invest substantial resources in retail events. Yet, it remains unclear whether such events create value by converting visitors into store shoppers or whether they merely increase mall traffic without downstream benefits for stores. This lack of evidence complicates managerial decisions about event design, timing, and allocation of promotional budgets. Existing research predominantly focuses on aggregate traffic effects or isolated store outcomes of specific in-store events, leaving the propagation of event effects within a mall along the shopper journey poorly understood. Using a novel foot traffic dataset with 21.6 million customer trajectories from a mall, we examine how event characteristics – type of event (promotional vs. experiential), organizer (mall- vs. store-organized), and timing (weekday vs. weekend) – relate to outcomes along the shopper journey. Additionally, we decompose the change in mall visitors and store shoppers for individual events and determine which stores benefit most. Events are associated with higher mall traffic on average, but the uplift is concentrated in promotional (+11.73%) and weekday events (+5.10%), challenging the prevailing assumption that experiential events are more impactful. Store conversion barely changes; only store-organized events show a

weak uplift (+2.68%). A jackknife analysis demonstrates that a small subset of high-impact events drives the aggregate effects. Finally, we outline substantial heterogeneity across stores: those located near main entrances and the event space benefit most. Our results contribute to the retailing literature by decomposing the impact of events on mall traffic and store conversion, helping operators identify impactful event formats.

4 - Estimating Shopping Center Visitation with High-Resolution Mobility Data

Marcel Goic, Universidad de Chile, Santiago, Chile, Camila Toloza, Julio Covarrubia, Violeta Cortés

This study examines the use of mobile phone location data to estimate and predict shopping center visitation. Traditional approaches based on surveys or gravity models often lack the spatial granularity and dynamic responsiveness required in contemporary retail environments. We develop and compare a suite of forecasting models calibrated using high-resolution location data. Our results show that incorporating detailed mobility patterns substantially improves forecasting performance. Moreover, explicitly modeling trade areas with higher visitation intensities further enhances predictive accuracy. Across model specifications, the most influential predictors include the number of residents within each census block, travel time, and driving distance to the shopping center. To illustrate the practical relevance of our approach, we conduct counterfactual simulations that assess how changes in accessibility and surrounding population distributions affect visitation. The results confirm that prediction models calibrated with mobile phone data provide a valuable tool for strategic decision-making in retail location planning and asset management.

5 - When Your Best Customers are Your Worst: Moral Hazard and the Hidden Costs of Product Returns

Eric Anderson, Northwestern University, Evanston, IL, United States, Duncan Simester, Andrew Wooders

In 2025, global e-commerce sales are projected to exceed $7.4 trillion, with product returns accounting for $1.4-$1.7 trillion of this total. The rapid growth in returns has coincided with a trend among large omnichannel retailers toward more restrictive return policies. We study the customer-level consequences of such restrictions using a policy change at a large national retailer. Confronted with rising return rates and declining salvage values, the retailer replaced its lifetime return policy with two constraints: a one-year return window and mandatory proof of purchase. Using a temporal difference-in-differences design, we find that the stricter policy substantially mitigates moral hazard, primarily by reducing returns of damaged items that had little or no salvage value. Notably, the 10% of customers responsible for the majority of these costly returns were among the retailer’s highest-revenue customers. For the remaining 90% of consumers, we observe no adverse sales effects. Instead, demand temporarily increased following policy implementation. Together, these findings suggest that more restrictive return policies can meaningfully curb exploitative behavior without alienating the broader customer base. From a managerial perspective, our results indicate that retailers can reduce return-related costs and improve profitability through tighter policies without sacrificing demand.

FA04

B005

Retailing II

Contributed Session

Contributed

Chair: SunAh Kim, UNSW Sydney

1 - Rationalizing, Not Gravitation: a Hierarchical Bayesian Joint Model of App Engagement and the Offline Grocery Journey

Hyeseon Choo, Korea University Business School, Seoul, Korea, Republic of, Yousung Park, Jae Wook Kim

Traditional retail theory posits a "browse-to-buy" relationship where longer in-store dwell time correlates with higher spending. This study challenges this wisdom by proposing a Rationalizing Effect: mobile apps act as decision-support filters that sharpen trip selectivity, reallocating temporal resources toward efficiency over exploration. Using a 183-week panel (N=639) linking app screen-time, GPS traces, and transactions, we develop a hierarchical Bayesian joint hurdle-duration-amount model. Methodologically, we address ~35% dwell-time missingness by fusing GPS traces with transaction logs—imputing durations for "purchases without location

logs" and correcting "abnormally short traces" under a Missing-at-Random (MAR) framework. This reconstruction is essential to uncovering the latent time–spending relationship often masked by sparse sensor data. To capture the behavioral nuances of both high-frequency shoppers and strategic 'Long-tail' segments (weekly purchase rates < 10%), we estimate the model using the Hamiltonian Monte Carlo (HMC) No-U-Turn Sampler (NUTS). Unlike traditional Gibbs samplers that often suffer from slow mixing or biased convergence with sparse, zero-inflated data, NUTS leverages gradient information to explore high-dimensional posteriors more effectively, ensuring unbiased individual-level estimates. Results reveal that app engagement increases visit propensity but amplifies distance sensitivity. Crucially, we find a strong negative latent correlation between dwell time and spending ($\rho \approx -0.88$), identifying "efficient transactors" who minimize time but maximize value. Our findings advocate for shifting retail KPIs from dwell-time maximization to information utility.

2 - The Sound of Uncertainty: How Tonal Instability in Background Music Influences Consumers&Rsquo; Impulsive Buying

Ori Grossman, Bar Ilan University, Ramat Gan, Israel

Impulsive buying, an unplanned, stimulus-driven purchase made on the spot, is shaped by elements of the retail environment, including background music. Recently, marketing scholars have shown increasing interest in the effects of tonally unstable music, characterized by the absence of a clear tonal center, unresolved dissonances, frequent modulations, and reduced predictability, which may heighten arousal and evoke uncertainty. However, research has not yet examined whether and to what extent tonal instability affects consumers' impulsive purchasing.

To address this gap, we conducted a between-subjects experiment in which participants listened to either tonal or tonally unstable background music. Impulsive buying tendency was measured using a shopping scenario with graded choice options reflecting varying levels of impulsiveness. Additional measures included openness to experience, pleasure, arousal, mood, and demographics. Results show that tonally unstable music increases impulsive buying among individuals low in openness to experience, likely by increasing feelings of uncertainty. In contrast, no significant effect emerges among participants with moderate to high openness, who appear to better appreciate complex and unconventional musical forms. Tonally unstable music was perceived as less familiar, reduced pleasure and mood, and increased arousal. However, pleasure, mood, and arousal did not mediate the effect of music type on impulsive buying.

In conclusion, the findings suggest that background music inducing tonal uncertainty enhances impulsive buying among consumers low in openness to experience. Beyond extending research on music and impulse purchasing, these results offer actionable insight into how sensory design can strategically affect consumer behavior in marketplace settings.

3 - Optimizing Point-of-Sale Charity Requests

John Pracejus, University of Alberta, Edmonton, AB, Canada, Bijit Ghosh, Arjang Nikbakht

Charity campaigns at retail checkout raise hundreds of millions of dollars each year, usually by asking the customer to "roundup the change". We demonstrate that combining a flat ask with a roundup request increases consumers' willingness to round-up through two distinct mechanisms. Adding a whole-dollar ask (e.g., $1) heightens the salience of the pain of donating by signaling a deliberate, effortful act of giving, which in turn makes the adjacent round-up option feel comparatively easier and less painful. Adding a small flat ask (e.g., 5 cents) however, serves as a low reference point that invites proportional comparison, thereby amplifying the perceived impact of the round-up amount. Therefore, the decision to round-up depends on how the choice set is framed and the contrasts effects, rather than on the absolute magnitude of the change amounts. We show this through mediation, residualization, and Lasso-based data-splitting on 12,654 donation decisions, including one field study and four lab experiments. We describe how dynamic manipulation of the donation menu can meaningfully increase participation and total donations, extending choice-architecture theory to point-of-sale charitable giving and offering actionable guidance for retailers and non-profits.

4 - Beyond Attitudes: the Sales Effects of Femvertising in the Marketplace

SunAh Kim, UNSW Sydney, Sydney, Australia, Shuge Li, Maggie Chuoyan Dong

Retailers and brands are increasingly adopting femvertising—an advertising strategy that incorporates female empowerment messages to challenge gender stereotypes. While prior laboratory studies document largely positive attitudinal responses to femvertising, whether such messaging translates into actual consumer purchasing behaviour remains an open empirical question. We address this gap by examining the real-world marketplace impact of Always' *Like a Girl* campaign. Leveraging the campaign launch as a natural experiment, we evaluate the effects of femvertising at both the brand and household levels. At the brand level, we use retail scanner data to estimate the impact of the campaign on Always' unit sales using synthetic control and difference-in-differences approaches. At the household level, we employ household purchase panel data to examine post-campaign changes in purchase quantity and spending among Always buyers. We find evidence that the femvertising campaign has a positive impact on consumers' actual purchasing behaviour. We further explore heterogeneity in consumer characteristics to understand which households are most responsive to femvertising. Our analyses reveal that the effects are amplified among racial minority households (e.g., Black, Asian) relative to White households—consistent with identity-based resonance with empowerment messaging—and among households in Democratic-leaning areas, where value congruence with gender themes is higher. This paper offers empirical evidence on the real-world effectiveness of femvertising in shaping consumer purchasing behaviour and provides actionable insights for brands considering the use of such advertising strategies.

FA05

B008

Customer Centricity and Environments

Contributed Session

Contributed

Chair: Daniel McCarthy, Robert H. Smith School of Business, University of Maryland College Park, College Park, MD, United States

1 - The Review Kaleidoscope: How Product Positioning Reframes The Interaction Between Average Ratings and Dispersion

Han Wang, Huazhong University of Science and Technology, Huazhong, China, People's Republic of, Xingyu Wang, Jiao Zhang

Research on how online review rating dispersion influences consumers' product evaluation produced mixed results. Some studies show that rating dispersion has a negative (positive) effect at high (low) average rating (Khare, Labrecque and Asare 2011; Sun 2012); others show that rating dispersion can have a positive effect at high average rating, for some types of products (He and Bond 2015; Li 2018). We aim to reconcile these conflicting findings by examining the moderating role of product positioning, product-focused positioning—highlighting a product's attributes/benefits, versus customer-focused positioning—emphasizing the product's target consumers. We conducted seven studies, including one on secondary data in the movie context and two pre-registration experiments. Results showed that at high average rating, rating dispersion has a positive (negative) effect on sales at customer-focused (product-focused) positioning; at low average rating, rating dispersion always has a positive effect. Additionally, we demonstrated the mediating effect of perceived diagnosticity of the high-rating area.

2 - "Right" Customers at the "Right" Time? Customers' Purchase Behavior over the Business Cycle in B2B Markets

Christian Pescher, ESCP Business School Berlin Campus, Berlin, Germany, Hernan Bruno, Shantanu Dutta

To manage customer challenges during recessions or customer opportunities during expansions, managers should focus on the "right" customers from the "right" sectors at the "right" time. To do so, managers should be aware of their customers' purchase behavior sensitivity over the business cycle. The authors use a unique seven-year dataset covering the 2008/2009 recession to analyze how easy-to-observe characteristics about sectors, customer companies, and decision-makers affect business cycle sensitivity. This is the first study that uses

transactional data across sectors in a business cycle in a business-to-business (B2B) setting. Our findings indicate that marketing variables can complement traditional economic indicators such as unemployment and can help policy makers to better understand the business cycle effects. Some sectors (e.g., agriculture, automotive, and textile) are very sensitive and others (e.g., public services) are almost insensitive to business cycle changes. Business cycle sensitivity is higher for customers from B2B (vs. business-to-government (B2G)) dominated sectors and large (vs. small) customer companies and for professional purchase (vs. technical) contacts. The use of digital channels strongly increases during expansions but, surprisingly, stops and even recedes during recessions. The authors discuss the implications of the findings.

3 - Understanding Audiences and Engagement: An Empirical Study About a Global Leading Video Platform

Yutong Ma, University of Macau, Macao, China, People's Republic of, Zetian Chen, Matthew Liu

Influencers adopted various video content strategies to attract audience engagement. However, existing research has not examined which content strategies are most important or whether a particular video content strategy is always effective, particularly given influencer heterogeneity. Building on the matching effect theory, our research proposes that the effectiveness of video content strategies depends on the segmentation of influencers. Specifically, this segmentation categorized influencers based on two historical performance metrics: the level of historical likes and the number of historical videos. Using SHapley Additive exPlanations based on XGBoost, the findings demonstrated that video features are ranked in descending order of importance: auditory features (e.g., average pitch), visual features (e.g., facial presence, saturation, and brightness contrast), content features (e.g., influential language), and fundamental features (e.g., video duration). Furthermore, we employed Causal Forest Algorithms to investigate how influencer heterogeneity affects the effect of content strategies on viewer engagement. Specifically, influencers with higher historical like counts benefit from strategies such as longer duration, facial presence, clout language, and higher saturation. In contrast, influencers with lower historical likes should adopt opposing strategies across these dimensions to increase viewer engagement. Furthermore, brightness contrast has a greater effect among influencers with higher historical video counts but reduces engagement among those with lower historical video counts. This research illustrates how content creation can be elevated to an empirical science nested within an optimization framework and provides actionable guidelines on how influencers should differentiate their content strategy.

4 - Expanding Markets or Capturing Share? the Effects of Subscription on Spending and Share-of-Wallet in Restaurant Delivery

Daniel McCarthy, Robert H. Smith School of Business, University of Maryland College Park, College Park, MD, United States, Young-Hoon Park, Shin Oblander, Yeohong Yoon

Subscription services are growing in popularity, yet their competitive implications are relatively understudied. This paper investigates the effects of restaurant delivery subscription programs on consumer spending within and across categories, and how these effects vary based on prior spending at competing firms. Using individual-level transaction data over 29 months and a staggered difference-in-differences design across multiple subscription cohorts, we find that signing up for Postmates Unlimited, the first subscription program in the category, is associated with an 85% increase in focal firm spending in our matched sample, with a declining effect over time that nonetheless persists even after customers cancel their subscriptions. This increase is driven by both category expansion and higher share-of-wallet for the focal firm, while spending in adjacent categories is unaffected. Multihomers (customers of both focal and competing firms before signing up) show a 103% increase in focal firm spending compared to a 52% increase for singlehomers (customers of the focal firm alone before signing up). Interestingly, singlehomers increase their spending at competing firms after signing up, whereas multihomers decrease theirs. We replicate our analysis on DoorDash's DashPass, the second subscription program to enter the category, finding similar results to Postmates; however, DashPass subscribers with prior Postmates subscription experience do not exhibit category expansion, instead amplifying competitive displacement.

FA06

B009

Optimization Challenges and New Promises

Invited Session

Special Session

Chair: Avner Strulov-Shlain, University of Chicago, Chicago, IL, United States

1 - Website Personalization: Beliefs & Attitudes

Sarah Moshary, University of California, Berkeley, Berkeley, CA, United States, Malika Korganbekova

The welfare implications of digital privacy choices—and the revealed preference framework often used to evaluate them—depend on the assumption that consumers hold accurate beliefs about how businesses use their data. This paper examines the calibration of consumer beliefs regarding website personalization using a survey of 1,000 US consumers. While beliefs are not uncorrelated with reality, we document significant informational frictions: consumers systematically underestimate the prevalence of personalization, a meaningful portion reports explicit uncertainty about website design, and another segment confidently holds misconceptions. Further, we find that belief accuracy is positively correlated with stated preferences for personalization. We conclude by exploring how consumers' data-sharing choices and privacy-preserving behaviors might change under counterfactual beliefs.

2 - Validating Aggregate Methods of Estimating Advertising Effects: Evidence from Doordash

Navdeep Sahni, Stanford University, Stanford, CA, United States, Jessica Nguyen, Lihua Lei

This paper evaluates the validity of observational methods an advertiser can independently apply for measuring advertising effectiveness using data from ~90,000 randomized controlled trials (RCTs) on DoorDash. Pre-Post comparisons at the Market Level (PPML) methods compare sales before and after firms begin advertising, offering a simpler alternative to costly experiments or complex matching methods. Using RCTs as ground truth, we find that simple pre-post comparisons and difference-in-differences estimators show statistically significant positive correlations with experimental treatment effects, though they tend to overestimate effects when firms time advertising to periods of high demand. Controlling for market trends via difference-in-differences reduces this bias substantially (from 3.14× to 1.04× true effects). We also assess Marketing Mix Models (MMMs) and examine specifications that come close to matching the RCT benchmarks.

3 - Personalizing Two Interdependent Treatments: Structural Estimation and Evidence from Social E-Commerce

Yunhao Huang, University of Southern California, Los Angeles, CA, United States, Xin Chen, Matthew Osborne

In contemporary marketing, personalization has become central to firm strategy. While existing literature has predominantly examined the personalization of individual marketing variables in isolation, this research demonstrates the limitations of such approaches. We focus on the personalization decision of two interdependent marketing variables: the level of a promotional price discount, and whether to require a consumer to broadcast the promotion on social media in order to receive the discount. We develop a two-stage structural model, which captures two sequential customer decisions: sharing and purchasing. Using large-scale field experiment data from a leading Chinese grocery e-tailer, we estimate the model primitives (willingness to pay, sharing costs, referral generation capacity, and implied referral value) and conduct counterfactual profit comparisons of different personalization schemes. The counterfactual analysis demonstrates that price personalization alone increases profits by only 2.4%, while personalizing the broadcasting requirement increases profits by 27%. In contrast, an integrated approach that jointly personalizes both price and broadcasting requirements increases profit by 40.3%, more than the sum of the profit increase from personalizing pricing and broadcasting requirements in isolation. These results highlight the value of coordinating across interdependent marketing variables. The paper also provides a framework for future work on multi-dimensional personalization.

4 - Loss-Leader Pricing: Empirical Evidence from Gas Stations

Avner Strulov-Shlain, University of Chicago, Chicago, IL, United States, Andreas Kraft, Hung Ho

Loss leadership involves pricing focal items at lower margins to encourage the purchase of other high-margin goods. But does this strategy work in practice, and are firms accurately calibrated on its effectiveness?

Surprisingly, we have very little empirical evidence. This paper provides empirical evidence on cash-discounted fuel as a loss leader for convenience store purchases from more than 2400 US gas stations and 115,000 consumers. These discounts not only lower fuel price but also require consumers to enter the store to pay. We find a strong positive spillover on the extensive margin: cash discounts do not meaningfully change behavior in the store per visit, but they do draw consumers to the station. At the station level we find they increase the station's total store revenue. We estimate station-level sufficient statistics for profit maximization and show that the spillovers are large enough to justify offering a discount for almost all stations. Notably, these stations offer no discount on 90% of days and are estimated to lose a few percent of daily gross profits as a result.

FA07

B010

Influencer Marketing I

Invited Session

Special Session

Chair: Maximilian Beichert, Bocconi University, Milan, Italy

Co-Chair: Yanting He, Imperial College London, London, United Kingdom

1 - Private Messaging in the Creator Economy

Yanting He, Imperial College London, London, United Kingdom

The creator economy faces intensifying competition for audience attention, a challenge amplified by algorithmic mediation that tends to favor established creators, leaving emerging ones at a disadvantage. While private messaging (PM), by circumventing algorithmic gatekeeping, offers an alternative pathway for such creators to acquire and retain audiences, many platforms have historically de-prioritized this feature, uncertain of its role and value---potentially concerned by diverting attention from public communication, cannibalizing likes, comments, and reposts. Partnering with the world’s largest user-generated platform in the audio domain, this paper provides the first large-scale causal evidence on how private communication shapes key creator outcomes. Given the quasi-experimental setting created by the sequential rollout of the PM feature, we leverage a future-adopter, staggered difference-in-differences design. We find that PM adoption significantly improves key creator outcomes: visibility (+9.2%), consumption (+9.5%), engagement (+2 to +7%), and follower growth (+6.5%). Emerging creators experience larger gains in visibility, consumption, and productivity---and these benefits scale with PM usage consistency, suggesting PM helps solve the cold-start problem, despite the algorithm-driven environment. Contrary to platform concerns, we find no evidence of cannibalization; private and public communication are reinforcing, rather than competitive. Furthermore, PM adoption increases creator productivity, hence private communication generates value on both sides of
the market: it benefits creators individually, while simultaneously expanding the platform’s content supply to audiences.

2 - Follower Acquisition: the Follow-Back Problem

Verina Que, Nanyang Business School, Nanyang Technological University, Singapore, Singapore, Tauhid Zaman

Online platforms enable firms, creators, and communities to grow by initiating lightweight interactions (e.g., following and resharing) that may lead users to reciprocate. Since reciprocation depends not only on a target user’s attributes but also on endogenous social proof created by previously acquired connections, outreach is a sequential decision problem on a directed network. We study the follow-back problem: given a set of target users and a budget of outreach actions, choose an interaction sequence to maximize the expected number of targets who follow back. Using a large set of real platform interactions, we find that the degree of the target and the size of the mutual neighborhood of the agent and target in the network affect the probability of a target following an agent. Based on our empirical findings, we then propose a model for targets following an agent. Using this model, we solve the follow-back problem exactly on directed acyclic graphs and derive a closed-form expression for the expected number of follows an agent receives under the optimal policy. We then formulate the follow-back problem on an arbitrary graph as an integer program. To evaluate our integer-program-based policies, we conduct simulations on real social network topologies. The results show that our policies substantially

outperform random and centrality-based policies, revealing that effective growth strategies prioritize high-susceptibility “stepping-stone” users who create overlap with high-value targets rather than globally central users.

3 - How Does NIL Policy Reform Reshape Creator Monetization in Collegiate Sports

Jiewei Li, University College London, London, United Kingdom, Daniel Ershov, Marit Hinnosaar

Influencer marketing has rapidly become a pivotal advertising strategy due to its perceived authenticity and ability to engage targeted audiences effectively. Using a natural experiment created by the National Collegiate Athletic Association's (NCAA) landmark 2021 Name, Image, and Likeness (NIL) policy reform, which allows U.S. college athletes to monetize their personal brands, this paper investigates the impact of expanding influencer marketing opportunities on athlete behavior. Based on a comprehensive and granular dataset of Instagram posts by NCAA athletes from 2017 to 2024 and employing an advanced classification framework, this paper indicates that the NIL reform sharply broadens the influencer base and significantly increases influencer activities among college athletes, particularly those with higher pre-existing popularity. However, the observed magnitude of sponsored activities remains relatively modest, potentially due to factors such as substantial effort required to become a successful influencer, detection limitations of ephemeral social media formats, alternative compensation channels, and market saturation effects. These results provide critical insights for policymakers, brands, and universities aiming to navigate influencer marketing strategies effectively. Future research steps include deepening the causal analysis through robust econometric methods, examining underlying mechanisms and heterogeneity in sponsorship behaviors, and linking influencer activities to external retail market outcomes.

4 - Unfollowing Behavior of Creators on User-Generated Content Platforms

Andreas Lanz, University of Basel, Basel, Switzerland, Yvan Norotte, Jacob Goldenberg, Daniel Shapira

Creators entering user-generated content platforms face the challenge of building an audience. A common way to solve this so-called “cold start problem” is to use the follow-for-follow approach, which consists of following large numbers of users in the hope of receiving follow-backs. Because this approach usually faces a very low responsiveness rate, the seeding literature has extensively explored the following side of the follow-for-follow approach in the quest to determine the seeding targets that would yield the best return on investment. While a dominant perspective emphasizes the importance of targeting high-status users, other research has challenged this assumption by arguing low-status users, or nearby ones, are ultimately more valuable. However, no research to date has explored the role played by *unfollowing* in this context. On platforms with directional ties such as Instagram, X or SoundCloud, the follow-for-follow approach naturally leads to an accumulation of following (who the creator follows) much larger than the acquired number of followers (who is following the creator). This article thus investigates when and whom emerging creators unfollow. Using data from a worldwide leading user-generated content platform in the audio domain, the authors investigate creators’ unfollowing behavior, and responses to this behavior, as they accumulate followers. They find that (1) unfollowing is pervasive, (2) creators frequently retaliate when they are unfollowed by their seeding targets, and (2) unfollowing behavior sharply intensifies as creators’ audience grows. These preliminary findings contribute to the seeding literature by illuminating an unexplored aspect when creators try to solve the cold-start problem.

FA08

B011

Generative AI in Marketing

Invited Session

Special Session

Chair: Ziqian Ding, Carnegie Mellon University, Pittsburgh, PA, United States

Co-Chair: Jochen Hartmann, Technical University of Munich, München, Germany

1 - The Impact of Ad Creativity on Ad Effectiveness: How Within- and Cross-Brand Ad Distinctiveness Drive Sales

Xiongkai Tan, Technical University of Munich, Munich, Germany, Eric de Haan, Jochen Hartmann, Jaap Wieringa

As previous meta-analyses have shown, the effectiveness of advertising has been declining over the past couple of decades. Some studies link this decline to the prevalence of repetitive, non-distinctive advertising. Our study explores how to (a) systematically measure within- and between-brand ad distinctiveness and (b) examine how these measures explain heterogeneity in advertising effectiveness. Based on AI-driven image analytics, specifically Vision Transformers (ViT), we develop a scalable procedure to quantify within- and cross-brand ad distinctiveness. In addition, we collect 488,113 consumer-generated discussion texts from an online Dutch automotive forum to measure competitive intensity across brands and to calibrate our measurements. We apply this approach to a dataset consisting of all 8,809 unique print advertisements from the Dutch automotive sector between 2007 and 2024. Validation of these measures, based on survey data from 4,537 participants, shows that our AI-based metrics align with human assessments while simultaneously addressing limitations of survey-based procedures. Our empirical findings reveal a slight but statistically significant increase in within-brand ad distinctiveness and a substantial decline in cross-brand ad distinctiveness. Using monthly sales data from 30 car brands over 216 months, preliminary analyses indicate that within-brand ad distinctiveness significantly reduces advertising effectiveness, whereas cross-brand ad distinctiveness increases it. These effects vary across brand segments, countries of origin, and market sizes. Overall, our research highlights the potential of AI as a valuable alternative to survey-based measures and provides actionable insights for advertisers seeking to optimize their strategies in dynamic markets.

2 - Synthetic Personalities: How Well Can LLMs Mimic Individual Respondents Using Socio-Economic Microdata?

Leonard Kinzinger, Technical University Munich (TUM), Munich, Germany, Jochen Hartmann

This study investigates the viability of using Large Language Models (LLMs) to generate synthetic survey respondents that authentically mimic specific human individuals. While previous research suggests LLMs can replicate general human behaviors ("silicon sampling"), it remains unclear whether they can faithfully emulate detailed individual profiles based on fine-grained socio-economic data. We address this gap by embedding real-world profiles from the Socio-Economic Panel (SOEP), comprising over 800 data points per individual, into the Mixtral 8x7B model.

Our two-phase experimental design first optimizes prompting strategies, finding that structured "recipe-style" prompts with moderate detail yield the highest alignment (~77% accuracy) with real human responses. Second, we evaluate the synthetic respondents against five psychological and market research principles, including memorization and personality alignment. Results indicate that while synthetic respondents demonstrate near-perfect recall (>92%) and strong consistency with Big Five personality traits, they exhibit significant biases. Specifically, the models tend to generate "idealized" personas, which are more open and less neurotic than their human counterparts and overrepresent progressive social milieus while marginalizing traditional and precarious groups. We conclude that while synthetic respondents offer a scalable, cost-effective tool for preliminary insights, their current ideological biases and lack of diversity limit their utility as standalone replacements for human samples.

3 - To be Clear: Ambiguity in Multi-Modal Digital Ads Can be a Double-Edged Sword

Ziqian Ding, Carnegie Mellon University, Pittsburgh, PA, United States, Shunyuan Zhang, Jochen Hartmann, Oded Netzer

We explore how ambiguous ads affect consumer behavior across the purchase funnel. Considering a multi-modal perspective of banner ads that combine visual and textual elements, we develop two deep learning models to extract ad ambiguity—defined as uncertainty about the product or service being promoted—from ad content. Using a large-scale archival dataset of cross-category banner ads, we find that 41% are ambiguous and that such ads receive higher click-through rates but lower conversion rates, even after controlling for a rich set of ad characteristics. To establish causality, we conduct a pre-registered randomized field experiment that varies the level of ad ambiguity within a campaign across over 10 million impressions. The results confirm that ambiguity increases clicks but reduces conversion among those who click. Post-click analytics suggest that the drop in engagement is most pronounced in mid-funnel metrics, including higher bounce rates and shorter time-spent. However, the negative effect on conversions is mitigated when ads appear on high-credibility platforms, perhaps due to trust spillover. Our findings highlight ambiguity as a double-edged sword in digital advertising: effective

at boosting initial engagement but often counterproductive for conversion. We offer actionable implications, urging advertisers to adopt a more holistic approach beyond click-based metrics.

FA09

B127

Online Reviews V

Contributed Session

Contributed

Chair: Ningjing Gao, The University of Oklahoma, 730 STINSON STREET, Norman, 73072, United States

1 - The Two Sides of Mobile Health App Reviews: What Triggers Extreme Ratings and What Persuades New Users

Miriam Alzate Barricarte, Universidad Publica de Navarra, Pamplona, Spain, Paula Vidaurreta, Álvaro Saavedra

This research examines how utilitarian and hedonic information about mobile Health apps, as provided by consumers in online reviews, influences consumer behavior. Using a multi-method research design, this research develops two studies. Study 1 focuses on a post-adoption scenario and analyses 622,718 online reviews of 24 of the most downloaded mobile Health apps in the US, showing that consumers are more likely to speak about utilitarian features in 1-star reviews, while hedonic content is more likely to appear in 5-star ratings. These findings suggest that among existing users, the failure of utilitarian features drives consumer anger, while hedonic features drive delight once basic utilitarian performance is accepted. Study 2 is an online experiment that uses a 2x2 between-subjects design with review tone (positive vs. negative) and review orientation (utilitarian vs. hedonic) as independent variables. The online experiment is set in a pre-adoption stage and reveals a significant interaction between review orientation and tone: under negative review tone, utilitarian reviews reduce consumers' intention to use the app more than hedonic reviews, whereas under positive review tone, utilitarian content increases intention to use the app more than hedonic content. Overall, we can see that utilitarian information is pivotal for initial adoption, while hedonic benefits dominate post-adoption enthusiasm, once utilitarian features' performance is fulfilled.

2 - Micro-Level and Cross-Level Moderating Effects on Customer Satisfaction in Social Commerce Platform: a Multilevel Analysis in the Hospitality Industry.

Xingting Ju, Université Internationale de Rabat, Rabat, Morocco, Xiaowei Cai, Raquel Chocarro

Customer satisfaction in restaurants reflects multiple dimensions of perceived service quality, and local market structure may condition how strongly these dimensions translate into ratings. Building on hierarchical service-quality theory, we operationalise perceived food quality (PFQ), perceived service quality (PSQ), and perceived physical environment quality (PEQ), and draw on spatial competition theory to examine cross-level moderation by restaurant-level spatial competition.

We compile 217,099 Google Maps reviews for 511 restaurants in Bilbao, San Sebastián, Vitoria-Gasteiz, and Pamplona (Spain). Rather than relying on questionnaires, we measure constructs directly from naturally occurring text, reducing respondent burden and common-method concerns while capturing evaluations close to the consumption episode. Using an auditable LLM-assisted evidence-extraction pipeline, we identify aspect–category–opinion–sentiment (ACOS) spans and aggregate evidence into review-level facet scores using a pre-specified strength-weighted rule.

Early results are based on an adjudicated gold subset of 5,399 reviews nested within 286 restaurants. Random-intercept multilevel models indicate that PFQ, PSQ, and PEQ are all positively associated with star ratings, supporting nomological validity for the proposed service-quality structure, with stronger effects for food and service than for environment. Spatial competition has no direct association with ratings in this early sample, but it significantly strengthens the effects of PFQ and PSQ on satisfaction; adding cross-level interactions improves

model fit. Ongoing analyses scale estimation to the full dataset and incorporate geographic proximity as an additional restaurant-level moderator.

Keywords: Service quality; Spatial competition; Google Maps reviews; Text-based measurement; Multilevel modelling

3 - From Text to Measure: a Framework for Psychometric Construct Measurement Using Unstructured Data

Xiaowei Cai, Université Internationale de Rabat, Rabat, Morocco, Lorena Polo, Xingting Ju

Latent constructs are central to marketing and decision support research, yet survey-based measurement is costly, slow to refresh, and vulnerable to response styles and common-method bias. We propose an LLM-based framework that treats unstructured text as a psychometric observation channel and converts language into auditable construct scores. The workflow (1) specifies the construct domain and facets, (2) defines item-like textual evidence units, (3) generates weak labels via theory-guided LLM coding rules, (4) builds an independent adjudicated gold reference to document reliability, (5) trains a deployable extractor for reproducible scoring beyond the LLM, (6) aggregates evidence into facet and composite scores with pre-specified rules, and (7) evaluates reliability, validity, and norms.

We implement the framework in a hospitality case study using Google Maps reviews for 511 restaurants in Bilbao, San Sebastián, Vitoria-Gasteiz, and Pamplona, Spain (N=217,099). Using the ChatGPT-5.0 API, we generate 61,476 ACOS weak labels from 20,651 reviews and benchmark them against a 5,399-review adjudicated gold set. Results show usable but imperfect agreement, supporting weak labels as scalable training signals while motivating a supervised extractor for consistent deployment. Early nomological checks on the gold set indicate that text-derived perceived food, service, and environment quality facet scores are positively associated with star ratings, supporting the proposed psychometric factor structure. Ongoing analyses use Hugging Face Transformers to train an ACOS extractor on weak labels, validate on the gold set, and scale inference to the remaining 191,049 reviews.

Keywords: Text-based measurement; Large language models; Psychometric factors; ACOS weak supervision; Google Maps reviews

4 - The Effect of Information Disclosure: Platform-Specific Visibility of Food Inspections and Its Impact on Online Reviews and Reputation Management Across Platforms

Ningjing Gao, The University of Oklahoma, Norman, OK, United States

Information disclosure on digital platforms is pervasive, yet whether official disclosure complements or substitutes for user-generated reviews remains unclear. Prior research examines how hygiene disclosure affects consumer demand and how online reviews influence restaurant performance, but largely studies each platform in isolation, leaving open the question of how disclosure reshapes review generation when consumers and firms operate across multiple platforms.

We address this question by exploiting a natural experiment in which Yelp began displaying health inspection outcomes for Chicago restaurants on July 1, 2018, while Google continued to show no such information for the same establishments. This asymmetric disclosure across platforms creates a unique setting in which identical restaurants face the same quality signals under different information environments, allowing us to separate quality effects from disclosure effects.

Using a panel of over 3,500 restaurants from 2013 to 2019 merged with city inspection records, we implement difference-in-differences and triple-difference designs centered on inspection improvement events. To examine mechanisms, we develop a large language model–based classification framework that systematically measures review content and management responses across multiple dimensions.

Preliminary results suggest that official disclosure is associated with shifts in review behavior across platforms. Consumer discussions appear to place relatively less emphasis on objective quality dimensions and more on

experiential aspects, while firms adjust their reputation management strategies across platforms facing different disclosure regimes. Overall, the project highlights how platform-level disclosure policies may reshape the informational role of user-generated content and firm responses, with implications for platform design and reputation management.

FA10

B128

Sustainability V - Price and Products

Contributed Session

Contributed

Chair: The Hoa Mai, Monash University, 348 Balaclava Rd, Melbourne, 3161, Australia

1 - ESG Practices and Sustainable New Product Launch

Zhuoer Qiu, Ludwig Maximilian University of Munich, Munich, Germany, Florian Rieder, Marcelo de la Cruz, Jelena Spanjol

Across the global capital markets, firms are now expected to create social value in addition to financial value, as part of their broader accountability to stakeholders. Firms with poor environmental, social, and governance (ESG) practices oftentimes experience lower firm valuation, as the capital market anticipates negative consumer reactions to deteriorating ESG practices. Because implementing substantive ESG improvements requires considerable time and resources, firms might be incentivized to adopt more immediate and visible strategies to mitigate the negative impact of poor ESG practices. We argue that one such strategy could be launching sustainable new products—that is, new products labeled with sustainability claims (e.g., “eco-friendly”). Importantly, not all sustainability claims require third-party verifications, and therefore, could be adopted without the expected improvements in the underlying ESG practices. Upon analyzing 101,770 new product launches in the consumer packaged goods industry by 155 U.S. publicly listed firms from 2008 to 2024, we find that following poor ESG practices, firms raise the share of sustainable new products labeled with claims that are *not* verified by third parties. These findings suggest that increase in sustainable new product launches should be interpreted with caution, as such claims may reflect symbolic responses to ESG pressures rather than substantive improvements in ESG practices. The findings also highlight the need for clearer standards, stronger verification, and enforcement to ensure that product-level sustainability claims credibly reflect firm-level ESG practices.

2 - The Impact of Dual-Goal EV Tax Credits on Consumer Demand

Shuge Li, UNSW Sydney, Sydney, Australia, Maggie Chuoyan Dong, SunAh Kim, Pradeep Chintagunta

Governments worldwide have allocated billions in financial incentives, such as tax credits, to accelerate the adoption of electric vehicles (EVs). Recently, some countries introduced tax credit policies with significant eligibility restrictions, limiting benefits to vehicles assembled in domestic or allied countries. These policies aim to achieve dual goals: foster environmental benefits through increased EV demand while strengthening local EV manufacturing. However, the effectiveness of such credits remains underexplored. This study examines their impact on consumer demand, using the U.S. Inflation Reduction Act of 2022 (IRA) as an exogenous policy shock to automotive sales. Exploiting the IRA’s exclusive impact on U.S. consumers, we compare the U.S. (treated) with Canada (control) using a generalized synthetic control method within a difference-in-differences framework. We find suggestive evidence that the introduction of dual-goal EV tax credits under the IRA policy is associated with increased EV sales. This effect appears driven by several mechanisms: (1) cost-saving benefits for eligible EVs, (2) halo effects boosting interest in ineligible EVs, (3) local protectionism reducing demand for excluded foreign EVs, and (4) substitution effects as some consumers shifted away from internal combustion engine vehicles. We also explore heterogeneity across brand characteristics, offering insights into which firms may benefit from such policies.

3 - When Money Mutes the Mission: Platform Monetization Policy and the Supply of Sustainability Content

Qi Yu, Singapore Management University, Singapore, Singapore

Digital content plays a crucial role in promoting sustainability in today's environments. This study examines whether and how platform monetization policies influence the supply of sustainability-related content. We exploit a natural experiment induced by YouTube's policy in 2017 requiring channels to have a minimum of 10,000 lifetime views to qualify for monetization, which resulted in the demonetization of many smaller channels. We employ a regression discontinuity design to identify the causal impact of demonetization on the content supply of creators. Contrary to conventional expectations, we find that demonetization does not uniformly suppress content production. On average, creators reduce their content supply after losing monetization; however, those with a stronger commitment to sustainability significantly increase their content supply. This heterogeneous response indicates that the removal of extrinsic incentives can encourage intrinsically motivated prosocial content creation. Moreover, we find that demonetization alters the distribution of voices on the platform: it disproportionately suppresses content supply from creators with less polarized views. Our results provide new insights into the unintended consequences of platform monetization policy and offer implications for digital platforms and policymakers seeking to encourage sustainability-related content.

4 - Can Green Innovations Enhance Competitive Advantage?

The Hoa Mai, Monash University, Melbourne, Australia, Satheesh Seenivasan, David Lie, Dinesh Gauri

Introducing sustainable products enables firms to meet growing consumer demand for environmentally responsible options and respond to rising expectations for corporate sustainability. However, sustainable product development often requires substantial investment and entails a high risk of failure, raising questions about whether and when such initiatives generate tangible market benefits. Although prior research has examined drivers of new product success and determinants of sustainable consumption, causal evidence on the market impact of Sustainable New Product Introductions (SNPIs) remains limited. Grounded in signaling theory and the social goodwill perspective, this study investigates whether SNPIs enhance parent brand equity and identifies conditions under which these effects vary. Using a staggered event-study design, the first analysis examines the initial SNPI launched by a major national laundry detergent brand across retail stores within three major chains. The results show that SNPI significantly increases parent brand equity. To assess the generalizability of these effects, a complementary analysis examines SNPIs across 15 leading brands operating in 12 retail chains. The positive impact of SNPI remains in this second study. Additionally, the positive brand equity effects are attenuated for firms with a history of ethical disrepute, suggesting that prior misconduct undermines the credibility of sustainability signals. Similarly, the effects are weakened in retail chains with a higher share of sustainable assortments, highlighting the role of retail context in shaping consumer responses. These findings contribute to our understanding of how and when sustainable products act as credible signals of environmental commitment, thereby strengthening brand equity.

FA11

B129

Platforms I - Self-Preferencing

Contributed Session

Contributed

1 - Competing with the Platform: Complementor's Value Appropriation Response to Platform-Owner Entry

Shayan Abbasi, McMaster University, North York, ON, Canada, Manish Kacker

The relationship between digital platforms (e.g., Apple iOS, Google's Android) and their complementors (e.g., third-party apps) is defined by "coopetition", a blend of collaboration for value creation and rivalry for value capture. Platform-owner entry (POE) into complementary markets can escalate this rivalry and threaten complementor survival. While prior research has examined responses such as shifts in innovation or market withdrawal, less is known about how POE changes a firm's core value capture and data appropriation strategies (through pricing and data value appropriation). This study investigates whether complementors alter their

monetization models, specifically pricing and data collection, data sharing and change in user rights, in response to the competitive threat of POE using a dataset of 165,258 app updates from 2020 to 2025. Using a quasi-experimental design with a Difference-in-Differences (DiD) framework and Propensity Score Matching (PSM), we analyze a significant POE event in the mobile app ecosystem. Findings reveal a "harvesting" strategy: affected apps significantly increased their higher tier price by approximately 7.0% following entry. Further exploration of privacy policy text of these apps shows a partial strategic shift to appropriating value through data (i.e., data collection, data sharing and user rights). This research contributes to our understanding of platform power and the indirect consequences of POE on consumer privacy and user rights.

2 - Platform Self-Preferencing in Add-on Markets

Tianxin Zou, University of Florida, Gainesville, FL, United States, Jane Gu, Xinxin Li

Platforms often leverage their power as base product providers to engage in self-preferencing activities in the add-on market. First, *functionality self-preferencing* limits the functionality of highly competitive third-party add-ons, safeguarding the profitability of the platform's first-party add-ons. Second, *distribution self-preferencing* inhibits add-on transactions through other distributors, ensuring the platform's profitability in distributing third-party add-ons. We investigate the economic impacts of such platform self-preferencing activities in the add-on market by considering interactions between the base-product and add-on markets.

Our setup features a cross-market "feedback loop," where demand in the base-product market and third-party developer entry in the add-on market reinforce each other. We show that distribution self-preferencing motivates the platform to enhance the feedback loop by expanding base-product demand to encourage third-party add-on entry. By contrast, functionality self-preferencing weakens the feedback loop, leading the platform to choose a lower equilibrium base-product demand than it would in the absence of functionality self-preferencing, which further reduces third-party developer entry. Consequently, functionality self-preferencing generally harms the welfare of all market participants, whereas the welfare effects of distribution self-preferencing depend on several factors, including the platform's distributional advantage over external distributors and the competition nature in the base-product market. Our results highlight the importance of more nuanced regulations of different forms of platform self-preferencing in add-on markets and caution against potential unintended welfare consequences if cross-market dynamics are overlooked.

3 - Self-Preferencing by Platform-Owned Search Ad Intermediaries: Theory and Evidence

Woochoel Shin, University of Florida, Gainesville, FL, United States, Wilfred Amaldoss, Srinivas Tunuguntla

Advertisers increasingly rely on intermediaries to coordinate and optimize search advertising campaigns across multiple native ad platforms. When such an intermediary is owned by one of the competing platforms, a central concern is self-preferencing: i) whether the intermediary steers advertising spend toward its own search engine even when a rival platform is more effective, and ii) whether such steering harms advertisers. We first develop a stylized model in which an integrated intermediary can potentially favor its own platform through two mechanisms: asymmetric cross-platform system integration and self-interested spending decisions. The model yields testable predictions that distinguish integration-driven from spending-driven self-preferencing. We test the predictions using a 16-week randomized field experiment in search advertising, in which Google-owned Search Ads 360 (SA360) manages campaigns on both Google and Bing. Three main results emerge. First, under manual bidding, where the intermediary has limited scope to influence spending through bid optimization, adopting SA360 lowers cost per click (CPC) on Google but raises CPC on Bing. This finding is consistent with integration-driven self-preferencing. Second, under auction-time bidding, where automated optimization can directly affect spending decisions, we observe an efficiency–spending reversal. Although Bing exhibits lower CPC, SA360 allocates more spend to Google. Finally, despite evidence of self-preferencing, SA360 expands advertiser reach by increasing total clicks while maintaining an overall CPC comparable to the CPC when advertising directly on the native ad platforms.

4 - Strategy in Auto-Bidding with Profit-Driven Platform

Qiaoyi Chen, City University of Hong Kong, Hong kong, Hong Kong

Auto-bidding has become a standard practice in digital advertising. In this paper, we develop a game-theoretic model in which advertisers targeting heterogeneous consumer segments decide whether to rely on auto-bidding facing with a profit-driven platform. Our analysis reveals three practical insights. First, when heterogeneous segments have a homogeneous conversion value, delegating the bidding right to the platform will strictly outperform direct bidding with more efficient reallocation of traffic at the expense of higher ads spending. Second, heterogeneous conversion values can lead to suboptimal bidding and inflated ad spending, but can be fixed by designing a value-aware constraint . Third, in an open ecosystem where strategic information disclosure is feasible, advertisers can under-report low value segments to bias platform bidding toward high value segments, releasing the profit loss caused by misalignment of incentive. These findings not only advance theory by modeling autobidding in a principal-agent framework but also offer practical guidance for managing ad spend and platform interactions in real-world digital ecosystems.

5 - Auction Tuning

Kirthi Kalyanam, Santa Clara University, Santa Clara, CA, United States, Anthony Kukavica, Sridhar Narayanan

The recent antitrust ruling in *United States v. Google (D.D.C. 2024)* highlighted the possibility that online search advertising platforms might manipulate automated bidding procedures to artificially inflate revenues (“auction tuning"). Using a unique dataset of bidding data from a large consumer durables retailer, we derive estimates for the economic impact of tuning on online search advertisers. We first estimate upper bounds on the “headroom" (economic surplus available for the engine’s potential extraction) available across different classes of auctions. Among our findings are that tuning can indeed generate substantially more revenue than standard procedure, particularly for higher positions. We also examine a set of theoretical predictions about where there might be potential headroom and where advertisers are most vulnerable to tuning. Finally we propose a methodology to test for the presence of tuning under relatively mild data availability constraints, providing foundation for both advertisers and regulatory bodies to develop a framework aimed at deterring auction tuning.

FA12

B130

Causal Inference I

Contributed Session

Contributed

Chair: Elie Ofek, Harvard Business School, Boston, MA, United States

1 - Shrouded Sin Taxes

Johannes Kasinger, Tilburg University, Tilburg, Netherlands

Consumers often underreact to non-salient price attributes, enabling firms to profitably shroud mandatory charges. When taxes can be presented flexibly, firms may optimally reduce tax salience, weakening corrective taxation. This paper examines strategic tax shrouding after Germany’s 2012 sports betting tax, a 5% levy on betting turnover that applies to any online bookmaker serving German customers. Shrouding is widespread: most firms advertised tax-exclusive odds and deducted the tax only after a bet was selected, while a minority posted tax-inclusive odds. I assemble a new panel of web-scraped odds from 68 international bookmakers covering more than 80,000 sports events from 2009–2018. Using a difference-in-differences design that compares price changes for German-facing offers to contemporaneous changes in other markets, I estimate the tax’s pass-through to consumers. Effective (tax-inclusive) betting prices rise by about 3.8 percentage points, implying an average pass-through of 76%. Pass-through is highly heterogeneous by disclosure strategy: firms that shroud the tax pass through about 90%, whereas firms posting tax-inclusive odds pass through only 16%. To interpret these patterns and assess welfare, I develop a sin-tax model with imperfect price competition, endogenous shrouding, and heterogeneously attentive consumers. The model implies underreaction to shrouded taxes and shows that

strategic shrouding can substantially erode the corrective effects of linear taxes. Mandating tax-inclusive price posting emerges as a simple policy lever to restore salience and improve corrective taxation in digital markets.

2 - Mendelian Randomization in Marketing: Leveraging Genetic Data for Causal Inference

Manlu Ouyang, New York University, New York, NY, United States, Xiao Liu, Gideon Nave, Vishal Singh

Understanding how stable consumer characteristics and lifestyle behaviors causally influence market outcomes is essential for effective marketing strategies, policy interventions, and theoretical development. Yet ethical concerns preclude experimental manipulation of lifestyle behaviors, and self-selection and unobserved confounding complicate causal inference. We introduce Mendelian Randomization (MR) to marketing as a method for estimating long-term causal effects of exposures that cannot be randomly assigned. MR leverages genetic variants as quasi-random instruments, enabling robust inference in identification-poor settings. We provide a step-by-step guideline for applying MR with genome-wide association study data, adapting best practices to marketing contexts. Two applications illustrate its potential. First, cannabis use causally reduces educational attainment, largely by impairing non-cognitive skills such as motivation and self-regulation. Second, smoking and alcohol consumption reinforce each other, revealing complementarities in addictive behaviors. The findings indicate that fostering non-cognitive skills and educational support can mitigate harms from cannabis use, reducing alcohol consumption can yield spillover benefits for tobacco control, and cross-category marketing in alcohol and tobacco offers profitability but carries regulatory and reputational risks.

3 - Dei's Double Edged Impacts: Machine-Learning-Based Causal Evidence from Steam Game Sales and User Reviews

Masakazu Ishihara, New York University, New York, NY, United States, Ian Kim, Wei Lu

Firms increasingly incorporate diversity, equity, and inclusion (DEI) themes into entertainment products, yet backlash toward DEI in gaming communities suggests that the commercial consequences may be highly heterogeneous. We study the causal impact of DEI-related game characteristics on sales and review texts in the Indie PC game market. Using a dataset of Steam games released between 2014 and 2023, we define DEI content as the presence of either a female-protagonist (FP) tag or an LGBTQ+ tag. We first estimate the causal effects of FP/LGBTQ+ content on total sales using double/debiased machine learning. To address endogeneity arising from game theme-DEI correlations, we embed game descriptions and cluster titles into six thematic groups. Treatment effects vary across clusters: FP content reduces sales in action-intensive and strategy/survival clusters but increases sales in visual-novel and narrative-heavy clusters; LGBTQ+ content shows similarly polarized effects. To uncover why DEI succeeds or fails across themes, we apply a large language model-based causal inference on text to estimate how FP content shapes the linguistic properties of reviews. Clusters exhibiting significant sales effects also show significant divergences in review discourse. In negatively affected clusters, reviewers focus on socio-political framing, para-textual moral judgments, or philosophical critiques of design, whereas unaffected reviewers focus on mechanics and technical execution. In positively affected clusters, FP content elicits deeper narrative or identity-focused engagement. Our findings provide both practical guidance for developers and theoretical insight into the mechanisms through which DEI content interacts with theme-specific player expectations and the interpretive frames that shape consumer responses.

4 - Deep Learning in the Service of Customer Service: the Value of AI-Enabled Timely Performance Feedback

Elie Ofek, Harvard Business School, Boston, MA, United States, Hisham Abdulhalim, Byungyeon Kim, Adi Shalev, Talia Tron

Customer service agents serve a critical role towards post-purchase customer satisfaction, retention, and loyalty. However, providing them performance feedback in a timely manner involves several challenges: commonly used customer survey measures suffer from delayed, scarce, and biased responses. This study addresses these challenges by presenting an AI-based deep learning algorithm, which we term Conversational Hierarchical Attention Network (C-HAN), that predicts agents' performance for each customer service transaction in real-time. The algorithm leverages the hierarchical structure of documents, which facilitates an understanding of the context and sentiment, and incorporates various conversational features present in a customer-agent interaction —e.g., who the speaker is; when and how long each person spoke; and the total duration of the conversation—to better predict transaction quality. To understand the implications of providing timely feedback in practice and examine the effectiveness of our proposed AI-based algorithm, the study conducts a controlled field experiment

in an actual business setting that presents AI-derived performance feedback to customer service agents. The results demonstrate how the ability to provide timely feedback improves overall agent performance. Yet, when relative feedback, i.e., the average team measures, is additionally presented, the performance gain diminishes. The impact of AI-derived feedback on agents of different initial abilities, call-related behavior, as well as short- and long-term performance are also studied.

FA13

B131

Game Theory III

Contributed Session

Contributed

Chair: Zheng Gong, Chinese University of Hong Kong, Shenzhen, Shenzhen, N/A, China, People's Republic of

1 - Online Retailing with Platform-Offered Buy Now Pay Later Services

Cheng-Hsun Hsieh, National Chiayi University, Chiayi , Taiwan, Haoyu Liu, Pi-Ying Yen

Buy Now Pay Later (BNPL), a recently popular payment method, allows consumers to purchase now and pay in installments. This paper investigates the design of BNPL programs offered by marketplace platforms using a game-theoretic model in which the platform decides the interest rate and the seller determines the product price. We find that the interest rate decreases while the product price increases, as the commission rate rises. This occurs because the platform generates revenue from both product sales and BNPL, and when the commission rate is high, it relies more on the former than on the latter. We further extend the model to explore the impact of the proportion of BNPL users, the implications for zero-down-payment program designs, and the effect of consumer present bias. These findings help explain the variations observed in BNPL programs across the market and provide guidance for platform policies to design BNPL programs that best suit their needs.

2 - Managing Prominence Within a Retail Platform

Ye Qiu, Tongji University, Shanghai, China, People's Republic of, Ruitong Wang

In online markets, consumers tend to search and purchase prominently positioned products. Retail platforms typically manage this prominence through one of two models: an advertiser-driven model, where the platform sells the prominent position to sellers for advertising revenue, or a platform-guided model, where the platform actively curates the ranking. How do these different models affect strategic interactions among sellers and the ultimate allocation of prominence? Furthermore, when and why does one model yield higher profitability for the platform than the other? We answer these questions with a game-theoretical model that features competing asymmetric sellers and consumer heterogeneity over brand preferences and search costs. We find that the level of search cost critically determines which seller to win the prominent position under the advertiser-driven model, whereas, the strong seller, regardless of the search cost level, is more likely to be placed at the prominent position under the platform-guided model. Counterintuitively, the value of prominence can be non-monotonic regarding the search cost for both sellers and might be even negative for the weak seller under the advertiser-driven model. Surprisingly, under certain scenarios, the platform-guided model, which is supposed to better control sellers' pricing at the cost of advertising revenue for the platform, can intensify marketplace competition and therefore can be strictly dominated by the advertiser-driven model.

3 - Demand Forecast Sharing with Consumer Inequality Aversion

Qian Wang, Lingnan University, Hong Kong, Hong Kong, Yimin Yu, Jinghao CHEN

This paper examines how consumer inequality aversion affects manufacturers’ incentives to share private demand forecasts with retailers. We model a supply chain comprising one manufacturer and one retailer under two consumer types: naive and sophisticated. The manufacturer holds a private demand forecast and decides whether to share it under three regimes: no sharing, voluntary sharing, or mandatory sharing. Consumers experience psychological disutility when the retailer’s profit margin exceeds their own surplus.

Our findings show that the presence of inequality aversion fundamentally alters the value of forecast sharing. For manufacturers, information sharing is less attractive when consumers are highly inequality-averse, as it can

amplify perceived unfairness and dampen demand. In contrast, retailers may benefit from sharing when aversion is moderate and forecast accuracy is high. With naive consumers, voluntary and mandatory sharing are outcome equivalent. However, under sophisticated consumers, no sharing consistently yields higher retailer profits regardless of the inequality aversion level. Overall, the optimal sharing strategy depends critically on the interaction of forecast accuracy, consumer type, and the degree of social preference, offering new managerial insights into when transparency in supply chains is economically viable.

4 - Building Long-Term Relational Value via Internal Capacity: A Differential Games Approach

Gila E. Fruchter, Bar-Ilan University, Ramat Gan, Israel, Fred Feinberg

Long-term relational value -- between firms and customers, manufacturers and retailers, or alliance partners -- depends on outwardfacing relationship effort and on internal capability building that makes such effort less costly to sustain. We develop a continuous-time, infinitehorizon dynamic game in which two partners jointly influence a shared relationship-quality state through external relational effort and internal investment. External effort raises relationship quality but is costly; internal investment accumulates into an intangible relational-capital stock (e.g., training, alignment, coordination routines) that lowers the marginal cost of future effort.

We characterize a closed-form Markov-perfect equilibrium in a symmetric benchmark and provide explicit policy rules, steady states, and comparative statics. Modeling internal capacity as a cost-reducing stock yields three central implications. First, capacity accumulation supports higher engagement along equilibrium paths, raising long-run relationship quality and discounted payoffs relative to benchmarks that omit internal capital. Second, decentralized interaction systematically underprovides internal capacity because each partner captures only part of the benefit created by higher relationship quality. Third, when partners differ in internal investment costs, equilibrium behavior exhibits free-riding: the high-cost partner invests less while still benefiting from the shared relationship state and the counterpart’s internal work.

Simulations illustrate the joint dynamics of effort, capacity, and relationship quality; quantify inefficiencies relative to coordinated decision-making; and show how discounting and depreciation shape longrun incentives. Practically, the model separates “doing more” from “making doing more less costly,” highlighting internal capability as a distinct strategic lever, and also clarifies when coordination mechanisms would help to avoid chronic underinvestment.

5 - The use of Most Favored Nation Clauses in Exclusive Supply Contracts

Zheng Gong, Chinese University of Hong Kong, Shenzhen, Shenzhen, China, People's Republic of, Ignatius Horstmann, Frank Mathewson

Most-Favored-Nation (MFN) clauses in vertical contracts are traditionally analyzed as instruments for facilitating horizontal collusion or deterring entry. We propose a third, distinct mechanism: MFNs as commitment devices for strategic entry accommodation. Motivated by the NutraSweet case, we develop a model in which an incumbent supplier faces a potential entrant with endogenous capacity choice. We show that by granting an MFN clause to a major buyer, the incumbent voluntarily creates a price linkage that increases its own cost of engaging in discriminatory price cuts. This "rebate liability" renders the incumbent’s threat of predation non-credible, thereby validating a "Judo Economics" strategy for the entrant. Consequently, the MFN clause transforms a winner-take-all competition into a stable, segmented equilibrium where the incumbent cedes a portion of the market to a capacity-constrained entrant to preserve margins on its protected base. Contrary to the foreclosure hypothesis, we find that MFNs can function as an "invitation to enter," increasing the ex-ante likelihood of entry while softening the intensity of post-entry competition.

FA14

B132

Content Creation and Digital Platforms

Contributed Session

Contributed

Chair: Zachary Nolan, University of Arizona, Tucson, AZ, United States

1 - Sponsorship and the Exploration&Ndash;Exploitation Trade-off in Content Creation

Tong WANG, University of Edinburgh, Edinburgh, United Kingdom, Aluna Wang, Xitong Li, Ke Li

This study examines how commercial sponsorship shapes strategic content choice between exploration and exploitation in the creator economy. We find that sponsorship leads content creators to reduce their explorative activities and exploit established, commercially successful niches. This shift is more pronounced when the sponsored topic aligns with the creator’s existing specialization or occurs in less competitive domains. The evidence suggests a process of market-based learning, in which financial incentives steer content production. Our findings provide managerial implications on the supply-side dynamics of the creator economy and highlight how commercialization can reshape the diversity and direction of online content.

2 - Licensing Scope and Recreation Quality in the Cooperation Between Long-Form and Short-Form Platform

Jingying Wu, Fudan University, Shanghai, China, People's Republic of

This paper studies how a long-form video platform’s licensing decision to a short-form platform shapes optimal strategies along the clip recreation–traffic diversion–retention funnel. For the long-form platform, the scale of licensed content exhibits an inverted-U relationship with its own content revenue. When few content is licensed, creators have insufficient raw material to produce clips, limiting the reach of user acquisition. When more content is licensed, viewers can satisfy their consumption needs on the short-form platform, reducing marginal diversion and return to the original long-form content and ultimately cannibalizing long-form viewing and monetization. For the short-form platform, the optimal processing quality of clips is also inverted-U shaped. When clip quality is low, the platform fails to build a competitive edge in the short-video market. When clip quality is high, clips increase users’ propensity to jump to the long-form platform to complete subsequent consumption, thereby reducing short-form retention.

3 - When Talk Slows, Imagination Flows: the Impact of Streamers' Speech Rate on Consumers'; Purchase Intention in Livestreaming E-Commerce

Yuanyuan Wang, College of Management and Economics, Tianjin University, Tianjin, China, People's Republic of, Chundong Zheng

As the core sensory cue in livestreaming e-commerce, the impact of streamer’s speech rate on consumer responses and its underlying mechanisms remain under-explored. Based on one empirical analysis using secondary data and three online experiments, this study demonstrates a significant negative impact of streamer’s speech rate on consumer purchase intention. Consumers’ mental simulation mediates the effect, that is, slower speech rate of streamer enhances consumers’ mental simulation, thereby increasing their purchase intention. Furthermore, this study also reveals the moderating role of product type on the effect of streamer’s speech rate. Specifically, when the product type being sold is an experiential product, the negative effect between the streamer’s speech rate and consumers’ purchase intention will be strengthened. These findings deepen our understanding of the functions and mechanisms of streamer’s voice cues in livestreaming e-commerce, expand the theoretical boundaries of mental simulation from the perspective of voice, and provide practical insights for optimizing multimodal marketing strategies.

4 - The Impact of Video Piracy on Content Producers and Distributors

Zachary Nolan, University of Arizona, Tucson, AZ, United States

Digitization and advances in streaming technology improve access to content, but also facilitate media piracy. Internet service providers (ISPs) are uniquely positioned to detect piracy; however, their incentives to take enforcement actions are unclear. To quantify an ISP's incentive to prevent piracy, we develop a mixed-bundling modeling framework that captures the trade-off arising from the impact of new technologies on demand for internet access and linear TV subscriptions. While piracy may be a substitute for TV subscriptions, it can also increase demand for high-quality internet access.

We empirically study this trade-off using high-frequency data describing the take-up and usage of internet and TV subscriptions. Our main analysis applies synthetic difference-in-differences to study changes in usage, subscriptions, and expenditure when users adopt newly-released software that can facilitate piracy. We find that TV subscriptions decrease by 2.5\% and internet-tier upgrades increase by 5.2\%, resulting in a 1\% reduction in overall payments to the ISP.

Guided by our model, these results imply heterogeneity in ISPs' incentives to prevent piracy, depending on their TV margins. ISPs with reduced TV network licensing costs due to size advantages or vertical integration with content producers have the strongest incentives to prevent piracy. In contrast, smaller ISPs are more likely to benefit from piracy. Policymakers must weigh the benefits of encouraging a more active network-management role for ISPs to reduce content creator harm against privacy and content neutrality concerns.

FA15

B133

Influencer Marketing & Creator Economy

Contributed Session

Contributed

Chair: Cristina Nistor, Chapman, Orange, CA, United States

1 - Selective Disclosure in Pre-Launch Influencer Content

Zhe Lin, Xi’an Jiaotong-Liverpool University, Suzhou, China, People's Republic of, Qi Yu

Firms increasingly rely on social media influencers to shape consumer perceptions during product launches. However, firms often exert control over the information that influencers may disclose, raising concerns about selective disclosure and potential obfuscation. This study examines whether and how selective disclosure affects information quality and market outcomes. We examine these questions in the context of the gaming industry and construct unique data that links pre-launch influencer content to downstream consumer behavior. We develop a novel measure of selective disclosure using large language models to extract and classify content at scale, distinguishing between disclosed and undisclosed information, and sentiment expressed conditional on disclosure. Our analyses show that selective disclosure is strategic rather than suspense-building: influencer content is less informative yet more positively skewed. Despite reducing transparency, higher levels of selective disclosure increase consumer interest and product demand. Furthermore, there is little evidence that consumers learn over time, even as selective disclosure becomes increasingly prevalent. We discuss the implications of these findings for marketers, consumers, platforms, and regulators.

2 - Offline and Online Cross-Channel Dynamics from Nano-Influencers in Retailer-Sponsored Seeding Campaigns

Ulrike Phieler, Vienna University of Economics and Business, Vienna, Austria, Florian Dost

Online influencer marketing has matured, and many managers seek better performance with nano-influencers in seeding campaigns. Their effectiveness has typically been studied in pure online or offline contexts. This study answers an open call for cross-channel influencer dynamics, investigating seeding campaigns in a click-and-mortar retail setting. In seeding campaigns, managers can strategically focus nano-influencers' conversations online or offline, influencing digital and physical storefront traffic.

However, how these different campaign phases interact with existing online and offline advertising—and their impact on visits and sales—remains unclear. Since retail, influence, and advertising channels may complement or substitute each other, understanding their cross-channel effects is key to optimizing marketing spend and influencer focus.

Using a unique cross-channel retail dataset with daily campaign activity and online and offline advertising, we model cross-channel dynamics through online and offline influence and ad stocks, finding complex complementary and substitution effects.

Overall, nano-influencers increase digital and physical store visits by +4%, but reduce spending per incremental visitor by -2% in physical stores. Aligning seeding campaign focus with online and offline advertising optimizes outcomes: offline-focused campaign phases increase online visits by +10% with offline advertising, generate +1−7% more visits, and + 2% higher online sales when combined with online advertising. In contrast, online-focused campaign phases show limited effectiveness, reducing web traffic by up to -18% when misaligned with traditional advertising.

These findings highlight the importance of strategic cross-channel alignment with nano-influencer campaign phases and open new avenues for research on temporal and cross-channel influencer dynamics.

3 - Do 'Two' Many Cooks Spoil the Broth?: Analyzing the Impact of Content Collaboration on Content Creators' Success

Jane Lee, Texas A&M University, College Station, TX, United States, Yan Liu

As content collaboration becomes increasingly central to the creator economy, understanding its causal effect on creator success is both timely and important. This paper examines how content collaboration influences audience engagement, including subscriber growth and channel viewership, using comprehensive YouTube data and video analytics. Employing a stacked difference-indifferences approach with propensity score matching, we estimate both the short and long-term impacts of posting a collaboration video compared to similar noncollaborative content. We find that collaborations significantly enhance creator success, resulting in sustained increases in subscribers and views over time. Beyond these average effects, we explore the mechanisms behind collaboration effectiveness. We observe social learning effects, with creators influenced by their peers in both the quantity and quality of their posts after collaboration. Collaborations with partners who have larger audiences and operate in different content categories yield greater engagement, reflecting the benefits of network expansion. However, excessive shifts in content due to collaboration reduce engagement, showing that novelty needs to be balanced with content consistency. These insights deepen our understanding of how collaborations foster creator growth and contribute to the broader literature on collaboration and co-branding, the creator economy, and peer influence, while offering managerial implications for platforms and creators seeking to design effective collaboration strategies.

4 - Resale Royalties in the Creator Economy: Evidence from Non-Fungible Tokens

Yu-Jen (Andy) Chuang, Goethe University Frankfurt, Frankfurt, Germany, Björn Hanneke, Bernd Skiera, Oliver Hinz

Resale royalties grant creators a percentage of the resale price each time their work is resold in the secondary market. However, whether these royalties actually increase creators' total income remains unclear. Although resale royalties support creators by providing them with additional income over the lifetime of their creations, higher resale royalties may also lower first-sale prices in the primary market, as creators stimulate initial demand and future resale activity and anticipate earning future royalty income. We examine whether creators actually benefit from resale royalties using a large-scale blockchain transaction dataset that covers both primary and secondary market transactions for non-fungible tokens (NFTs). Our dataset comprises more than 20 million transactions from major NFT platforms between September 2021 and September 2024, enabling us to observe creator income across markets and over time. Our results show that while resale royalties can partially compensate creators for reduced primary-market revenue, their average net effect on total income is modest. Approximately one-quarter of creators earn a higher total income with resale royalties than under a counterfactual scenario with zero royalties. However, for most collections, total income roughly breaks even: royalty income from secondary sales largely offsets losses from lower primary-market prices. Furthermore,

approximately 70% of the cross-creation variation in resale royalties is driven by the number of resale transactions, rather than resale prices or royalty rates. Our findings offer implications for creators regarding the role of resale royalties in their income strategies.

5 - Social Paradise: Content Creators in California

Cristina Nistor, Chapman University, Orange, CA, United States, Matthew Selove

Social media has an outsized importance in marketing, with consumers learning about new products and brands using social media to reach their customers. At the same time, young people are excited to create content and reach a wide audience. Despite widespread adoption of social media platforms across the world, we find that content creators and influencers are overwhelmingly located physically in California. We use a novel database of content creators to show that Southern California has ten times the concentration of content creators compared with the rest of the US. We identify possible explanations and suggest social media strategies for brands and content managers.

FA16

B134

Platform Design, Competition, and User Engagement

Contributed Session

Contributed

Chair: Matthew Nagler, City College of New York, New York, NY, United States

1 - Network Effect and Platform Competition: Evidence from Online Dating Markets

Xin Zhou, Bocconi University, Milan, Italy, Kai Zhu, Qiaoni Shi, Sara Valentini

Network effects play a fundamental role in shaping platform markets, yet empirical evidence on their magnitude and heterogeneity remains limited. Using a comprehensive dataset on dating apps across 100 Chinese cities and leveraging the sudden suspension of a dominant app as a natural experiment, we address four key questions: (1) How does a regulatory removal affect user participation on the focal platform and its rivals? (2) What is the magnitude of local network effects revealed by this shock? (3) How do local market characteristics shape the strength of these effects? (4) How do heterogeneous network effects translate into market concentration? To answer these, we first employ a Difference-in-Differences design to quantify the shock's propagation through new user inflows and existing user engagement. Second, we estimate a structural demand model to recover network effect parameters and simulate counterfactual policy scenarios. We find that network effects are strongly positive but highly localized, varying significantly with city-level demographics. Counterfactual analyses further demonstrate that markets with stronger local network effects exhibit higher concentration and faster recovery from supply-side shocks. These findings underscore the importance of accounting for localized heterogeneity in platform strategy and antitrust analysis.

2 - Scale Efficiencies and Matching Uncertainty in Two-Sided Markets: Evidence from the Grab--Uber Merger

Dingzhe Leng, University of California, Berkeley, Berkeley, CA, United States, BINGZHAO LI, Juin Kuan Chong

Two-sided markets thrive when the indirect cross-side network effect expands. Matching becomes more efficient with more players on both sides. Would efficiency gains come at the expense of the welfare of both sides if the one platform owner exerts monopolistic pricing? Prevailing empirical and structural analysis based on New York City ride-hailing data (Rosaia, 2025) points to a detrimental outcome of higher prices and lower volume. Leveraging the 2018 Grab-Uber merger in Singapore, we provide a more general analysis using driver-specific per-trip level data before and after the merger. Empirical evidence post-merger contradicts the prediction of the existing model. Higher fares (increased by 8.51%) with more trips (increased by 6.97%) were observed in some areas during peak periods. More passengers joined the market, and drivers worked longer shifts (increased by 3.26%), making more money. This divergent empirical pattern was driven by the spatial efficiency, where passengers were matched in a shorter time (decreased by 36.32%) during the morning and evening peak periods at some high-demand locations. Pre-merger lost demand due to long and uncertain matching, not modelled in

prevailing analysis, returned with the shorter matching time resulting from the expanded driver pool in the combined platform; higher fares in high demand areas and times further encouraged unoccupied drivers elsewhere to relocate. Incorporating these empirical insights, we generalise the prevailing structural model to accurately predict both scenarios.

3 - Altruism and Idea Generation: An Experimental Study

Matthew Nagler, City College of New York, New York, NY, United States, Laura Kornish

There are indications that altruism is closely tied to the generation of high-quality ideas for innovation. The existing literature on creativity suggests that creativity requires not just effort but also cognitive flexibility, intrinsic motivation, and emotional investment. Meanwhile, prior studies in behavioral economics and psychology point to altruistic behavior as enhancing intrinsic motivation and prosocial engagement. However, the relationship of altruism to idea generation is not well understood. We examine this relationship in an online laboratory by randomly assigning participants to engage either in a charitable giving activity or in allocating money between two gift cards. Following this, we have participants generate ideas in response to a series of prompts. Independent raters score the ideas for creativity and usefulness. We find that idea generation and altruistic behavior are substitutes, in the sense that they both deplete the same scarce resource. Participants previously exposed to our charity elicitation generate lower-rated ideas; the crowding out is reduced the higher the individual's intrinsic motivation, construal level, self-perceived generosity, measured generosity in a dictator game, and self-reported history of charitable giving.

FA17

B135

Blockchain and NFTs

Contributed Session

Contributed

Chair: Guiyang Xiong, Syracuse University, Syracuse, NY, United States

1 - Smart Contracts, Smarter Royalties: Blockchain Rarity and Pricing Strategies

Evelyn Smith, University of Kentucky, Lexington, KY, United States

Physical and digital products can be linked to immutable blockchain records and represented by non-fungible tokens (NFTs). A distinctive feature of this emerging technology is the ability to encode resale royalty terms ex ante and automatically execute royalty payments at the point of future transactions in secondary markets. In addition, rarer collectibles often trade for higher prices. Therefore, firms or creators need to determine an upfront retail price, a resale royalty for future secondary-market transactions, and the level of product rarity to serve heterogeneous consumers. NFTs have been adopted across the arts and by major brands in sectors such as sports collectibles and luxury goods, where verifiable rarity drives secondary-market value and has generated substantial royalty revenue from resales. I develop an analytical model to demonstrate how a firm makes pricing, royalty, and rarity decisions responding to blockchain's characteristics under unique circumstances not considered by previous research. The model shows the equilibrium price and the scarcity quantity, depending on the proportion of heterogeneous consumer types and the consumers' intrinsic value. I also examine the impacts of different royalty types. This research provides novel insights into firms’ strategies impacting both primary and secondary markets and contributes to understanding the broader marketing implications of blockchain technology.

2 - Community Consensus and Market Fluctuations: Evidence from NFT Transactions

Baohong Sun, Cheung Kong Graduate School of Business, New York, NY, United States, Jiaxin Du, Yingda Lu, Keran Zhao

Digital goods markets often exhibit large fluctuations in demand and valuation that are not fully explained by product attributes or past prices. This study examines whether such fluctuations are related to changes

in *community consensus*, defined as the degree of alignment and persistence in observed transaction behavior and valuation outcomes within groups of market participants.

We study non-fungible tokens (NFTs) using the complete transaction history of NFTs traded on OpenSea from 2017 to 2023. Because NFTs are recorded on a public blockchain, the data trace the full transaction history of each NFT as it moves across wallets, allowing us to observe participation patterns, repeated trading, and price formation at the individual asset level. We construct a dynamic, heterogeneous network linking collectors, NFTs, collections, and transactions, and develop a hierarchical graph-based learning framework to uncover latent collector communities and predict future transactions and prices. Building on these communities, we measure consensus using observable behavioral patterns, including demand concentration, agreement in transaction prices, and temporal stability of purchasing behavior.

Our results show that fluctuations in demand and prices are more closely associated with changes in community consensus than with changes in community membership alone. We further find that contract design features, such as creator royalties and platform fees, are related to differences in community stability and consensus, highlighting the importance of community-level alignment in digital goods markets.

3 - Race & Crypto

Guiyang Xiong, Syracuse University, Syracuse, NY, United States, Pengyuan Wang, Alison Xu, Keith Wilcox, Kaia Choi, Xiaobo Lin

The crypto currency market is notoriously volatile, often experiencing drastic downward swings following major rallies, with examples including a fall of Bitcoin price below $20,000 in 2022 after reaching nearly $69,000, and multiple corrections of over 30% in the last three years. Risky investment choices can worsen the already strained financial situation of historically disadvantaged communities and widen racial wealth gaps. Mining big data of nationwide online behavioral records such as online search and ad clicks, this research shows that neighborhoods with more African American population exhibit greater interest in highly volatile cryptocurrencies, after controlling for related demographic and economic factors. A series of follow-up studies are conducted using large-scale surveys and controlled experiments to test the underlying psychological mechanism and identify contingency factors that drive individuals' risk preferences in selecting financial products and investment options.

FA18

B136

Synthetic Data

Contributed Session

Contributed

1 - Evaluating Synthetic Data for Inference in Small Marketing Datasets: Evidence from Survey-Based Consumer Research

Salomé Branchet, University of French West Indies, Fort-de-France Campus, Martinique, Eric Lambourdiere

Marketing research frequently relies on large samples to ensure stable inference and reliable consumer insights. However, practical constraints—particularly in academic and applied survey research—often result in small samples that limit statistical power, distort relational structures, and undermine segmentation outcomes. Recent advances in synthetic data generation offer a potential solution, yet evidence of their usefulness for substantive marketing analyses remains limited. This study examines whether synthetic data can meaningfully augment small marketing datasets without altering core empirical conclusions. Using original survey data collected from French-speaking university students (n = 160) measuring brand awareness, brand perceptions, media usage, and purchase intentions, we generate an expanded synthetic dataset (n = 600) calibrated to the empirical distributions of the real data. We compare the real and synthetic datasets along three dimensions: descriptive statistics, preservation of relational structure (correlations), and stability of consumer segmentation solutions. Results

show that synthetic augmentation preserves key distributional properties and correlation patterns while substantially improving the stability and interpretability of segmentation results. In particular, cluster solutions derived from the augmented data are more robust and substantively meaningful than those obtained from the original small sample. These findings contribute to marketing science by providing empirical evidence on the conditions under which synthetic data can enhance inference in small-sample research, offering practical guidance for researchers and practitioners facing data scarcity.

2 - Small Samples, Extended Insights? An Empirical Assessment of Synthetic Sample Boosting in Market Research

Christina Reh, HSLU-Hochschule Luzern, Lucerne, Switzerland, Adriana Ricklin, Dominik Georgi

Market research is increasingly incorporating artificial intelligence (AI), particularly through synthetic data generation or synthetic sample boosting, to address structural constraints such as small sample sizes and rising fieldwork costs. Despite growing adoption, the empirical validity of AI-generated data relative to traditional market research data remains insufficiently examined. This study analyses whether and under which conditions synthetic data—used both as fully synthetic panels and as a sample-boosting extension of observed survey data—can support managerial decision-making in market research applications. In collaboration with a Swiss market research institute, we first analyse a pilot application in which AI models learn statistical regularities from observed survey data and generate additional synthetic observations, effectively increasing sample sizes by a factor of two to three. We then replicate the analysis using panel data from Swiss Brand Observer across multiple industries and research contexts to assess robustness and external validity. To evaluate equivalence between observed and augmented data, we implement a difference-in-differences design that compares changes in key brand metrics—such as awareness, consideration, and purchase intention—between the original samples and their synthetically boosted counterparts over time. Pre-liminary results indicate that synthetic sample boosting can reduce estimation variance and support exploratory analyses when empirical data are constrained. At the same time, systematic deviations arise in certain subgroups and more granular analyses, highlighting limits to methodological rigor. Overall, the findings suggest that AI-based data augmentation can complement conventional market research under clearly defined conditions, but does not substitute for primary data collection in general.

3 - Using LLM-Based Priors to Optimize Choice Designs in Conjoint Experiments

Felix Eggers, Copenhagen Business School, Frederiksberg, Denmark, Marco Vriens, John Hauser

Choice-based conjoint (CBC) analysis is a cornerstone of marketing research, yet its effectiveness critically depends on the quality of the experimental design. Poorly constructed choice tasks, particularly those containing dominated or near-dominated alternatives, yield limited information about consumer trade-offs and reduce the value of collected data. This paper proposes the use of generative artificial intelligence (GenAI) to improve CBC designs by leveraging large language models (LLMs) as a source of prior knowledge about consumer preferences. These priors can be used to evaluate candidate choice tasks for the presence of dominated or dominating options and to optimize tasks with respect to utility balance before they are shown to respondents. In this way, LLMs enable an adaptive approach to question selection that aims to show tasks with more meaningful trade-offs. We empirically evaluate this capability in a CBC study on premium job search platforms with approximately 1,000 participants. We compare a traditional random design with designs optimized using (i) aggregate LLM-based priors and (ii) individualized priors conditioned on respondents' demographic and usage profiles, both at different levels of utility balance. Using holdout prediction measures, we show that LLM-guided designs substantially reduce the incidence of dominated choice tasks and improve predictive accuracy. Our findings demonstrate how GenAI enables a new form of adaptive experimentation in conjoint analysis, offering a scalable and low-cost tool for improving choice designs and enhancing market forecasts in dynamic settings.

4 - Predicting Behaviors with Large Language Model (LLM)-Powered Digital Twins of Consumers

Qiuhong (Owen) Wei, HKU Business School, Hong Kong, Hong Kong, Bingqing Li, Xin (Shane) Wang

Digital twins of consumers have emerged as a promising approach to simulate consumer thinking, feeling, and decision-making. Grounded in the psychological theory, which conceptualizes behavior as a function of both

personal traits and contextual factors, this research proposes and validates a dual-component framework for constructing Large Language Model (LLM)-based consumer digital twins. Fine-tuning on consumer-specific data including usergenerated content allows the model to internalize individual traits, preferences, cognitive and behavioral patterns, while retrieval-augmented generation (RAG) dynamically incorporates information specific to consumer context at inference. We demonstrate and validate the framework with Amazon e-commerce data, constructing 304 personified digital twins and evaluating their performance in predicting purchase decisions and review contents. The digital twins can predict future purchases with an average accuracy of 86% and to generate product reviews with strong semantic alignment to actual consumer-generated content (cosine similarity above 0.94). By aligning LLM adaptation techniques with the foundational psychological theory about behavior, our method enables psychologically grounded simulations of individual-level consumer behavior at a scale. This research contributes to the literature on generative AI, synthetic agents, and digital twins in consumer research, and at the same time, offers a new methodology for theory-driven modeling and privacy-compliant personalization in practice.

FA19

B137

Short-video Marketing

Contributed Session

Contributed

Chair: Yinan Li, University of Groningen, Nettelbosje 2, GRONINGEN, 9747 AE, Netherlands

1 - Selling in Seconds: An Empirical Analysis of Scripting Strategy on Short-Video Marketing Effectiveness

Wenyi Huang, Boston University, Boston, MA, United States, Chrysanthos Dellarocas, Shuba Srinivasan

Short-form video compresses attention into seconds, but brands ultimately care about purchases, not just engagement. We examine how theory-grounded scripting strategies, namely urgency and scarcity, social proof and relatability, emotional triggers, personal endorsement, product demonstration, feature–value breakdown, practical incentives, and usage guidance, influence the path from view to purchase in TikTok influencer sponsorships. Using a large daily panel of video-day observations from a U.S. multichannel network (MCN), we construct an interpretable multimodal classifier that quantifies the presence of each scripting strategy per video. We estimate a Poisson pseudo–maximum likelihood (PPML) model with log-exposure offsets and complementary binomial logits, incorporating creator, product, and temporal fixed effects and multiway clustered inference. Our analysis reveals that scripting primarily drives persuasion rather than attention capture. Rational–informational scripts, including feature-value breakdowns (+118%), product demonstrations (+41%), urgency (+34%), and practical incentives (+11%), significantly increase purchases per view, while socially validating cues such as social proof reduce conversion (−43%). Heterogeneity analyses show that high-tier creators benefit from credibility-intensive cues (demonstration, endorsement), whereas low-tier creators rely more on cost-effective nudges (incentives, detailed explanations). Moreover, hedonic products respond to emotional and social cues, whereas utilitarian products convert through demonstrative and feature-oriented information. We advance understanding of the attention–persuasion boundary in short-form video marketing, clarifying where scripting strategies matter most. Scripting choices shape downstream purchase conversion rather than initial engagement, offering actionable guidance on how creators and brands can optimize short-video scripts for conversion effectiveness.

2 - Don't Stop the Beat, or Maybe Do? The Energy Paradox in Short-Video Advertising

Siyu Meng, Sun Yat-sen University, Guangzhou, China, People's Republic of, liujie qian, Jia Gai, Hongju Liu

Music is widely used in advertising to attract attention and shape persuasion. Yet in short-form video environments where consumers can skip instantly, creative elements that maximize attention may not maximize sales. Using a comprehensive dataset from a leading short-video platform, the authors identify an “energy paradox” in advertising: high-energy background music increases ad completion rates but decreases conversion

rates. They propose attention allocation across channels as the primary mechanism underlying this paradox. In short-video ads, entertainment cues (e.g., high-energy music) and product-diagnostic content compete for consumers' limited attentional resources. High-energy music sustains engagement and reduces early exit, increasing completion; at the same time, it crowds out processing of product-diagnostic information, lowering conversion. Supporting this mechanism, the energy paradox is more pronounced when the product information is less salient within the ad, such as for less visually appealing products, low-involvement products, or products that are more difficult to evaluate (e.g., search products). These findings advance understanding of advertising design by highlighting the trade-off between viewer retention and conversion in high-energy ads and offering guidance for managers seeking to optimize performance.

3 - Learning from Success: Sales-Optimized Advertisement Generation in Short Video Marketing

Kunhan Wu, Boston University, Boston, MA, United States, Wenyi Huang, Wen Wang

Short-video advertising has become a dominant form of digital marketing, but most sponsored videos fail to generate revenue. A central cause is the creative bottleneck: the difficulty of crafting an effective shootable script, a multimodal, scene-level blueprint that integrates text, visuals, and selling cues considering both creator and product context. While existing Generative AI tools lower production costs, they are optimized for linguistic fluency rather than commercial effectiveness and fail to internalize the persuasive structures that drive sales. This misalignment limits their value for advertisers and platforms that focus on conversions. To address this challenge, we propose a Sales-Optimized Video Ad Generation Framework (SOVAG). SOVAG is a prescriptive AI artifact that generates customized shootable scripts conditioned on creator and product contexts. Leveraging a large-scale dataset of sponsored TikTok videos, we first extract structured multimodal representations of human-authored advertising video content to serve as a representational foundation. We then introduce Sales-Optimized Fine-Tuning (SOFT), which utilizes Gross Merchandise Value (GMV) as an outcome-weighted supervision signal to guide the model toward creative patterns co-occurring with commercial success. This "learning-from-winners" design enables the model to transfer effective narrative structures to underperforming contexts while remaining robust to the extreme skew of sales data. We conduct comprehensive evaluations, including quantitative benchmarks and human experiments with consumers and creators, demonstrating that SOVAG-generated scripts significantly increase purchase intentions and enhance production efficiency (by 11\% and 35\% respectively compared to standard SFT). Our work illustrates how design-oriented AI can bridge content production and measurable marketing performance.

4 - The Persuasive Structure of Short-Form Videos: An LLM-Based Investigation of Social Media Sales Effects

Yinan Li, University of Groningen, Groningen, Netherlands, Qiong Tang, Siria Luo, Tammo Bijmolt

Short-form video platforms have given rise to revenue-sharing collaborations in which influencers directly drive product sales. Although prior research has examined various features of advertising videos, we know far less about how content should be structured to maximize performance in influencer-led sales environments. This study addresses this gap by examining how the structural composition of short-form influencer videos affects commercial outcomes.

Using a dataset of more than 10,000 sponsored U.S. TikTok videos, we analyze how content components and their organization shape both social media engagement and sales performance. We define theory-driven content categories and use large language models to label each video accordingly. Our analysis reveals a distinct role of social interaction within video content as a driver of sales performance, motivating an extension of the traditional ACE framework to an ECAI ("Affect, interaction, Cognition, Experience") model that incorporates interaction as a core persuasion mechanism in social media contexts.

We find that experiential and interaction-oriented content are the primary drivers of conversion. In addition, structural coherence plays a critical role: videos with clear episodic boundaries and focused messaging enhance sales outcomes, whereas high informational density impedes viewer processing and reduces effectiveness.

This reliance on experiential and interactive content structures distinguishes social media persuasion from traditional advertising, where persuasive effects are largely attributed to cognitive and affective message

processing. Together, these findings clarify how persuasion mechanisms shift in interactive media environments and offer evidence-based direction for designing more effective short-form video content.

Friday, June 12, 10:30 AM - 12:00 PM

FB01

B002

Technology and Markets II: New Technology in Retail

Invited Session

Special Session

Chair: Sylvia Hristakeva, Cornell S.C. Johnson College of Business, Ithaca, NY, United States

Co-Chair: Yufeng Huang, University of Rochester, Rochester, NY, United States

1 - The Profitability of Store Credit Card Discounts

Bowen Luo, University of Houston, Houston, TX, United States, Ruiqi Wu, Xiaojie Li

Store credit cards are ubiquitous and represent a major source of revenue for retailers. To encourage card usage, retailers often offer exclusive rewards that exceed those of general-purpose credit cards. Using a novel consumer panel with detailed payment choices and unique variation in discount levels, we examine the profitability of store credit card discounts. We estimate the causal effects of discounts on card usage and document a strong, generally concave response that flattens at both low and high discount levels. Importantly, much of the switching induced by discounts comes from cash and debit cards rather than from other credit cards, limiting potential savings in interchange fees. Combining these estimates with the effects of discounts on purchases allows an evaluation of profitability across discount levels. Despite positive effects on payment choice and sales, store credit card discounts primarily subsidize customers who would have used the card anyway, yielding negative profits over a wide range of discount levels. These findings have important implications for store credit card reward design, underscoring the importance of accounting for subsidy effects in firm strategy.

2 - Do Review Solicitations Elicit Reviews Where They Matter for Sales and Returns?

Hana Choi, Simon Business School, University of Rochester, Rochester, NY, United States, Minkyung Kim, Jinsoul Seo

Firms routinely solicit online reviews, yet it remains unclear whether solicitations generate reviews where future buyers value them most—and thereby increase sales and reduce product returns—because solicitations target reviewers while benefits accrue to buyers. Using individual-level panel data on purchases, solicitations, reviews, and returns from a large apparel e-commerce retailer and leveraging natural variation in solicitation exposure, we estimate a reviewer model measuring how solicitations affect review generation across informational states and a demand model measuring how additional reviews affect subsequent orders and returns. We find that an additional review improves downstream buyer outcomes, especially reducing return rates by up to 11.9% when prior review information is scarce. However, for reviewers, solicitations increase review incidence on average but are least effective in these low-information states. These patterns reveal a systematic reviewer--buyer misalignment: solicitations fail to elicit reviews where they matter most. We attribute this to a first-and-early review barrier driven by psychological frictions. A counterfactual exercise shows that increasing the solicitation effect in the zero-review state from its current near-zero level to 1.7%, the largest heterogeneous effect estimated across review-information states, raises net revenue by $0.72 per solicitation message, underscoring the value of overcoming early review barriers.

3 - Value of Data and Model Complexity in Retail Pricing

Aaron Kaye, Boston University, Questrom School of Business, Boston, MA, United States, Ayush Kanodia, Susan Athey, Rob Donnelly, Mitchell Linegar, Pulak Ghosh

Across industries, firms increasingly engage in data-driven decision-making, using algorithms trained with proprietary and third-party data. Data have economic value to firms because of their potential to improve business decision-making in areas such as product offerings, inventories, and pricing. We study the economic value of consumer data in a retail setting. Using a large-scale panel of consumer shopping data from five stores

and over 170 product categories, we develop a flexible demand model that combines standard consumer choice models from marketing and economics with matrix factorization techniques from machine learning, whereby users have latent preferences and products have latent attributes. We jointly estimate the demand model over all product categories and stores instead of the category-by-category approach common in the literature. Increasing the training data size can improve the model performance by more precisely estimating the parameters of a fixed model and allowing for a more sophisticated model with more latent factors. We use the model to construct counterfactual pricing policies that maximize expected revenue by using model predictions to assign targeted discounts and evaluate counterfactual revenues using off policy evaluation methods. To evaluate the economic value of data, we re-estimate the demand model and repeat the pricing and evaluation exercise while varying the size of the training data along four dimensions: 1) length of consumer purchases histories, 2) data from other consumers, 3) data from other product categories, and 4) data recency. We find positive values of data along all dimensions, with the largest gains from user purchase histories.

4 - Electronic Shelf Labels Have Not Led to Surge Pricing in US Grocery Retail, Despite Regulator Concerns

Robert Sanders, UC, San Diego, Los Angeles, CA, United States, Ioannis Stamatopoulos, Robert Bray

The adoption of electronic shelf labels (ESLs)—digital tags enabling instantaneous price updates—by Walmart and Kroger, the two largest US grocery retailers, has triggered regulatory scrutiny at both federal and state levels. Policymakers are concerned that ESLs have facilitated surge pricing strategies, whereby retailers increase prices in response to factors such as time of day, weather conditions, or demand spikes. We examine these concerns with comprehensive transaction data from a US grocery retailer with $3 billion in annual revenue, which gradually implemented ESLs across over 100 stores beginning in October 2022. We find virtually no surge pricing either before or after ESL adoption. Specifically, temporary price increases (surges) affected only about 0.0050% of products on an average store–date before ESL adoption, and this rate changed insignificantly by +0.0006 percentage points (p-value 0.94) after adoption. Our results suggest that recent regulatory concerns regarding surge pricing in grocery retail are misplaced.

FB02

B003

Marketing and Public Policy II: Privacy, Sustainability, and Polarization

Invited Session

Special Session

Chair: Klaus Miller, HEC Paris, Jouy-en-Josas, France

Co-Chair: Michelangelo Rossi, HEC Paris, N/A

1 - Sizing the Market for Plant-Based Meat Replacements

Max Pachali, Tilburg University, Tilburg, Netherlands, Bart Bronnenberg, Thomas Otter

We quantify the market potential for plant-based meat replacements (PBMR), a fast-growing category with major implications for reducing food-related emissions. Despite their relevance, many consumers still exclude PBMR from their diets. To explore behavioral barriers, we build a unique data set linking actual grocery purchases with survey responses on product consideration, attitudes, and knowledge of environmental impact. We propose a novel demand model that combines revealed and stated consideration and find that consideration is mainly driven by variables like taste perceptions, cooking familiarity, and meat-eating habits, while demographics explain little beyond generational differences. Counterfactual simulations show that addressing experiential barriers could substantially boost market share. For example, if consumers perceived the taste and texture of PBMR as comparable to meat, the market share would increase by 6.2 percentage points. In contrast, increasing awareness of environmental and health impacts yields only modest gains. Our estimates allow us to make recommendations, specific to demographic profiles, on which attitudinal changes result in the largest dietary change toward PBMR. In general, the main obstacles to adoption are experiential, not informational or economic. Campaigns should therefore focus on improving taste, familiarity, and ease of preparation rather than solely raising awareness.

2 - Paying for Privacy: Pay-or-Tracking Walls

Bernd Skiera, Goethe University Frankfurt, Frankfurt am Main, Germany, Reinhold Kesler, Klaus Miller, Timo Mueller-Tribbensee

Increasingly, news publishers request that users pay for privacy. Specifically, users receive a notification banner, referred to as a pay-or-tracking wall, that requires them to (i) pay money to avoid being tracked or (ii) consent to being tracked. However, we know little about how pay-or-tracking walls impact publishers' profitability. This paper examines in three empirical studies (i) how users react to pay-or-tracking walls and (ii) how these reactions impact publishers' profit. The results show that, on average, pay-or-tracking walls are more profitable than cookie consent banners, but small publishers and publishers with specialized or non-premium content tend to profit less and may even incur a loss.

3 - In Privacy We Trust: The Effect of Privacy Regulations on Data Sharing Behavior

Ozge Demirci, Imperial College London, London, United Kingdom, Ayelet Israeli, Eva Ascarza

This paper studies the impact of privacy policies on consumer data-sharing behavior, focusing on policy changes in California and Virginia that took effect in 2023. Using data from a leading customer engagement app in the United States, where users upload shopping receipts in exchange for rewards, we find that privacy regulations led to a significant increase in both the volume and scope of receipt uploads, with the largest increases among users who were initially less inclined to share information. To investigate whether these policy changes had a broader impact beyond the platform, we analyze the nationally representative Consumer Expenditure Survey metadata, which details respondent interactions during the survey interviews. We find that respondents in treated states became more willing to share spending information after the policy. We further show that states where the new regulation was implemented experienced heightened privacy awareness, evidenced by an increase in privacy-related Google search activity and a decline in expressed privacy concerns during expenditure survey interviews. Together, these findings suggest that privacy regulations may encourage greater consumer participation by improving transparency and trust around data-sharing practices.

4 - Engagement vs. Commitment: The Economic Trade-Offs of Polarizing News Content

Klaus Miller, HEC Paris, Jouy-en-Josas, France, Shunyao Yan

We study how polarizing content shapes two economic outcomes on a major European news website: engagement (time on site) and commitment (paid subscriptions). Using advances in natural language processing, we construct deep-learning and large-language-model-based textual measures of polarization tailored to a multiparty system. We combine comprehensive supply and demand data—the full publisher-wide article inventory with user-level clicks and subscription outcomes—to track how consumers interact with polarizing articles. To identify causal effects, we use two theoretically distinct instruments: (i) a Bartik-style design that interacts users' stable topic preferences with weekly shifts in the supply of polarizing content; and (ii) an election shock that raises political salience for a subset of readers. We document a "polarization trap": exogenous increases in exposure to polarizing content raise engagement (time on site) but reduce the probability of subscribing. The negative subscription effect is driven more by the affective than the ideological dimension of polarization and is strongest during high-salience political periods. These results imply a strategic trade-off for publishers: content that maximizes short-run attention can undermine the formation of a loyal, paying subscriber base.

FB03

B004

Sustainability VI

Contributed Session

Contributed

1 - A Study on the Motivation of ESG-Related Executive Compensation Schemes: Evidence from China

Ni Zebin, Renmin University of China, Beijing, China, People's Republic of, Ma Pengcheng

ESG-related executive compensation, which integrates ESG performance into managerial pay schemes, has gained prominence globally as a governance mechanism to align managerial incentives with sustainability objectives. In China, its adoption is shaped by distinctive institutional drivers, including top-down policies such as the “dual-carbon” targets and mandatory ESG disclosure guidelines. Using text analysis of annual and sustainability reports from Chinese A-share listed firms (2018–2024), this study examines the determinants of ESG-related pay adoption. The findings indicate that state ownership promotes the adoption of such compensation schemes, often tied to baseline compliance requirements that incorporate constraining indicators into executive pay. Although ESG-related pay is favored by state shareholders and long-term institutional investors, it faces resistance from management due to the added constraints and performance benchmarks. These relationships are further moderated by the firm’s overseas exposure and external oversight. This research provides systematic evidence on how institutional and firm-level factors jointly shape ESG-related pay practices in China, contributing to the literature on sustainable governance in emerging economies.

2 - ESG-Related Executive Compensation Schemes and Cost of Capital: Evidence from China

Ma Pengcheng, Renmin University of China, Shanghai, China, People's Republic of, NI Zebin

This study examines the impact of ESG-related executive compensation on firms' cost of capital, focusing on the divergent preferences of shareholders and creditors. ESG-related pay, which ties managerial compensation to environmental, social, and governance performance, is increasingly adopted as a governance mechanism to align managerial incentives with sustainability goals. However, its effect on financing costs is theoretically ambiguous: while it may signal lower long-term risk to creditors, it could also raise concerns among shareholders about resource diversion and weakened focus on financial returns. Using data from Chinese A-share listed firms (2018–2024), we find that adopting ESG-related pay significantly reduces the cost of debt but increases the cost of equity. Mechanism tests indicate that debt cost reduction stems from lower litigation and operational risks, whereas equity cost rises due to perceived increases in uncertain long-term investments at the expense of profitability. Further analysis shows that these effects vary across industries and regions, with stronger debt cost benefits in heavily polluting sectors and less marketized regions. Our findings reveal the dual-edged nature of ESG-related pay: it reallocates value and risk between stakeholders rather than creating universal benefit. This study underscores the importance of a balanced, context-sensitive approach to designing such incentive systems to navigate inherent stakeholder conflicts.

3 - When Energy Supply Fails: the Effect of Power Shortages on New Energy Vehicle Driver Behavior

Qingxin Xie, East China Normal University, Shanghai, China, People's Republic of, Xuejing Ma

As new energy vehicles (NEVs) have been widely adopted, their operation has become increasingly dependent on a stable energy supply. However, the implications of energy shortages for NEV drivers’ behavior and economic outcomes remain unclear. Utilizing the Chengdu power rationing event in 2022 as a quasi-natural experiment, this study employs a Triple Differences (DDD) model to examine how energy shortages affect the behavior of NEV drivers, specifically, the NEV taxi drivers. The study has following findings: first, compared to fuel drivers, NEV drivers’ daily revenue decreases 166.48 yuan, which accounts for 31.43% of their normal incomes. Second, this decline is primarily driven by a reduction in working hours, making up 89% of the total, rather than a decrease in hourly earnings accounting for only 11%. Third, data indicates that NEV drivers saw a 20% reduction in long-distance orders compared to normal times. When charging was delayed, NEV drivers were forced to shift toward short-distance order markets, while demand for long-distance trips spilled over into unaffected fuel vehicles. Moreover, NEV drivers who typically prefer long-distance orders or work long hours experienced a more significant revenue decline during energy shortages. If the energy supply is unstable, NEV drivers face not only the waiting costs of queuing for charging but also the additional loss of high-value orders when timely charging is unavailable. The findings underscore the importance of infrastructure resilience in sustaining widespread use of NEVs.

4 - A Conditional Latent Mixture Model of Incremental Willingness-to-Pay for Sustainable Product Alternatives

Fernando Machado, Catholic University of Portugal, Lisboa, Portugal, Ranjit Christopher, Jingyao Huang

Researchers have widely documented a pervasive attitude-behavior discrepancy in consumers' evaluation of sustainable product alternatives (SPA) that purport to reduce negative externalities such as pollution vis-à-vis an unsustainable substitute (BASE). The primary reason cited is the *Social Desirability Bias* (SDB) which renders a wide variety of experimental IWTP estimation techniques lacking incentive compatibility (IC) unreliable for testing new product ideas. We show that fixing IC alone does not suffice. Forcing consumers to contrast SPA with a BASE increases the salience of the product's environmental impact resulting in their reevaluation of the BASE product in a new light. This not only influences the previously environmentally conscious consumers but also leads to a greater proportion of the sample to become more environmentally conscious i.e., an *"Incidental Contrast Effect" (ICE*).

We suggest that this phenomenon can be explicitly modeled by considering net IWTP as a latent mixture distribution of the conditional sum of two types of value: purely private benefit tradeoffs and a marginal value contingent on consumer's genuine concern for the environment. We call this a dual-process model of IWTP by building on both the theories of demand for "impure public goods" in the economics literature and on that of "guilt" in the psychology literature. Our proposed IWTP elicitation and estimation procedure can benefit both researchers and practitioners either for (1) debiasing IWTP estimates of the influence of ICE or (2) assessing the heterogeneous effects of marketing mix variables like promotional mechanisms on the dual processes to optimize product marketing and promotion.

FB04

B005

AI in E-Commerce

Contributed Session

Contributed

Chair: Xueyan Wang, Harbin Institute of Technology, 92 West Dazhi Street, Harbin, 150001

1 - The Adoption of AI Shopping Assistant in E-Commerce: Who, When, and What for?

Zemin (Zachary) Zhong, University of Toronto, Toronto, ON, Canada, Han Zhong, Se Yan, Wenyu Zhou, Nitin Mehta

This paper provides early, large-scale descriptive evidence on the adoption and usage patterns of LLM-based AI assistants within e-commerce ecosystems. Using extensive data from Ctrip, the largest online travel agency (OTA) in China, we analyze ``Wendao,'' a DeepSeek-based AI assistant integrated into the platform's shopping interface. Based on a sample of 31 million users who logged in during June 2025, we establish a set of stylized facts regarding who adopts these tools, when they are used in the purchase journey, and what specific intents they serve. Demographically, we find that AI adoption is higher among older consumers, female users, and highly loyal existing users. Behaviorally, adopters are significantly more engaged with the platform. Regarding the consumer journey, the median AI chat activity occurs at the same relative position as traditional search clicks. User request are correlated with the type of products purchased. These findings provide an empirical foundation for emerging theories on AI-mediated commerce and offer critical insights for researchers and practitioners designing the next generation of digital shopping experiences.

2 - Seeing is Selling? The Impact of Product Videos and AI Voiceovers on E-Commerce Sales

Sichu Chang, Bocconi University, Milan, Italy, Marton Varga

With the rapid growth of short-form video platforms, firms increasingly rely on video content to promote products, yet evidence on its effectiveness remains limited. In this paper, we study how short product videos influence sales on an e-commerce platform using a rich panel dataset from Taobao, the largest online marketplace in China. The data track 25,715 products across 44 categories, from household appliances to advanced smart products, between April 2024 and January 2025, yielding 174,387 product-month observations.

We find that the presence of product videos significantly increases sales on average, with larger effects for hedonic, complex, and experience goods. We further examine how AI-related video elements shape these effects by studying the moderating role of voiceover type. Voiceovers are classified as human or AI based on human judgments of whether the voice sounds human. The results suggest that AI-generated voices perform no worse than human voices, provided they are not overly human-like.

To better understand how humans perceive voice type, we estimate prediction models using two large-scale frame-level acoustic feature sets, eGeMAPS and ComParE16. These models accurately distinguish AI-voiced from human-voiced videos and reveal systematic differences in voice quality, voicing stability, and energy dynamics.

Overall, our findings offer practical guidance for product managers on when video content is most effective and whether the use of AI voiceovers is beneficial. Our approach also provides managers with a scalable and cost-effective way to infer how consumers are likely to perceive a voice as human or AI, without relying on costly human evaluations.

3 - Assessing the AI Solution Ecosystem: Adoption Status and Impact Analysis for Small or Media Online Retailers

Inyoung Chae, SKK University, Seoul, Korea, Republic of, Jaegang Heo, Lin Kim

Despite the growing integration of artificial intelligence (AI) into e-commerce platforms, rigorous empirical evidence on its real-world impact remains scarce, particularly among small and medium-sized online retailers (SMoRs) who often face unique operational constraints. This study investigates when and for whom AI adoption improves business performance by leveraging a natural field experiment conducted in partnership with Korea’s leading e-commerce platform. The platform deployed six AI-based solutions (ranging from automated keyword generation to inventory optimization) targeted at SMoRs.

Using a multi-method design combining a large-scale randomized field experiment, clickstream panel analysis, and qualitative interviews with participating firms, we provide a comprehensive view of the heterogeneous effects of AI. Our findings reveal that, on average, AI adoption does not uniformly improve performance; rather, its benefits are contingent on firm characteristics and product types. In particular, smaller firms, those with fewer resources and lower baseline digital maturity, experience significantly greater improvements in traffic and sales. Moreover, the benefits are more pronounced for firms selling utilitarian products, where data-driven optimization is more actionable, compared to those selling hedonic or symbolic goods.

This study contributes to the literature by moving beyond single-method approaches that dominate existing research, and by offering a rare combination of causal identification and rich contextual understanding. Our results also provide practical insights for platform providers and policymakers seeking to support AI adoption in under-resourced retail sectors. We highlight the importance of firm-AI fit and call for more nuanced, context-sensitive strategies for digital transformation in retail.

4 - Sequential Search with Multi-Homing Consumers

Yue Li, University of Wisconsin-Madison, Madison, WI, United States, J. Miguel Villas-Boas

This paper develops a sequential search model in which a large number of firms sell through both a retail platform and an open market. The retailer operates to maximize commission revenue and provides product recommendations based on imperfect information on consumer types. A large number of consumers are multi-homing and can search in both channels to learn prices and fits (as well as the accuracy of the retailer's product recommendation). The model endogenizes consumers' multi-homing sequential search strategies, firm pricing, and the retailer's commission fee. We extend this framework to analyze interactions between a retailer owner and a manager.

5 - When AI Recommenders Mess up: Matched Recovery for AI Hallucinations in E-Commerce Search

Xueyan Wang, Harbin Institute of Technology, Harbin, China, People's Republic of, Ziqiong Zhang, Zili Zhang

Generative AI is increasingly embedded in e-commerce search as a conversational recommender, yet hallucinations can create different failures that undermine consumer responses. Integrating a service failure lens with a matched recovery perspective, we distinguish two hallucination types. Factuality hallucinations are outcome failures in which the AI fabricates product attributes. Faithfulness hallucinations are process failures in which the AI misaligns with the consumer intent despite producing fluent content. We propose mechanism that effective recovery depends on aligning the post-error response tactic with the failure type, and it operates through distinct cognitive mediators.

Across three online experiments in an e-commerce recommendation scenario, we compare each hallucination condition against a no-error baseline and manipulate recovery quality within the matched tactic. Study 1 tests factuality hallucinations and shows that evidence-backed correction, which points consumers to platform internal verifiable sources such as the product detail page, attenuates negative effects on attitude toward the AI recommendation and purchase intention by increasing perceived provenance transparency. Study 2 tests faithfulness hallucinations and shows that clarification based preference elicitation, which asks targeted questions to refine constraints and restates the consumers' goal, mitigates negative effects by increasing perceived intent understanding. Study 3 integrates both failure types and demonstrates that high-quality matched recovery consistently outperforms low-quality recovery while operating through failure-congruent cognitive mechanisms.

This research advances consumer behavior theory on generative AI failures by formalizing outcome versus process AI hallucinations in e-commerce recommendations, establishing matched recovery quality as a boundary condition, and identifying mechanism linking recovery tactics to consumer intentions.

FB05

B008

Advances in Treatment Effect Analysis and Optimization

Invited Session

Special Session

Chair: Ron Berman, Wharton School, PHILADELPHIA, PA, United States

1 - Measuring Advertising Effectiveness Using Privacy-Constrained Geo Experiments

Caio Waisman, Northwestern University, Evanston, IL, United States, Malika Korganbekova, Jerry Chen, Fiath Shin, Yusheng Jiao

This paper studies advertising effectiveness in geo-level experiments under privacy-induced measurement error. Digital platforms increasingly use cluster-randomized designs, assigning treatment at the Designated Market Area (DMA) level, due to constraints on individual-level experimentation. However, platforms often cannot reliably identify a consumer's location unless the user logs in or clicks on an ad, leading to misclassification of treatment assignment and attenuation bias in estimated effects. We quantify the extent of this misclassification using internal platform data from a large-scale advertising experiment, with error rates as high as 22\%. We propose two correction methods: a bias-adjustment using estimated classification accuracy, and a model-based estimator that leverages validation data and adjusts both the propensity score and outcome model. Simulation evidence and empirical application demonstrate that accounting for misclassification significantly improves inference on advertising effectiveness. Our findings offer methodological tools for experimental evaluation in privacy-constrained environments.

2 - Selecting the Best Arm in One-Shot Multi-Arm Rcts:the Asymptotic Minimax-Regret Decision Framework for the Best-Population Selection Problem

Joonhwi Joo, The University of Texas at Dallas, Richardson, TX, United States

We develop a frequentist decision-theoretic framework for selecting the best arm in one-shot, multi-arm randomized controlled trials (RCTs). Our approach characterizes the minimax-regret (MMR) risk-optimal decision rule for multivariate normal (MVN) rewards with an arbitrary covariance matrix. We show that the MVN-MMR rule is deterministic, unique, and computationally tractable. We then establish the local asymptotic

minimaxity of a plug-in version of the rule when only estimated means and covariances are available. This asymptotic MMR (AMMR) procedure maps a covariance-matrix estimate directly into decision boundaries, allowing straightforward implementation in practice. Our analysis highlights a sharp contrast between two-arm and multi-arm designs. With two arms, the "pick-the-winner" empirical success rule remains MMR-optimal, regardless of the arm-specific variances. By contrast, with three or more arms and heterogeneous variances, the empirical success rule is no longer optimal: the MMR decision boundaries become nonlinear and systematically penalize high-variance arms, requiring stronger evidence to select them. Our multi-arm AMMR framework offers a rigorous foundation that leads to practical criteria for comparing multiple policies simultaneously.

3 - Optimal Decisions for Repeated A/B Testing Programs

Ron Berman, Wharton School, Philadelphia, PA, United States, Elea Feit

Practical guides advise product managers to continuously run A/B tests to optimize digital products. Yet most academic work analyzes single experiments in isolation, ignoring the sequential nature of innovations that arrive over time. We develop a dynamic decision framework for repeated A/B testing that captures this reality.

In our model, an experimenter continuously randomizes users between production and experimental versions, choosing at each decision point whether to continue testing, deploy the experimental version to production, or replace it with a new innovation drawn from an underlying distribution. The objective is maximizing cumulative discounted profits over time.

We compare four decision strategies: traditional null-hypothesis significance testing (NHST), peeking with sequential testing, pick-the-best rules, and a Gittins index approach that treats the problem as a multi-armed bandit with three arms (production, experimental, and potential new innovations). We derive the Bellman equation governing optimal sample sizes for pick-the-best and show how the Gittins index provides a tractable near-optimal solution.

We use simulation analysis to compare these strategies in scenarios that reflect realistic experimental distributions estimated from real-world datasets. The analysis reveals that the Gittins index strategy outperforms alternatives. Traditional hypothesis testing performs worst among all heuristics—it minimizes deployment errors but sacrifices performance on the experimental arm. Surprisingly, the peeking approach performs relatively well because it explores more innovation faster. These findings challenge standard recommendations for A/B testing practice and provide implementable tools for improving experimentation program returns.

4 - Targeting with Operational Constraints

Yi-Wen Chen, Columbia Business School, New York, NY, United States, Eva Ascarza, George Gui

Most services operate under capacity constraints—limits in staffing, infrastructure, or system bandwidth that shape how well they can respond to fluctuations in demand. When firms use targeted marketing interventions to stimulate demand, these interventions can unintentionally overload operational capacity, resulting in service disruptions that negatively affect all customers. Such spillover effects, or interference effects, are often overlooked in existing approaches to policy design, which typically assume that treatment effects are isolated and independent. We propose a comprehensive methodological framework for designing targeting policies that explicitly accounts for operational constraints and their spillover effects. Our framework first characterizes the conditional marginal effect of treatment on market-level outcomes, then employs an optimization strategy to derive the capacity-aware targeting policy. We validate our approach in collaboration with an Asian ride-hailing platform, demonstrating that failing to consider operational constraints can lead to suboptimal targeting decisions and diminished intervention effectiveness.

FB06

B009

The Influence of Payment Process on Consumer Behavior

Invited Session

Special Session

Chair: Nicole Mead, Nova School of Business and Economics, Toronto, ON, N/A, Canada

1 - The Peril of Cryptocurrency: Accepting Cryptocurrency as a Payment Method Undermines Brand Evaluation

Kathleen Vohs, University of Minnesota, Minneapolis, MN, United States, Han Young Jung, Daniel Chin, Sarah Lim

An increasing number of brands are adopting cryptocurrency as a payment method, offering consumers greater flexibility in how they pay. The current research empirically examines whether and how such adoption affects consumers' brand evaluation. Across nine pre-registered studies, consumers evaluated brands more negatively when they accepted cryptocurrency payments, compared to when they did not or when they adopted comparable digital payment methods (e.g., Venmo). This effect emerged consistently across product domains (rideshare, fashion, electronics), brand evaluation measures (e.g., sentiment analysis, ad click-through-rate, incentive-compatible preference). This negative effect of cryptocurrency payments occurred because accepting cryptocurrency payments triggered perceptions that the brands might be violating ethical norms due to their perceived association with illicit activities (compared to brands that do not accept cryptocurrency). In further support of this mechanism, the key effect was mitigated when brands accepting cryptocurrency payments were not seen as violating ethical norms, either through weakening the associations between cryptocurrency and illicit activities or emphasizing brands' compliance with cryptocurrency regulations. Although cryptocurrency may be considered the currency of the future, the current research suggests that brands adopting it may face negative consumer perceptions due to lingering negative ethical concerns.

2 - Connectedness to Payment Method: How It Attaches Consumers to Purchases and Motivates Earning

Szu-chi Huang, Stanford University, Stanford, CA, United States, Chris Bechler

Modern consumers spend and earn via a variety of payment methods (e.g., cash, card, cryptocurrencies). Building on identity and self-other connectedness research, we theorize that consumers can incorporate different payment methods into their self-concept to varying degrees, and thus develop different levels or strengths of connection to these methods. Across eight studies (half of which involve real purchases, sales, or incentive-compatible earning tasks), we show that a stronger connection to a payment method (1) attaches consumers to goods purchased through that method (e.g., increasing product usage intentions and reselling prices), and (2) motivates consumers to work harder to earn via that method. We differentiate connectedness from other classic constructs like pain of paying, pleasure of paying, and psychological ownership both conceptually and empirically. By capturing how connected consumers feel to different payment methods, researchers and practitioners can better predict how consumers will experience purchases and work to earn. Implications for consumers, policymakers, and firms are discussed, including how payment methods can be leveraged to extend the length of product use and how employers can design compensation schemes to improve workers' performance.

3 - The Ugly Premium Effect: How an Ugly Option Increases Purchases from an Assortment

Selin Malkoc, The Ohio State University, Columbus, OH, United States

Retailers typically curate visually cohesive and attractive product assortments to maximize consumer appeal. In contrast to this commonly held wisdom, this research identifies an "ugly premium effect," demonstrating that addition of an aesthetically unattractive, ugly, product to a range-priced assortment increases the purchase likelihood of the remaining, visually

more attractive options. We suggest that when prices are presented as a range e.g., $30.99– $44.99), consumers encounter price ambiguity and the ugly option serves as a structural signal, anchoring the lower end of the price range. Consequently, consumers adjust their price expectations upward for the attractive alternatives, enhancing their price acceptability and purchase intentions. The effect is attenuated when other diagnostic cues, such as

attribute-based vertical differentiation or signals of social demand-based differentiation, offer alternative explanations for the pricing structure. These findings challenge the assumption that visual

inferiority is solely detrimental, suggesting instead that ugliness can function as a strategic tool to manage price expectations and improve conversion rates without requiring discounts or functional modifications.

FB07

B010

Influencer Marketing II

Invited Session

Special Session

Chair: Yanting He, Imperial College London, London, United Kingdom

Co-Chair: Maximilian Beichert, Bocconi University, Milan, Italy

1 - The Influencer Effect: Boost or Bust for Future Customer Behaviour?

Maximilian Beichert, Bocconi University, Milan, Italy, caio vieira, Peter Ebbes, Andreas Lanz

Influencer marketing is often evaluated on short-run engagement, yet firms ultimately care about whether influencer touchpoints change customers' long-run purchasing trajectories. Using customer-level transaction data from a large European direct-to-consumer e-commerce brand (2019–2025), we study how an influencer-attributed purchase affects subsequent customer behavior. We define treatment as a customer's first influencer-attributed order and construct a comparable control group via risk-set matching with coarsened exact matching, aligning customers at the same lifecycle stage and on rich pre-treatment behavior and demographics. On the matched sample, we estimate incremental effects on monetary value, purchase frequency, interpurchase timing (recency/hazard), and product/category breadth over multiple post-treatment horizons. We find that an influencer-attributed purchase is followed by economically meaningful and persistent increases in customer value: customers purchase more often, return sooner, and expand their purchasing basket relative to matched controls. Effects are strongly heterogeneous, with the largest lifts concentrated among earlier-stage customers and attenuating as customers become more established. Robustness analyses support that these patterns are unlikely to be driven by modest unobserved selection. Managerially, the results imply that influencer programs should be assessed on incremental customer lifetime value and targeted toward customers early in the relationship rather than judged primarily on immediate, vanity-metric performance.

2 - Targeting Curators: Solving the Cold-Start Problem in the Creator Economy

Caio Vieira, HEC Paris, Jouy-en-Josas Cedex, France, Peter Ebbes, Andreas Lanz, Daniel Shapira

Unknown creators try to solve the cold-start problem on user-generated content platforms by means of the follow-for-follow approach. While prior works document the value of targeting users with either few or many followers, namely low or high (network-)status, this article investigates a novel seeding target: curators. These users typically do not upload anything but instead combine existing content into lists, and some even become high status. Recent works revolve around playlists on audio streaming platforms and demonstrate the impact on curated songs. But can the users behind such lists—the curators—be targeted and activated by unknown creators? To investigate, the setting must therefore be truly interactive, unlike streaming platforms, hence the authors study a worldwide leading user-generated content platform on which users can interact with each other through following, messaging, and other activities. In the spirit of the follow-for-follow approach, unknown creators use these activities, especially following, for targeting to build a follower base from scratch. This instance of creators solving the cold-start problem in an interactive setting provides the opportunity to assess the responsiveness as well as the holistic value of curators. Establishing them as a distinct target reveals that unknown creators seem to internalize the curators' value, as they are highly targeted, despite not being highlighted by the platform's recommender systems. Moreover, curators are surprisingly responsive as they follow back with a much higher probability than what is optimal according to prior literature—and they prove to be particularly valuable as a result of follow backs from reposts and listings.

3 - Optimal Control and Generation of Audio-Visual Content for Sentiment and Engagement

Xiaohang (Flora) Feng, Carnegie Mellon University, Pittsburgh, PA, United States, Yiling Xie, Jehoshua Eliashberg, Prasad Naik

We propose a framework for multimodal content generation that treats audio–visual creation as a dynamic optimization problem with respect to clearly defined behavioral objectives. In the primary setting, the objective is to improve **post-consumption review sentiment**, measured as the positivity of user-generated reviews. We model how time-varying visual features influence optimal audio generation through both levels and temporal changes in visual intensity, and formalize audio generation as an optimal control problem that balances sentiment improvement against smoothness and coherence constraints. By reducing high-dimensional visual signals into a low-dimensional factor space, the approach yields tractable solutions while maintaining interpretability and flexibility across generative architectures.

We further show how the same framework naturally extends to **short-video creation**, where the objective function is defined as **viewer engagement**, operationalized by the number of likes. In this context, both audio and visual trajectories can be treated as control variables, allowing creators or platforms to systematically generate or refine short-form videos to maximize engagement subject to duration and continuity constraints. By explicitly linking multimodal generation to observable behavioral outcomes (e.g., review sentiment or likes), our framework departs from purely perceptual loss functions and provides a structured, outcome-driven approach to generative content design. The method is model-agnostic, scalable, and well suited for applications in digital platforms, advertising, and entertainment.

4 - Dynamics of Reliance: Evidence from Social Trading

Dana Turjeman, Arison School of Business, Reichman University, Herzliya, Israel, Neta Livneh, Barak Libai

The rise of digital trading platforms has transformed retail investing by enabling individuals not only to trade independently but also to observe and copy the investment behavior of others. In this study, we examine how investors dynamically adjust their reliance on others' behaviors-measured as the share of an investor's portfolio allocated to copying others' investments-in response to gains and losses from both self-directed investments and those directed by others. Using a stylized 2×2 design and longitudinal data from over 25,000 investors on a social trading platform, we find strong asymmetries in reliance adjustments in response to performance outcomes. Investors reduce reliance on others after gains from self-directed trades but do not increase it after losses. In contrast, they sharply reduce reliance following losses on copied trades but show no change after gains. These findings extend the theory of self-serving bias to the evaluation of others' performance in a real-world financial setting, demonstrating for the first time that individuals attribute others' success to external factors and others' failures to their (in)abilities. Counterfactual analysis insinuate this bias leads to suboptimal decisions; we found that investors would have earned higher returns by maintaining, rather than reducing, reliance. Heterogeneity analyses further show that experienced investors respond less strongly to this bias than novices and that women are less affected by performance feedback than men. Our findings provide initial evidence on how cognitive biases shape social reliance in digital finance platforms, with implications for platform design and digital trading.

5 - The Effect of LLM models on Creator Incentives

Dina Mayzlin, University of Southern California, Los Angeles, CA, United States, Amy Pei

Online platforms increasingly deploy AI systems that summarize user reviews by extracting and aggregating sentiment across reviews. In particular, many aggregation systems present summary information at the product-attribute level. While prior research examines how attribute-level information influences consumer decisions, little is known about how the aggregation and presentation of such information shape consumers’ incentives to produce reviews. We study how the introduction of attribute-based AI-generated review summaries alters review production and content. We propose that AI summaries generate heterogeneous incentive effects. First, because reviews contribute to summaries even when they are not directly read, AI summaries increase participation among low-effort users who write shorter reviews and decrease participation among high-effort users who write longer, more detailed reviews. Second, AI-generated summaries create an incentive to optimize review content for AI summary inclusion rather than for human readership, shifting reviews away from narrative expression and

toward enumeration of attributes. Our findings shed light on how AI-mediated aggregation systems reshape participation incentives in consumer-generated content.

FB08

B011

Technology and Markets I: Platform Monetization and Engagement

Invited Session

Special Session

Chair: Sylvia Hristakeva, Cornell S.C. Johnson College of Business, Ithaca, NY, United States

Co-Chair: Yufeng Huang, University of Rochester, Rochester, NY, United States

1 - Temporary Premium Benefits on a Multi-Channel Platform: Effects on Engagement and Monetization

Matthew McGranaghan, University of Delaware, Wilmington, DE, United States, Zachary Nolan

In this paper, we study how temporary premium benefits affect user behavior on a multi-channel social livestreaming platform. We collect novel user-level panel data which captures viewership, chat engagement, and subscription purchases across popular creator channels on the platform. To estimate causal effects, we leverage quasi-exogenous variation in the allocation of premium benefits together with double-robust machine learning. The average benefit recipient increases time spent on the platform by more than three hours during the benefit period, and is 11% more likely to use the platform's chat feature. These behavioral effects are persistent for three months after the benefit period ends, and spill over to other creators on the platform. In the short run, temporary benefits cannibalize paid subscriptions to the channel where they apply, but generate more than offsetting increases in subscriptions to other channels. In the long run, benefit recipients have a greater propensity to subscribe to all observed channels. Subscription spillover effects are largest among heavy platform users who engage less with the channel where benefits apply, suggesting that targeting users outside their preferred content areas can generate cross-channel spillovers while mitigating cannibalization. We use our treatment effect estimates within a multi-objective optimization framework to investigate how platforms can target promotional access to temporary premium benefits to balance different, potentially competing, objectives.

2 - Engagement-Dependent Utility: Theory and Evidence

Samsun Knight, University of Toronto, Toronto, ON, Canada, Tanjim Hossain

A student who expects a college course to be worthwhile may pay close attention and learn a great deal, while a student who expects that course to be a waste of time may scroll through their phone during class and learn nothing. The quality of the lecture is the same for each, but their realized utility is different due to their (belief-induced) engagement level. We develop a model in which consumers choose engagement with a product based on beliefs about product quality and where engagement affects the distribution of realized utility. We then provide evidence on this mechanism in a large-scale experiment with over 500 book readers, recruited from online reader communities and randomly assigned novels to read, with a subset randomly assigned to view reviews before reading. We show that negative reviews reduce both expectations and realized enjoyment: readers shown bad reviews are 15 percentage points less likely to report above-average expectations and 11 percentage points less likely to report above-average enjoyment. This negative effect on enjoyment is driven by a compression of the enjoyment distribution, with lower density of both high ratings and very-low ratings, and sustains over the course of reading, with bad-review exposed readers showing declining trajectories of enjoyment while control readers show increasing trajectories. We estimate a structural model from our experimental data and, through stylized simulations, illustrate how the realized utility and average ratings of products can be shaped by different marketing strategies.

3 - Adding Ads: Self-Selection and the Economics of Ad-Supported Subscription Tiers in Video Streaming

Joe Kook, Northwestern University - Kellogg, Evanston, IL, United States, Jura Liaukonyte, Daniel McCarthy, Anna Tuchman

Connected TV (CTV) platforms are rapidly adopting advertising-supported (AVOD) tiers alongside premium ad-free (SVOD) plans. Using proprietary viewer-level data from multiple services, we study how subscribers sort into AVOD and premium ad-free (SVOD) plans, and how these AVOD and SVOD users differ in subsequent viewing behaviors. We document systematic differences: before adoption, households that ultimately choose AVOD exhibit lower baseline engagement and more irregular viewing than those who choose SVOD, consistent with selection on expected usage, price sensitivity, and ad tolerance. After adoption, AVOD users watch less, churn more, and binge more than SVOD users. We perform sensitivity and counterfactual analyses to quantify the revenue trade-offs from this under varying CPMs. At prevailing CPMs in our sample, AVOD subscribers generate less revenue per user than SVOD subscribers, with the gap driven primarily by lower viewing intensity rather than retention. These differences are further amplified by broader CTV market trends, where increased adoption of AVOD tiers has expanded available ad inventory, which puts downward pressure on CPMs, further widening the gap between AVOD and SVOD users. These results clarify when AVOD tiers expand reach yet reduce per-subscriber monetization, informing platform design and pricing.

4 - Ad-Supported Tiers, Multi-Homing, and Competition in Video Streaming Markets

Sylvia Hristakeva, Cornell S.C. Johnson College of Business, Ithaca, NY, United States, Julie Holland Mortimer, Yihao Yuan

Digital platforms have recently introduced ad-supported subscription tiers alongside traditional ad-free plans. These lower-priced tiers affect not only which platforms consumers choose but how many. We study how this versioning behavior by firms alters competition in markets where consumers multihome. Increased offering of low-price tiers may intensify competition, especially for price-sensitive consumers. However, it may also encourage consumer multi-homing, reducing platforms' incentives to compete to be included in consumers' previously limited set of subscriptions and potentially softening competition.

We study these forces in the U.S. video streaming market, estimating a two-stage structural demand model using subscription and viewing data from 2022-2024. In the first stage, households choose a bundle of streaming services from multiple platforms. In the second stage, households allocate viewing across titles offered by their subscribed services. Advertising enters as viewership disutility that directly lowers the value of ad-supported tiers and affects both subscription and viewing decisions. We use the estimated model to analyze how the introduction of ad-supported tiers changes multihoming behavior and trace the implications for equilibrium prices and welfare.

FB09

B127

Privacy I

Contributed Session

Contributed

Chair: Hang Nguyen, Michigan State University

1 - Unveiling Consumer Preference from Real-time Micro-Decisions in the Era of Digital Privacy

Xiaojing Dong, Santa Clara University, Santa Clara, CA, United States, Wenxing Ma, Zhiying Hu

Making inferences about consumer preferences has been instrumental in targeting and personalized recommendations. Traditional methods have relied on access to historical consumer-level data, a resource becoming scarce due to burgeoning privacy regulations. In this research, we introduce a Bayesian dynamic approach to decode consumer preferences by harnessing one specific micro-decision during search sessions - consumer filtering choices such as adjustments on price ranges to refine search results. This innovative method allows us to understand consumer preferences even with limited data. It holds the potential to bolster a company's capability to provide timely recommendations while adhering to the constraints of privacy regulations. We developed a Bayesian model to capture live-streamed information to assess individual-level price-quality tradeoffs. Through a utility model tailored for price-quality tradeoffs, our model provides a closed-form solution, bringing insights into how various factors converge to influence consumer browsing actions. Our model is validated using both simulated data and empirical data from hotel searches on a major travel platform.

The results indicate that by capturing early-stage signals from search filter decisions, our approach effectively reveals the dynamic interplay between consumer behavior and market offerings, offering a promising strategy for enhancing personalized online shopping experiences in privacy-constrained environments.

2 - Optional Granular Control and Privacy Decisions: Evidence from Apple's App Tracking Transparency (ATT)

Alexander Bleier, Frankfurt School of Finance & Management, Frankfurt am Main, Germany, Lennart Kraft, Bernd Skiera, Tim Koschella

Consumers often differ in their desire to exercise control over their privacy. While some like to precisely implement their privacy preferences, others do not want to invest the required effort. In this research, we introduce the concept of Optional Granular Control (OGC), a hierarchical decision framework that allows consumers to implement their preferences with a desired level of detail. We study OGC in the context of Apple's App Tracking Transparency (ATT), which allows consumers to disable tracking at the global device level or evaluate tracking requests granularly, app by app. Our results based on 1,237 apps show that, in contrast to frequent calls to grant consumers more fine-grained control over their data, most consumers (52.34%) prefer not to engage in granular control. We further find that motivation, ability, and opportunity explain this opt-out behavior. Among consumers who do engage in granular control, consent is higher for apps that collect less data and for apps that request consent early during consumers' app usage. In contrast, the content of the specific tracking request is of negligible importance. Analyzing data from 19 countries before and after the introduction of ATT, we further demonstrate substantial negative economic consequences of this policy for publishers worldwide.

3 - Privacy Protective Market Research Using Digital Twins

Xiaoyu Ouyang, Massachusetts Institute of Technology, Cambridge, MA, United States, Catherine Tucker

As privacy regulation and platform policies limit access to sensitive consumer data, firms increasingly rely on rich and legally safe first-party behavioral data. Given that key traditional predictors of consumer behavior—such as demographics or income—cannot be directly collected, companies face a central question: can marketers accurately predict consumer purchase intent while preserving consumer privacy? This paper proposes a privacy-protective, large language model (LLM)–based methodology for constructing digital consumer twins using only non-sensitive data. Using the Twin-2K-500 dataset, we benchmark privacy-constrained models against full-information models across econometric, machine-learning, and representation-based approaches. We find that our method achieves predictive performance comparable to full-information benchmarks and does not exacerbate sensitive-attribute leakage. We further validate these findings from a randomized, longitudinal field experiment that combines rich browsing, search, and shopping traces with survey-elicited sensitive attributes. The results characterize a practical frontier between personalization performance and privacy risk under modern regulatory constraints.

4 - Generative AI in Mobile Apps: the Impact of Privacy Policy Evolution on User Evaluations

Meiling Xin, Wuhan University, wuhan, China, People's Republic of, Fue Zeng

The integration of generative artificial intelligence (GenAI) into mobile applications is becoming increasingly widespread. While this trend drives product innovation and functional evolution, it has also significantly heightened users' concerns over the security of personal data and privacy protection. This study aims to systematically investigate the relationship between adjustments made to an application's privacy policy and user evaluations following the introduction of GenAI features. The research selects applications from the Apple App Store that have been newly launched or have undergone major updates with explicitly integrated GenAI functionality as the sample. Through programmatic crawling, a longitudinal panel dataset is constructed, which includes version update logs, functional descriptions, historical privacy policy texts, as well as user ratings, download counts, and review texts for the sampled applications. First, text analysis is employed to identify the critical time point at which an application first explicitly mentions or deploys GenAI functionality. Subsequently, the frequency of updates and version changes in its privacy policy after this point are tracked and quantified. Finally, this study conducts correlation analysis and regression modeling between the aforementioned policy-related indicators and user rating data from the app store during the same period, to empirically examine whether timely adjustments to privacy policies and the substantive strength of their protections significantly impact user evaluations. The findings provide evidence-based insights for application developers, assisting them in striking a

balance between leveraging cutting-edge AI technologies and practicing responsible data governance to build sustainable user trust.

5 - Privacy Regulation and Consumer Shopping Behavior: Evidence from California's Consumer Privacy Act

Hang Nguyen, Michigan State University, East Lansing, MI, United States, Minghao Wang, Forrest V. Morgeson III

Privacy regulations are intended to protect all consumers, yet they may produce unintended consequences across consumer segments. We provide causal evidence for how California's Consumer Privacy Act (CCPA) reshaped consumer shopping behavior and its asymmetric effects across demographic groups. Using Nielsen Consumer Panel data (2019-2021) and difference-in-differences methodology with two-stage propensity score matching, we find that CCPA reduced monthly shopping trips by 2.2% while leaving total spending unchanged. The effects exhibit substantial heterogeneity: low-income households reduced trips by 0.28 per month, while high-income households exhibited no significant change. Families with children under 13 reduced trips by 0.58 per month (3.6 times more than childless households) and purchased 3.68 fewer items monthly. We identify a promotional inefficiency mechanism underlying these effects. Following the CCPA implementation, household coupon savings increased by $0.85 per household per month. However, restrictions on cross-retailer data sharing disrupted personalized targeting, transforming promotional offers from targeted to more generic. Consequently, despite redeeming more coupons, consumers paid $2.16 more per trip due to less precise price discrimination and weaker targeting efficiency. The results are robust to synthetic difference-in-differences, event-study specifications, and replication using Virginia’s privacy law (2023). Overall, the findings reveal a regressive welfare effect of privacy regulation, with high-income consumers (the driving force behind privacy protections) experiencing no change in shopping behavior, and lower-income consumers (who rarely opted-out under the CCPA) bearing a disproportionate share of the costs. As additional U.S. states implement similar laws, our evidence underscores important trade-offs between data privacy, promotional efficiency, and consumer welfare.

FB10

B128

Media

Contributed Session

Contributed

Chair: Michal Maimaran, Northwestern University, Evanston, IL, United States

1 - Bridging the Gap in Multi-Level Media Budgeting: a Fast Gray-Box Optimization Approach for Integrated Black-Box Simulators

Ryoma Yasunaga, Hakuhodo DY Holdings Inc., Minato-ku, Japan

As the media environment grows increasingly complex, holistic budget allocation across multiple channels is essential for maximizing marketing ROI. A critical challenge is that modern media platforms often rely on black-box simulators for performance prediction, which are computationally expensive and whose internal structures remain opaque.

In practice, budget optimization is frequently bifurcated into independent layers—macro-level media allocation and micro-level vehicle or target allocation—leading to significant discrepancies between assumed media effects and actual micro-level results. This fragmentation hinders overall KPI maximization by failing to account for the dynamic interactions between the two layers.

This study proposes a gray-box optimization framework that integrates known differentiable macro-level models with multiple unknown black-box micro-level simulators. To overcome the computational bottleneck where each simulation can take several minutes, we introduce an adaptive evaluation strategy that prioritizes simulators most likely to improve the global objective, combined with domain-driven heuristics. By leveraging marketing domain knowledge, such as the saturation effect of advertising, we utilize specialized approximation techniques

that replace standard Gaussian Process regression.

Simulation results demonstrate that the proposed method is not only over 100 times faster than standard Bayesian optimization but also computationally superior to the state-of-the-art selective-updating approach presented at ICML 2024. Our approach reaches 90% of the theoretical optimal solution within approximately 10 exploration steps, allowing practitioners to optimize cross-media investments without modifying the underlying platform simulators.

2 - Tease orTell? How Media Friction Inverts the Effectiveness of Early Branding

Hayun Jung, Cornell University, Ithaca, NY, United States, Alex Fulmer, Karen Nelson-Field

The optimal temporal placement of brand cues remains a contentious black box in advertising research, where literature is polarized between early branding to anchor attention and late branding to sustain curiosity. This study addresses the conflict by examining the media environment—specifically its exit-cost structure—as a moderator that shifts a viewer's cognitive state. By observing 1,622 viewers in their own environments across 5,236 viewer-ad pairs, this field study moves beyond lab-based models to capture the real-world moment of disengagement, known as the termination hazard. We utilize mixed-effects Cox proportional hazards models to analyze this hazard, as they allow for the simultaneous estimation of time-to-exit while accounting for unobserved heterogeneity across 143 unique ads and 1,622 viewers.

The findings are grounded in a theoretical framework of friction-contingent attention, explaining a significant inversion in branding effectiveness. Analysis reveals that in exploratory environments like social feeds, late branding is associated with reduced exit hazards, consistent with literature suggesting that maintaining a moderate knowledge gap can prolong engagement. Conversely, in high-constraint formats like non-skippable pre-rolls, early branding reduces the risk of immediate disengagement, functioning as an informational hub for viewers focused on reaching their primary content. Notably, while branding timing manages this momentary stability of the initial gaze, mixed-effects modeling indicates that only the total cumulative lifespan of engagement significantly predicts brand choice ($b = 0.024$, $p < 0.001$). These results demonstrate that creative strategy must be fundamentally synchronized with the choice architecture of the platform.

3 - Advertising Timing, Format, and Frequency in Retail Media Networks

Danny Claro, Insper, São Paulo, Brazil, Marcello Ferreira, Carla Ramos

Retail Media Networks (*RMNs*) have rapidly become a dominant force in digital advertising, transforming retailers into data-rich media platforms that connect ad exposure and purchase within the same ecosystem. Yet, academic understanding of what drives *RMNs'* effectiveness remains limited. This study develops and empirically tests a model grounded in the Motivation–Opportunity–Ability (MOA) framework to explain how three foundational pillars of advertising theory—advertising timing, format and repetition—shape consumer response in such digital high-intent purchasing contexts. Using proprietary hourly campaign data from a major *RMN*, with 412 distinct product-level campaigns across four consumer goods categories, the authors estimate a correlated random-effects panel model to analyze how temporal rhythms, ad format and exposure intensity influence sales outcomes. Results reveal distinct diurnal and weekly cycles consistent with motivational fluctuations across the day and week, a clear goal-proximity gradient in which effectiveness increases as campaigns move closer to the moment of purchase and a nonlinear wear-in/out pattern, confirming that repetition enhances ability-based processing up to a saturation point. Together, these findings extend classical advertising principles into a digital commerce-integrated setting, demonstrating that persuasion and conversion co-occur dynamically when consumers are motivated, have the opportunity and possess the cognitive ability to act on advertising stimuli. The study advances theoretical understanding of *RMN* effectiveness and provides managerial guidance for optimizing ad exposure timing, format selection, and frequency management in high-MOA, commerce-integrated environments. It also provides marketing managers with key insights on how to optimize *RMNs* effectiveness.

4 - Parenting in the Digital Age: Navigating Social Media use Among Tweens

Michal Maimaran, Northwestern University, Evanston, IL, United States, Margaret Echelbarger

With digital consumption beginning earlier in childhood, it is crucial to understand how families navigate children's entry into social media. This research examines how parents of tweens (ages 9-12) manage and emotionally experience their children's emerging social media use during this critical developmental period. Recent developments underscore the urgency of this inquiry: Australia's government recently restricted social media access for children under 16, and major trials against social media companies over alleged harms to youth mental health are now underway, signaling heightened scrutiny of platform responsibility.

Drawing on in-depth interviews (45 minutes on average) we conducted with 29 U.S. parents, we develop a grounded account of digital parenting as an evolving process characterized by uncertainty, ambivalence, and shifting forms of control. Parents simultaneously view social media as harmful and socially necessary, balancing concerns about well-being with fears of social exclusion. Parental strategies gradually shift from surveillance and restriction to trust-based guidance, alongside recognition of the limits of technological control. Parents look beyond the household, expressing support for regulatory solutions that distribute responsibility across families, platforms, and policymakers.

Theoretically, this research suggests that parents' social media ambivalence is not just personal — it arises from child- and system-level forces. It also frames children's digital consumption as a developmental, negotiated process. Practically, these findings highlight the limits of surveillance-oriented parental control tools and point to opportunities for family-centered, empowerment-based platform design. Building on these insights, we are soon launching a large-scale quantitative survey with new parents as well as those we interviewed.

FB11

B129

Platforms II - Retail Platforms

Contributed Session

Contributed

Chair: Xi Lin, Geogia Institute of Technology, 351 Ferst Drive, Atlanta, GA, 30332, United States

1 - Should Platforms Disclose Historical Prices?

Xi Li, University of Hong Kong, Hong Kong, Hong Kong, Zheng Gong

Recent years have witnessed a growing number of online platforms disclosing the historical prices of products to consumers. While such transparency is typically viewed as consumer friendly, this paper shows that it can raise prices and reduce consumer welfare. We develop a dynamic model in which a seller faces sequential consumers who are uncertain about product quality and rely on past consumer reviews. A positive review can result either from high product quality or from a low price. When historical prices are not disclosed, future buyers cannot distinguish between these possibilities, giving the seller an opportunistic incentive to underprice initially to boost perceived quality. When historical prices are disclosed, consumers interpret reviews in context, eliminating the seller's incentive to discount early. As a result, price transparency removes introductory discounts and drives up prices—benefiting the seller and the platform, but potentially hurting consumers. Our findings challenge the common belief that more information disclosure always benefits buyers and highlight the strategic role of price history in shaping consumer learning and seller behavior. The results offer actionable insights for platform designers and regulators, suggesting that well intentioned transparency policies may have unintended consequences for market outcomes.

2 - Competitive Steering Platforms

Jue Liang, Chinese University of Hong Kong, Shenzhen, Hong Kong, Hong Kong, Te Ke, Dan Luo

We develop a game-theoretical model to study how platforms compete for buyers and sellers through steering power. We find that platforms steer susceptible buyers to the higher-priced product whenever it undercuts the rival platform. In equilibrium, one seller multi-homes and monopolizes steering through identical pricing, while the other single-homes to avoid undercutting, implying that competitive steering power strengthens both market power and market concentration. Imposing exclusivity restrictions further enhance market power by

transforming undercutting into overcutting, providing an alternative explanation for platforms' real world behavior. Regulatory bans can increase consumer surplus.

3 - Home Turf, New Choices: How Spatial Familiarity Drives Consumer Exploration on Digital Platforms

Yao Yao, San Diego State University, San Deigo, CA, United States, Shaokang Xu, Yeyi Liu

Conventional wisdom believes that familiarity promotes repetition and behavioral inertia. Challenging this view, we show that when familiarity pertains to the spatial context rather than the choice option, it has the opposite effect. We propose a “home-base” account in which spatial familiarity reduces contextual uncertainty and cultivates psychological safety, thereby increasing consumers’ willingness to explore novel options. Across three studies, we provide convergent evidence that greater spatial familiarity systematically increases consumer exploration in digital services. Study 1 establishes causality in an experiment: participants induced to feel spatially familiar with a location are more likely to choose novel options, compared to those in an unfamiliar-location condition. Study 2 identifies the underlying mechanism and adjudicates between competing explanations. Results show that spatial familiarity increases psychological safety, which shifts consumers away from prevention-oriented vigilance and toward a more opportunity-seeking orientation that favors novelty. Study 3 demonstrates external validity using transaction data from a leading online food delivery platform. Consumers are more likely to select novel dishes in spatially familiar locations. We further delineate boundary conditions tied to choice architecture. The exploration-promoting effect of spatial familiarity is U-shaped across brand scale, strongest for very small and very large brands, and is attenuated in categories with high choice set complexity. These findings reconceptualize contextual familiarity as a motivational resource that can liberate, rather than constrain, exploration, with implications for platform design and recommendation systems seeking to balance exploitation with discovery.

4 - When Serving Customers Hurts Partners: Managing Supply-Side Engagement on Service-Based Platforms

Xi Lin, Georgia Institute of Technology, Atlanta, GA, United States, Nan Zhao, Adithya Pattabhiramaiah, Shrihari Sridhar

Two-sided service platforms create value by efficiently fulfilling customer requests, yet doing so often requires assigning suppliers to undesirable orders that involve higher time, effort, opportunity costs, and risks. Because such orders are unavoidable due to incomplete pricing and algorithmic constraints, repeated exposure may quietly erode supply-side engagement and threaten long-run platform sustainability. Despite its importance, little is known about whether and how undesirable assignments affect suppliers’ engagement dynamics over time, beyond immediate earnings effects.

We analyze a proprietary dataset from a leading Asian on-demand logistics platform comprising 84 million completed orders, 469,923 drivers, and 7.5 million customers across 19 cities between 2018 and 2023.We develop a Mixture Hidden Markov Model to jointly capture within-driver engagement dynamics and persistent heterogeneity in behavioral sensitivities. The model identifies two latent driver classes and three engagement states. Casual drivers (76.5%) spend most of their time in low-engagement states and respond primarily to earnings. In contrast, regular drivers (23.5%) are significantly sensitive to nonmonetary order attributes: higher destination demand increases transitions to more engaged states, while greater route congestion accelerates downward transitions. These nonmonetary effects are economically meaningful, reaching up to 39% (destination demand) and 118% (congestion) of the earnings effect in certain states.

Our findings reveal that undesirable orders impose hidden, persistent costs on engaged suppliers that standard pricing often fails to internalize. We propose a three-step managerial playbook: diagnosing order undesirability, internalizing disutility through pricing where feasible, and adapting incentives and assignment using state- and segment-aware strategies to sustain long-term supply-side engagement.

FB12

B130

Healthcare I

Contributed Session

Contributed

Chair: Raghunath Rao, The University of Texas at Austin, Austin, TX, United States

1 - Sales, AI, and Competition: Evidence from Enterprise Radiology

Nan Clement, Massachusetts Institute of Technology, Cambridge, MA, United States, Catherine Tucker

We study how sales activities affect competition in enterprise software markets. Using data on sales payments to individual physicians and US hospital radiology software adoption, we estimate a dynamic model of symmetric oligopoly competition. In this model, vendors' physician payments form goodwill accumulation, and vendors strategically choose payments. Our identification strategy uses variation in conflict-of-interest policies as instruments to address endogenous effects from serially correlated unobservables. Specifically, we apply the Generalized Instrumental Variables (GIV) framework to a symmetric oligopoly of dominant software vendors and consider competition from AI-based and traditional (non-AI) fringe firms. We measure the instrument using geographic variation in the AMSA PharmFree Scorecard rating for local academic medical centers; we classify AI and non-AI vendors by analyzing their individual product FDA approval documents; and we remove non-radiology-related physician payments by using product information in the Sunshine Act payment records. Our instrumental variables analysis confirms that sales payments are causally effective in business-to-business healthcare markets: increases in meal-based payments raise vendor adoption probability. The estimation results show that goodwill accumulated through sales payments substantially protects client retention, and AI-based fringe firms pose a qualitatively stronger competitive threat per unit of goodwill than traditional fringe firms. Growth in AI fringe firms and their competitive marketing activities may generate meaningfully larger competitive pressure to the dominant firms.

2 - Rethinking Visibility in AI-Mediated Senior Care: Abstraction, Vulnerability, and Ethical Design

Duygu Akdevelioglu, Roger Williams University, Bristol, RI, United States, Victor Perotti

AI systems increasingly mediate care delivery, rendering older adults vulnerable not only to physical risks but also to how algorithmic infrastructures make everyday life visible, interpretable, and actionable. Research on marketized care shows that care provision is increasingly governed by market logics that cumulatively individuate, responsibilize, and expose vulnerable subjects over time (Chatzidakis et al. 2025). In institutional eldercare settings, these dynamics generate acute tensions between safety, efficiency, and dignity, particularly when visibility is treated as a prerequisite for care (Mol 2008).

This research introduces the Senior Environmental Sensing Engine for AI (Sense-AI) as a vulnerability-aware care infrastructure that advances visibility protection as an ethical design principle. Sense-AI is an ambient, AI-enabled system that combines LiDAR-based spatial sensing and environmental inputs with longitudinal analytics to detect subtle behavioral changes associated with emerging health risks. This paper examines one component of the broader Sense-AI infrastructure by focusing on how healthcare workers interpret and assess the ethical implications of visibility-constrained AI outputs.

This research draws on in-depth interviews with healthcare staff at a senior care center to examine how frontline caregivers evaluate trust, autonomy, dignity, and clinical usefulness when acting on algorithmically generated information under constrained visibility.

This paper contributes to consumer vulnerability research by theorizing withholding visibility as care, rather than as opacity or neglect. This research offers a practice-grounded account of how ethical AI can be designed through abstraction, constraint, and interpretive mediation in high-stakes care environments.

3 - How AI Pre-Consultation Impacts Telemedicine: Evidence from a Large-Scale Study

Jingcun Cao, The University of Hong Kong, Hong Kong, Hong Kong, Tat Chan, Echo Wen Wan, Wenjing Xiang

Generative Artificial Intelligence (GenAI) has recently been applied across various industries, including healthcare, where it demonstrates strong potential to transform telemedicine in medical consultation and diagnostic assistance. While much research has focused on response quality, safety, and improving question–answering tasks, empirical evidence of GenAI's impact in real-world clinical settings remains limited. To address this gap, we examine the application of GenAI in the pre-consultation stage of remote medical visits and evaluate its effects on consultation efficiency, physician–patient interactions, communication patterns, and treatment decisions.

We collaborate with a leading online healthcare platform in China to conduct a large-scale field experiment involving over 150,000 consultations from February to June 2025. Patients in the treatment group interact with an AI pre-consultation agent that collects symptoms, asks follow-up questions, and generates structured summaries before physicians join. This randomized design allows us to causally assess AI's impact. We analyze outcomes across four dimensions: consultation efficiency, interaction frequency, text features, and prescribing behavior. Results show that AI pre-consultation significantly reduces consultation duration, especially from physician entry to prescription, and increases the frequency of physician-patient interactions. The average length of physician messages increases, while patient messages decrease, indicating a shift in dialogue structure. Prescribing likelihood and medication purchases also rise, suggesting improvements in clinical decision-making and consumer engagement. Our findings demonstrate that AI pre-consultation enhances efficiency, communication, and treatment decisions, providing valuable insights for online healthcare platforms, regulation, and clinical practice. Future research will explore message content in greater detail to further understand AI's influence on telemedicine.

4 - Dynamic Marketing Budget Allocation in Two-Sided Platforms Under Cross-Side Information Frictions: Evidence from a Medical Crowdfunding Platform

Adithya Venkateswaran, INSEAD, Fontainebleau, France, Varun Karamshetty, Paulo Albuquerque

Two-sided platforms often allocate scarce marketing resources using demand from one side of the market, even though the primary welfare consequences accrue to the other side. For example, in crowdfunding and lending platforms, marketing resources may be directed by donor or investor demand even though the benefits largely accrue to beneficiaries. Whether and to what extent the effectiveness of welfare-oriented reallocations are governed by the platform's allocation policy versus by the donor or investor preference is an empirical question. We study this in the context of a large medical crowdfunding platform using linked data on campaign-level marketing spend, fundraising outcomes, and patient-reported updates on treatment timing and health. We find that day-to-day marketing allocations track a campaign-level marketing-to-fundraising efficiency, yet this efficiency is not systematically aligned with campaigns for which fundraising success is associated with larger treatment acceleration and health improvements. To quantify the implications, we estimate a structural model of the platform's dynamic budget allocation and donation responses, allowing for persistent and time-varying unobserved donor preference for campaigns. Using counterfactual simulations, we quantify the incremental marketing spend required to internalize health outcomes and decompose these incremental costs into components attributable to donor preference versus the platform's allocation mechanics and budget elasticity. When downstream treatment and health returns are imperfectly observed at the time of giving, welfare-oriented reallocations are bounded by donors' ability to internalize those returns. More broadly, the findings speak to managers and policymakers that addressing cross-side information frictions is central to welfare-oriented platform design.

5 - Incentives, Role Ambiguity, and Care Provision: Evidence and Theory from Primary Healthcare Systems

Raghunath Rao, The University of Texas at Austin, Austin, TX, United States, Prakash Satyavageeswaran, Vedha Ponnappan

Drawing on a qualitative study of primary healthcare delivery in remote and rural settings, this research documents how multi-stakeholder frictions impede the effective provision and community utilization of services

delivered through government primary health centers and Health & Wellness Centers (HWCs). The fieldwork consists of 50+ interviews spanning state and district officials, frontline health workers (Community Health Officers—CHOs—and Auxiliary Nurse Midwives—ANMs), community members, and private providers. The evidence highlights persistently low community utilization and traces this shortfall to a set of recurring conflict points: (i) “forced” performance targets and extensive digital reporting ; (ii) within-team tensions, driven by contractual vs permanent employment status, unclear roles, and disputes over tasks and space; and (iii) community-side distrust of “free” care.

To interpret these frictions and generate policy-relevant predictions, we develop a stylized two-agent multitasking model in which the district is a principal and the CHO–ANM team are agents allocating effort between (i) patient-facing care (hard to measure) and (ii) digital/metric performance. The CHO faces explicit target-linked incentives while the ANM is salaried; effort costs feature within-worker care–reporting crowd-out and cross-worker externalities capturing role ambiguity/conflict and digital congestion. Imposing a binding aggregate digital target yields closed-form results: strengthening metric incentives raises digital effort but crowds out care, and under a binding target, aggregate care becomes a sharp function of the target and friction providing sufficient-statistic guidance for two sets of normative implications: district-level and system-level reforms.

FB13

B131

INFORMS Society for Marketing Science (ISMS) Open Meeting

Invited Session

Special Session

Chair: Preyas Desai, Duke University, Durham, NC, United States

1 - Marketing Science (ISMS) Open Meeting (Business Meeting)

Preyas Desai, Duke University, Durham, NC, United States

This is an open meeting of ISMS, and all conference attendees are warmly invited to attend. The session will include a report on the society’s activities over the past year, a discussion of its growth and current state, and an overview of future plans. A Q&A session will follow, and members are encouraged to share their suggestions and feedback.

FB14

B132

Dynamic Pricing

Contributed Session

Contributed

Chair: Amrenda Singh, Indian School of Business, Main Building, Indian School of Business, Hyderabad, 500032, India

1 - Dynamic Pricing in Markets Where Both Sides Hold Inventory

Jialie Chen, Arizona State University, Phoenix, AZ, United States, Yuanfang Lin

Dynamic pricing is widely used by firms managing inventory over time. However, most existing pricing frameworks focus primarily on retailer inventory while abstracting away from an equally important dimension – the stocking levels held by consumers at the time of purchase. For frequently purchased goods, such demand-side inventory conditions critically shape purchase timing, price sensitivity, and responses to anticipated promotions. This research introduces a two-sided inventory framework that jointly models retailer inventory and consumer stockpiling behavior in dynamic pricing environments. We first develop a theoretical model capturing the strategic interaction among firm inventory constraints, consumer heterogeneity in the levels of stocking, and promotion foresight, and examine how these forces jointly affect purchase acceleration or delay, and firms’ optimal intertemporal pricing strategies. The model generates novel predictions regarding how consumer

stocking prior to purchase and the promotion anticipation alters firms' incentives to set promotions and adjust prices dynamically. We then conduct empirical analyses to quantify consumer purchase responses and firms' pricing behavior under two-sided inventory considerations. This study contributes to pricing theory by extending dynamic pricing models beyond seller-side inventory constraints and incorporating demand-side stocking factors and consumer forward-looking behavior. Findings from this research offer managerial implications that can guide firms in designing dynamic pricing and promotion strategies by jointly accounting for retailer inventory constraints and consumers' stockpiling and promotion anticipation.

2 - Dynamic Pricing for Peer-to-Peer Accommodation: Evidence from a Latin American City

Veronica Díaz Gomez, Universidad Adolfo Ibáñez, Santiago, Chile, Dana Pizarro, Paloma Galaz

Dynamic pricing in peer-to-peer (P2P) accommodation remains far from fully exploited: most hosts on platforms like Airbnb still rely on simple rules of thumb or static markups, leaving substantial revenue and capacity utilization on the table. This project develops and empirically evaluates a dynamic pricing framework for short-term rentals using a multi-year panel of listings in Santiago, Chile. We recover monthly demand and booking patterns by listing and booking horizon, and then estimate price sensitivities that vary with property characteristics, host attributes, seasonality and booking anticipation. Building on these demand estimates, we construct a revenue management framework that optimizes prices at the listing–month–anticipation level, subject to minimum-stay and capacity constraints, and we are extending the model to incorporate cross-price elasticities among geographically proximate listings to capture competitive substitution. The framework is then used to compare hosts' historical pricing decisions with counterfactual dynamic pricing policies generated by the model. Preliminary results indicate sizeable revenue gains, higher occupancy, and a lower incidence of zero-revenue months under the proposed dynamic pricing strategies, as well as smoother and more coherent price paths across the booking horizon. The project contributes to marketing science by providing an application-oriented dynamic pricing approach for P2P accommodation that explicitly links individual hosts' pricing decisions, local competition, and demand elasticities in an urban emerging-market context.

3 - Who Gains from Dynamic Pricing? Evidence from a Public Transport Natural Experiment

Amrendra Singh, Indian School of Business, Hyderabad, India, Manish Gangwar, Niladri Syam, Ashutosh Patil, Anurag Rallabandi

Dynamic pricing has become a widely used demand management tool across industries, allowing firms to smooth demand over time and price discriminate across heterogeneous consumer willingness to pay. While marketing scholarship has extensively documented the benefits of dynamic pricing for firms, primarily through increases in producer surplus, its implications for consumer surplus and overall welfare remain less well understood. This omission is particularly salient given persistent consumer pushback against dynamic pricing, which is often perceived as exploitative, unfair, or deceptive. We address this gap by exploiting a rare natural experiment in a large public transport setting. In collaboration with a major public bus operator, we study the introduction of dynamic pricing on a subset of intercity bus services, while comparable services continued to operate under uniform pricing. This institutional setting allows us to causally identify the impact of dynamic pricing on both producer and consumer surplus. Our results show that dynamic pricing increases producer surplus by approximately 10 percent. Importantly, we also document a statistically significant increase of at least 8 % in consumer surplus, indicating that dynamic pricing can generate welfare gains beyond the firm. These gains are concentrated in higher-involvement travel contexts, services with lower capacity utilization, and premium bus categories. Overall, our findings demonstrate that dynamic pricing need not be a zero-sum transfer from consumers to firms and can function as a welfare-enhancing pricing mechanism in service markets characterized by perishable capacity and demand uncertainty.

4 - Price Changes and Consumer Purchasing Patterns During Price-Surging Period

Lijing Wang, Imperial College London, London, United Kingdom, Xinrong Zhu, Gokhan Yildirim

Food inflation in the UK reached double digits in recent years, creating significant pressures for retailers and households. We examine how grocery prices and consumer purchasing behavior evolved during 2019-2022 using UK household panel data from AiMark, comprising 22,224 households and 8.4 million grocery baskets.

Our analysis reveals substantial heterogeneity in pricing responses. Fresh meat and produce experienced the largest price increases, while health & beauty products and alcohol saw smaller growth. Private labels raised prices more than national brands, with economy and standard tiers increasing more than premium tiers. Discounters raised prices more than mainstream retailers, and offline channels saw slightly larger increases than online.

Consumer responses also varied. Private label share declined in quantity but increased in revenue across all income groups. Within private labels, households rebalanced toward standard tiers, reducing spending on economy and premium tiers. All income groups increased spending at discounters and online channels, with high-income households showing the largest shifts toward discounters.

We construct household-specific price indices by adapting the Törnqvist index to a micro-level setting that explicitly accounts for intertemporal changes in basket composition, and classify shopping trips as routine versus non-routine with Skip-gram model. This framework reveals how behavioral adaptations translated into differential inflation exposure.

Our findings contribute to literature on retail pricing during inflation, consumer behavior across business cycles, and private label strategy under cost pressures. By documenting micro-level heterogeneity in both pricing and purchasing patterns, we provide insights for targeted policy interventions addressing grocery cost burdens across different population segments.

FB15

B133

Branding

Contributed Session

Contributed

Chair: Amirhossein Sabooni Asrehazer, Ivey Business School, London, Canada

1 - AI Incidents and Social Media: How Brand Communication Shapes Consumer Responses

Seung Yeon Lee, Yonsei University, Seoul, Korea, Republic of, Sue Ryung Chang

As AI adoption grows, AI-related incidents—events in which the development, misuse, or malfunction of AI systems result in harm—are becoming more frequent. These events can trigger both negative evaluations and heightened monitoring of brands on social media, making it critical for firms to manage communication during such periods. Yet little is known about how consumers' attention towards brands changes, or how firms should communicate when AI incidents occur.

This study examines how AI incidents influence consumer attention, measured by changes in social media followers, and how posting volume and emotional arousal shape these reactions. We compile a dataset combining Instagram follower counts for global brands with records of recent AI incidents. We find that AI incidents are associated with increases in follower counts, suggesting that such events can trigger heightened consumer monitoring and attention toward brands. This positive effect weakens when incidents involve multiple organizations or lead to tangible outcomes, such as economic or physical harm. Moreover, the effect depends on brands' Instagram activity: higher posting volume dampens follower growth, whereas more emotionally arousing content amplifies it.

This study provides one of the first large-scale empirical examinations of how real-world AI incidents shape consumer attention on social media, addressing a critical gap in the emerging AI incident literature. By reframing AI incidents not solely as reputational threats but as events that reallocate consumer attention, the study advances theoretical understanding of consumer responses to AI-related risks and offers guidance for managers on navigating social media communication during AI incident periods.

2 - Managing Brand Refreshment for Success: Insights from the Franchising Context

Amirhossein Sabooni Asrehazer, University of Western Ontario, London, ON, Canada, Sudha Mani, Kersi Antia, Kenneth Wathne

Firms worldwide rely on frequent and significant brand refreshment - the deliberate updating of a brand's visual identity - in the interests of enhancing their brands' value. Yet, the frequency and scope of brand refreshment efforts and their impact on firms' performance are poorly studied. This is particularly true and of relevance to franchise systems, where brand consistency must be maintained across legally independent yet strategically interrelated outlets. This study examines the impact of the scope (degree) and frequency (rate) of brand refreshment on firm value over time. We use state-of-the-art computer vision techniques to quantify the scope of franchise firms' brand refreshment by comparing their US Patent and Trademark Office (USPTO)-registered trademark images over time. The interplay between the scope and frequency of brand refreshment shapes how franchisors manage reputational risks both from within - by ensuring compliance across dispersed, independently owned outlets - and from without, by deterring opportunistic imitation or free-riding by external actors. We curate and analyze a unique multi-sourced dataset that integrates trademark filings from the USPTO, trademark litigation data from PACER, distribution structure-related information from the SEC, and financial measures from Compustat for 150 publicly traded franchise firms from the years 2000 through 2023. To the best of our knowledge, ours is the first study to estimate the value of franchise systems' brand refreshment efforts. Franchisors' efforts to protect their brand identity via legal and governance measures are anticipated to amplify the benefits while mitigating risks associated with brand refreshment.

FB16

B134

Content Engagement

Contributed Session

Contributed

Chair: Angela Yi GAO, Lingnan University (Hong Kong), No. 8 Castle Peak Road , Hong Kong, 00000, Hong Kong

1 - Shared Experiences, Shared Online: The Consequences of Others Posting About You

Natalie Bolen, University of Alberta, Edmonton, AB, Canada, Ana Martinovici, Jennifer Argo

Everyday social media use involves posting about shared offline experiences (such as concerts, tourism, or events), often featuring people other than the poster. Being posted makes the subject's role in a shared experience publicly visible, but not entirely under the subject's control. Prior research on social media sharing has largely focused on the motivations and outcomes for posters (e.g. Tuominen, 2022) or the reactions of audiences (e.g. Alvez et al., 2016), overlooking how the subjects experience being made visible. We propose that being featured in someone else's social media post can be understood through two distinct appraisal mechanisms. Subjects may appraise their visibility as exposure, resulting in feelings of vulnerability, or they may interpret the poster's actions as recognition, leading to feelings of specialness. Importantly, these appraisals need not be mutually exclusive. Across several experimental studies, we manipulate levels of subject-visibility in social media posts and examine subjects' emotional reactions and downstream behavioural engagement responses, and explore the moderating context around the post. This research contributes to work on asymmetric narration of experiences, psychological ownership, and visibility in digital contexts. Substantively, it helps explain why social media posts can both strengthen and strain interpersonal relationships between consumers, or engagement with a brand or firm offering social experiences.

2 - At First Sight: Brand Embedding and Consumer Engagement in Image--Text UGC

Zifei Li, Harbin Institute of Technology, Harbin, China, People's Republic of

User-generated content (UGC) platforms increasingly rely on image–text posts for brand promotion, where brands are embedded in creators' narratives rather than presented as explicit ads. However, the engagement of posts varies substantially, while some generate strong and favorable interaction, others receive little attention. In image-first environments, users encounter visuals before text, leading this study to examine whether and how textual brand embedding works together with images to shape engagement.

Based on over 90,000 image–text posts from popular outdoor sports brands, this study conducts a multimodal content analysis. Beyond standard image–text features, we identify UGC-specific brand embedding strategies by examining brand prominence and brand-centered narrative contexts (experiential/ functional/ promotional), together with scene, product and human-centered cover images. Drawing on persuasion knowledge theory, we establish a comprehensive model to evaluate how brand embedding and image alignment shapes consumer engagement.

We find that in UGC contexts, frequent or early brand mentions do not necessarily increase engagement. Instead, brand embedding framed through scene or experience related language generates higher engagement, particularly when corresponding to scene-based or human-centered cover images. When cover images tend to depict everyday life scenes rather than explicit product displays, alignment in brand embedding generates higher engagement.

Prior research primarily focused on image–text congruence, such as layout features and sentiment; however, our research extends it to brand embedding within narrative structure of image–text UGC, providing a deeper understanding of how textual brand cues are evaluated in image–text content.

3 - The Sweet Spot of Surprise: How Post Lexical Surprisal Drives Engagement in Creator Economy

Angela Yi Gao, Lingnan University (Hong Kong), Hong Kong, Hong Kong, Baozhen Zhan

Digital platforms have made language a high-leverage managerial decision: a single caption can shape whether audiences stop scrolling and engage. Yet despite the importance of language in the creator economy, practitioners lack systematic guidance for optimizing messaging. This is especially salient in influencer marketing, where creators compete for limited attention and are evaluated in real time through visible engagement metrics. Industry advice often encourages creators to use surprising or unconventional language, but offers little insight in the ideal level of surprise. In practice, highly novel captions sometimes increase engagement and sometimes suppress it. We ask a basic but unresolved question: **how surprising should a caption be to maximize engagement?**

We conceptualize linguistic surprise using *lexical surprisal*, which captures how unexpected words are given their context. Drawing on predictive processing and processing-fluency theories, we argue that surprise involves a trade-off: moderate surprise can attract attention and stimulate curiosity, while excessive surprise imposes cognitive costs that discourage engagement.

We test this prediction using 136,670 organic Instagram posts from 1,433 U.S.-based influencers between 2023 and 2025. Linguistic surprise is measured using surprisal scores from a pretrained large language model, and engagement is captured through commenting behavior. Panel models exploiting within-creator variation reveal a robust inverted-U relationship. The effect is stronger for informational creators and shifts toward lower surprise when captions are more linguistically complex.

The findings clarify why advice to “be novel” yields mixed results and highlight the importance of calibrating linguistic surprise in digital content creation.

4 - AI Leadership: Impact on Marketing Performance and Employee Psychological Capital Using A Randomized Field Experiment

Jianing Li, Harbin Institute of Technology, Harbin, China, People's Republic of, Chong Wu

Artificial intelligence (AI) is increasingly embedded in organizational settings not only as a supportive tool in employees’ work processes but also as an autonomous decision agent in managerial contexts. Firms have shown an increased interest in implementing AI technology to determine and allocate employees’ daily tasks as an “AI leader”. However, existing marketing research has paid limited attention to whether AI leadership contributes to firms’ long-term marketing performance and employees’ adaptive willingness. This study aims to develop a conceptual framework to examine how AI-led task decisions and allocations affect marketing performance and employees' psychological states. Grounded in psychological capital and marketing resource allocation theory,

this study conducts a field experiment in an internet company specializing in websites and mobile information systems development. The results indicate that AI leadership improves short-term task performance by optimizing resource allocation efficiency and reducing coordination ambiguity. However, it induces AI-related stressors that provoke further employees' psychological responses. While the AI leader mitigates hindrance stress and enhances task focus, efficiency-driven task allocation may erode employees' psychological capital, specifically hope, self-efficacy, and resilience. Consequently, AI-led decision-making prioritizes short-term marketing performance at the expense of employees' adaptability and long-term value creation. This study contributes to the literature by illustrating the dual impact of AI leadership on marketing performance and psychological capital. To ensure both short-term performance and long-term sustainability, firms need to leverage AI for task allocation while integrating support mechanisms that promote employee well-being, such as continuous training and psychological support initiatives.

FB17

B135

Econometric Methods

Contributed Session

Contributed

Chair: Steven Shugan, University of Florida, 2030 NW 24th Ave, Gainesville, FL, 32605-2939, United States

1 - A Bayesian Approach to Inferring the Effects of Events Using Cohorted Data

Shin Oblander, University of British Columbia, Vancouver, BC, Canada, Leyao Tan

Researchers often wish to understand how an event affected individual behavior (e.g., customer spending over time); oftentimes, such events affect the entire population of interest simultaneously, leaving no "control group" for comparison (e.g., the COVID-19 pandemic, a viral marketing campaign, or a national regulatory change). In such settings, the researcher can infer causal effects by forecasting the counterfactual baseline (i.e., what would have happened without the event) based on pre-event trends. These inferences depend on accurate forecasts of baseline behavior. In the customer base setting, researchers can observe multiple "cohorts" of customers who made their first purchase at differing times. Exploiting regularity in behavior across cohorts, data from older cohorts can be used to help predict behavior of younger cohorts, enabling good forecasts of the baseline. Recent work has proposed methods for such settings relying on an assumption that different cohorts follow parallel time trends. In this work, we develop an alternative method that relaxes the parallel trends assumption. Specifically, we propose a hierarchical Bayesian model that uses nonparametric Gaussian processes to model the spending over time of each cohort while pooling information across cohorts based on data-driven inferences of cohort similarity. We benchmark our approach against prior methods to show that it can achieve superior validity and precision of causal estimates, particularly when the parallel trends assumption is not exactly satisfied.

2 - A Multi-Copula Approach to Deal with Endogeneity in Regression Models

Jan-Michael Becker, BI Norwegian Business School, Oslo, Norway, Mikkel Bennedsen, Benjamin Liengaard, Phillip Heiler, Luke N. Taylor, Christian M. Ringle

Endogeneity is a persistent problem in regression models estimated with observational data and leads to biased and inconsistent parameter estimates when regressors correlate with the structural error term. Park and Gupta propose an instrumental-variable–free approach that addresses endogeneity by modeling the dependence between an endogenous regressor and the error term using a Gaussian copula. Identification relies on three assumptions: a Gaussian dependence structure, normally distributed structural errors, and a non-normally distributed endogenous regressor. Subsequent research shows that the original framework implicitly restricts correlations between endogenous and exogenous regressors and develops extensions that relax this assumption, thereby broadening the range of applicable models.

Despite these advances, limited attention has been paid to the sensitivity of results to the Gaussian copula assumption itself. Recent evidence indicates that violations of this assumption can generate substantial bias. This concern is particularly relevant because the dependence between endogenous regressors and unobserved errors is inherently unobservable, making the choice of copula difficult to justify empirically.

This research extends the copula-based endogeneity correction framework by allowing for alternative dependence structures beyond the Gaussian copula. We consider a set of commonly used copulas and introduce a model selection procedure that facilitates the evaluation and selection of an appropriate specification. The proposed framework improves the robustness of empirical analysis by reducing the risk of copula misspecification and enabling valid statistical inference in the presence of endogeneity. In marketing applications, this robustness can yield more reliable estimates of key quantities such as demand elasticities.

3 - Correctly Misspecified Models

Thomas Wiemann, University of Chicago Booth School of Business, Chicago, IL, United States

This paper studies robustness properties of (non)linear control function estimands such as (mixed) Logistic or Poisson pseudo maximum likelihood estimands. I show that under misspecification, commonly-applied estimands are not informative about the sign of the true partial effects. For example, (mixed) Logistic regression estimands potentially imply positive partial effects even if all true partial effects are negative. As a consequence, a manager might incorrectly conclude positive effects of an ad campaign on choice probabilities even if the ad decreased choice probabilities for all consumers and the sample size is large. I provide sufficient conditions for "correctly misspecified" models that guarantee valid conclusions about the sign of partial effects. For a large class of estimands, including common pseudo maximum likelihood estimands based on natural exponential family distributions, nonparametrically conditioning on the control function is sufficient for sign preservation. Benefits of these "correctly misspecified" models are illustrated in a simulation study and an empirical application with scanner data.

4 - Challenges and Solutions in Marketing Mix Modeling Amid Media Fragmentation

Justin Kim, Saugatuck River Partners, Westport, CT, United States, Sangjin Kim

The proliferation and fragmentation of media over recent years have posed substantial challenges for marketing practitioners, particularly in evaluating the effectiveness of media tactics (AdvertisingWeek/WARC, 2023). As the media landscape continues to evolve with an increasing number of channels and strategies available, industry researchers face new obstacles in the implementation of marketing mix modeling.

One of the most pressing issues arising from the expanded array of media tactics is multicollinearity within MMM. The overlap and interrelation among various media activities make it difficult to isolate and measure the individual impact of each tactic.

Another significant problem is endogeneity. The rapidly shifting and interconnected nature of today’s media environment creates situations where explanatory variables may be correlated with the error term.

Both academic and professional literature have acknowledged the issues of multicollinearity and endogeneity in econometric models (Mason et al., 1991; Rutz & Watson, 2019). However, there is a noticeable gap in the availability of practical solutions.

To address the issue of multicollinearity, Shapley Value Estimation was employed, utilizing concepts from cooperative game theory (Lundberg&Lee, 2017; Covert&Lee, 2021). In addition, to mitigate specification errors arising from endogeneity—such as reverse causality and interdependency of cross-media— Directed Acyclic Graphs and Vector Auto-Regression were implemented during the preliminary modeling (Papies, et.al, 2022, Kireyev, et.al, 2015).

Empirical tests were conducted with data sets spanning four industries: CPG, Retail, Pharmaceuticals, and Telecom. The findings indicate that the proposed approaches deliver significant advantages for practitioners seeking to resolve the challenges posed by media proliferation and fragmentation in MMM.

5 - Why Collinearity Breaks Feature Learning
Suppression, Diagnostics, and Targeted Augmentation

Steven Shugan, University of Florida, Gainesville, FL, United States, Taikgun Song

Feature learning pipelines routinely encounter collinearity. Prevailing methods treat it as a numerical instability to be regularized. We show that this view is incomplete and possibly misleading. Collinearity can break feature learning not by inflating variance, but by inducing suppression: outcome-irrelevant shared structure among predictors that weakens marginal relevance, destabilizes feature selection, and causes learning algorithms to discard jointly informative signals.

Our structural framework distinguishes outcome-aligned redundancy from outcome-orthogonal suppression We show only the latter systematically degrades feature learning. Building on this distinction, we introduce new diagnostics that operate in the outcome-orthogonal subspace and reveal suppression patterns that standard tools (e.g., condition indices, VIFs, PCA) overlook. These diagnostics yield a spectral profile that predicts when feature learning fails under collinearity and when augmentation rather than regularization is required.

This reframes collinearity from a secondary numerical concern into a primary design-level determinant of what features learning algorithms can and cannot recover.

Our primary contribution is empirical. Across 12 controlled synthetic designs and 14 public, high-dimensional datasets spanning finance, health, media, engineering, and scientific measurement, we show that suppression is common and materially consequential. In these settings, conventional pipelines frequently drop relevant features or mute their contribution even when global collinearity diagnostics appear benign. We then demonstrate that targeted augmentation, i.e., adding a single, theory-guided synthetic feature encoding partial dependence, systematically restores suppressed signal. This augmentation improves predictive performance in a majority of dataset–model combinations, with gains increasing monotonically in measured suppression severity, while leaving performance unchanged when suppression is absent.

FB18

B136

Influencers

Contributed Session

Contributed

Chair: Fei Wang

1 - Influencer Dynamics

Kazimier Smith, Massachusetts Institute of Technology, Cambridge, MA, United States

I develop a dynamic model in which an influencer produces sponsored posts (which include product recommendations) and organic posts (without product recommendations). Both affect the influencer’s growth, and followers are less likely to engage with sponsored content. Using 2,780,011 Instagram posts and 136,453 TikTok posts from 1,369 influencers, I quantify the engagement penalty by comparing identical posts across platforms. Analyzing the influencers’ career histories, I show that organic and sponsored posts have similar effects on follower growth. I leverage variation in the number and types of posts to estimate the unknown cost parameters in the model. An influencer with 100,000 followers optimally produces about 0.25 sponsored posts and two organic posts per week. Regulating sponsored content can theoretically backfire by decreasing incentives to produce organic posts, but counterfactual simulations assuage this concern. A cost increase that reduces sponsored content by 25% only causes a 2.7% drop in organic content.

2 - Attention Without Conversion? AI-Generated Versus Human-Created Video Ad Creatives in a Randomized Field Experiment

Huimin Li, Renmin University of China and City University of Hong Kong, Beijing & Hong Kong, China, People's Republic of, Qing Li

IWe study whether generative AI changes the relationship between creative attention and commercial persuasion in video advertising. Using a randomized field experiment with more than 150 unique video ads, we compare AI-generated and human-created creatives across the advertising funnel.
AI-generated ads consistently outperform human-created ads on upper-funnel outcomes: they earn higher click-

through rates, sustain viewer retention more effectively, and draw fewer negative reactions. Yet these gains do not extend downstream. Relative to human-created ads, AI-generated creatives are less likely to generate conversions.

This pattern reveals a tension between attention efficiency and persuasive effectiveness. Generative AI appears well-suited to producing content that captures and holds attention, but attention alone is insufficient to deliver conversion when trust, credibility, or purchase intent matters. This resonates with influencer research showing that attention and engagement are not equivalent to downstream persuasion.

Our findings contribute to the emerging literature on AI in marketing by showing that creative automation can improve engagement metrics without necessarily improving commercial outcomes. More broadly, the results suggest that the increasing efficiency of creative production may not translate into proportional gains in advertising effectiveness.

3 - When Non-Experts Appear Expert: The Role of Product Attitudes, Physical Attractiveness and Argument Diagnosticity in Perceived Endorser Expertise

Yi-Wen Chien, National Taiwan University, Taipei, Taiwan, Chung-Chiang Hsiao, Shian-Ko Liu, Chia-Wei Joy Lin

This study advances endorsement theory by demonstrating that attractive endorsers can gain perceived expertise through a conditional and indirect process. Specifically, endorser attractiveness does not directly increase perceived endorser expertise. Instead, its influence operates via product attitude and is contingent on the level of argument diagnosticity.

Departing from the dominant “endorser-to-product” perspective (Schimmelpfennig and Hunt 2020; Wong, Fock, and Ho 2020), we propose and empirically test a reverse influence process in which favorable product attitudes, driven by the joint effect of attractiveness and argument diagnosticity, enhance perceived endorser expertise. A pretest was conducted and the results revealed that both physically attractive and unattractive endorsers’ perceived expertise in endorsing desktop computers was equally low.

However, in the main experiment (n=240), a moderated mediation model (PROCESS Model 7) revealed that endorser attractiveness positively affects product attitudes and endorser expertise (b = 0.2673, t=2.6859, p=0.0077), with this effect significantly amplified by argument diagnosticity (b = 0.3215, t=3.6021, p=0.0004). Importantly, the indirect effect of attractiveness on expertise through product attitude was significant only under moderate (Effect = 0.2597, 95% CI [0.0708, 0.4576]) to high argument diagnosticity (Effect = 0.6086, 95% CI [0.2804, 0.9380]) but not when diagnosticity is low (Effect = -0.0893, 95% CI [−0.3364, 0.1771]).

Theoretically, this research extends endorsement literature by identifying argument diagnosticity as a key boundary condition of reverse endorsement effects. Practically, this research suggests that brands can strategically deploy attractive but non-expert endorsers to cultivate perceived expertise, provided that advertising arguments are sufficiently diagnostic and informative.

4 - Influencer Selection Based on Lifetime Value

Fei Wang, University of Zurich, Zurich, Switzerland, Reto Hofstetter, Manuel Sebastian Mariani

Influencer marketing has become a central pillar of firms’ marketing strategies. Existing research and practice predominantly adopt a one-off campaign perspective, relying on historical performance heuristics – such as follower counts or past engagement – to select influencers for product endorsements. However, this short-term focus overlooks the long-term value that sustained brand–influencer relationships can generate. We depart from this paradigm by introducing the **Influencer Lifetime Value (ILV)** framework, which conceptualizes and quantifies the discounted future value an influencer is expected to generate for a brand over the duration of a contract. Drawing inspiration from the customer lifetime value (CLV) paradigm in relationship marketing, ILV offers a forward-looking and data-efficient approach to influencer selection. The framework is flexible and can readily incorporate off-the-shelf machine-learning algorithms (e.g., Random Forest, XGBoost) to identify influencer candidates with high expected lifetime value, providing managers with a scalable and adaptable decision-support tool. Using data from three distinct influencer marketing empirical contexts, we show that commonly used heuristics lead to suboptimal influencer selection decisions and that their performance can be

significantly improved by integrating machine-learning models within the proposed ILV framework. Our findings are particularly relevant for firms seeking to build long-term endorsement relationships with influencers through repeated collaborations.

FB19

B137

Polarization and Politics

Contributed Session

Contributed

Chair: Albert Valenti, IESE Business School, Barcelona, Spain

1 - Product Positioning and Polarization in the Demand for Local News

Jason Zhao, Purdue University Daniels School of Business, West Lafayette, IN, United States

I study how local newspapers differentiate their news content, and how these editorial choices affect ideological segregation in news consumption. Specifically, I examine how firms position their products when Republicans and Democrats may differ in preferences for both ideologically slanted reporting as well as different topic coverage. To do so, I create a measure of partisan slant that separates politicized rhetoric from different topic selection between Democrats and Republicans. I use this measure to estimate a demand model in which Republican and Democratic consumers have separate, party-specific tastes for partisan slant and topic coverage. I find that consumers in both parties prefer partisan slant that favors their own ideological positions, with Democrats displaying a greater mean preference for like-minded slant. However, while Democrats prefer topic selection that mirrors that of major national papers, Republicans prefer more specialized reporting. I then model how firms choose slant and topic coverage in a simultaneous-move game. I show that because firms may differentiate over not just *how* but *what* they report on, policies aimed at limiting political slant in reporting are not sufficient to address polarization in news consumption. Moreover, I find in a counterfactual simulation that government subsidies promoting increased entry in local news may lead to both more extreme slant and increased ideological segregation in consumption.

2 - Mitigating Brand Polarization on Social Media

Vincent Ruess, University of Cologne, Cologne, Germany, Philip Pollmann-Fervers

Online chatter on social media is one of the most influential sources of information in the consumer decision-making process. It shapes consumer attitudes, drives sales and earnings, and ultimately affects firm value. In recent years, however, social media discussions have become increasingly politically polarized, and brands are embedded in this landscape: Big, politically active users on social media talk about brands and, in doing so, influence how other users perceive them. Followers who align with the political view may develop a stronger affinity for the brand, while those with opposing perspectives may disengage, leading to *social media-induced brand polarization*.

This development raises important questions for marketers. Should brand manufacturers be concerned about online chatter originating from political users, or is it largely a harmless phenomenon? If such social-media chatter from political users harms the brand and long-term firm performance, what can firms do to mitigate these consequences?

To address these questions, this study investigates the effect of social-media chatter on brand polarization and quantifies its long-term economic consequences for firm value. It also examines how branding strategy choices can help mitigate social media-induced brand polarization. The findings demonstrate that chatter from politically active users results in brand polarization and negative consequences for firm performance. However, branding strategy decisions can mitigate these effects to some extent, providing valuable insights for marketing practice and research at the marketing-finance interface.

3 - Bridges and Centers: Seeding Influence to Bridge Polarized Communities

Xi Chen, Erasmus University Rotterdam, Rotterdam, Netherlands, Gui Liberali

Polarized social networks are characterized by dense within-group ties and sparse cross-group connections, making it difficult for information to travel across communities. This structure creates a fundamental seeding trade-off: targeting **community centers** maximizes reinforcement within groups, while targeting **bridges** enables cross-group reach, often at the cost of weaker local penetration.

We develop a community-aware seeding framework that explicitly optimizes this trade-off to connect polarized communities while preserving meaningful within-community diffusion. Our approach combines community structure with a dynamic programming (DP) value function that rewards both **local coverage** within communities and **cross-community reach** through boundary-spanning paths. This formulation captures how influence accumulates through centers inside communities and propagates through bridges across group boundaries, yielding a principled ranking of seed users that internalizes within- and across-community spillovers. Empirically, we use **observed activation and transmission probabilities** from diffusion data as inputs to the DP method and compare its performance to standard seeding heuristics.

We test the framework in two empirical settings. First, in a Facebook network of 43,000 undergraduates tracking Super Bowl advertising diffusion, DP-selected seeds generate substantially larger cascades than benchmark methods, approaching oracle performance with modest seed budgets. Second, using Twitter data on U.S. members of Congress, where communities align with partisan divisions, our method identifies seeds that enhance cross-partisan exposure while preserving within-party reach. Together, these results provide a theory-driven and empirically validated approach to designing influence campaigns that reduce informational fragmentation by bridging communities.

4 - When Politics Changes the Game: The Impact of National-Populist Election Victories on Advertising and Price Promotion Effectiveness for Foreign and Domestic Brands

Albert Valenti, IESE Business School, Barcelona, Spain, Chadwick Miller, Daniel Brannon, Inigo Gallo

The authors explore the differential impact of national-populist election victories on marketing effectiveness for foreign versus domestic brands. The authors hypothesize that following a national-populist election victory, both advertising and price promotion effectiveness decline for foreign relative to domestic brands. These predictions are supported using the 2016 USA presidential election as a shock to estimate the impact of marketing tools on automobile market shares. Further, the relative change in advertising effectiveness is driven by a decrease in effectiveness for foreign brands after the election. In contrast, the relative change in price promotion effectiveness is driven by an increase in effectiveness for domestic brands after the election. These findings are generalized in two experiments conducted in the context of household textile brands and the 2024 European Union elections in France. This research provides marketers with insights on effectively deploying marketing tools in an era increasingly characterized by populism and polarizing election outcomes.

Friday, June 12, 1:00 PM - 1:50 PM

FT-F1A

B127

Flash Session F1A

Flash Session

Flash

1 - Sentiment Structure and Advertising Effectiveness

Jingyi Wu, East China Normal University, Shanghai, China, People's Republic of, Xuejing Ma

In content marketing, advertising texts are central to value communication and persuasion, yet their effectiveness in driving sales depends not only on what is said but also on how semantic meaning unfolds across the text. While prior research has examined the influence of overall textual characteristics on consumer responses, it has largely overlooked the semantic structure across text segments, particularly how semantic linkages between segments shape purchase decisions. This study investigates how the semantic structure within advertising texts

affects sales. We measure semantic similarity across different text segments using cosine distance and construct a novel indicator of the semantic structure. Utilizing advertising and sales data from a traveling platform, we find that higher overall semantic similarity within a text significantly reduces sales conversion, primarily driven by excessive similarity between the opening and concluding segments. However, this negative impact is reversed for shorter texts, where greater opening-closing similarity enhances conversion. The number of images also moderates this relationship, with higher image counts amplifying the negative effect of semantic consistency. This study highlights the importance of semantic structure design in content marketing and provides a generalizable framework for analyzing advertising effectiveness.

2 - How Cross-Border Digital Platform Participation Drives International Sales: Evidence from Chinese Multinational Enterprises

Ruiyang Hong, Shandong University, Shandong, China, People's Republic of, Qianmin Sun, Ziyan Feng

This study investigates the impact of cross-border digital platform participation (CDPP) on the international sales of Chinese multinational enterprises (MNEs). We propose that both the intensity and diversity of CDPP exert a positive influence on firms' international performance, with such relationships exhibiting heterogeneous variations across different firms. We employ panel data of 554 listed MNEs spanning the period 2014 to 2024 and adopt machine learning techniques rooted in natural language processing (NLP) to analyze textual data from annual reports. Our findings reveal that larger firms derive more pronounced benefits from intensive and diversified platform participation. Born global firms demonstrate an inherent stronger compatibility with cross-border digital platforms and thus can also reap rapid gains from CDPP. However, we find these effects are only applicable to short-term performance: no significant differences in long-term performance are observed between larger firms and small- and medium-sized enterprises (SMEs), nor between born global firms and non-born global firms. This study contributes to the literature on digital platforms by highlighting the multidimensional nature of CDPP and the contingent role of factors such as organizational size. It also provides practical guidance for MNEs to tailor their platform strategies in accordance with their inherent firm characteristics.

3 - The Inclusivity Paradox: a Multi-Platform Analysis of Character Representation and Consumer Engagement

Wanqing Zhang, Bayes business school (Formerly CASS) , University of London, London, United Kingdom, Xiaolan Chen, Michael Haenlein

As digital entertainment markets globalize, inclusive character design has triggered an "Inclusivity Paradox": strategic efforts to foster broad engagement often encounter significant consumer resistance and polarized word-of-mouth (WOM). This research deconstructs this paradox through a three-study design. Study 1 utilizes a large-scale dataset of 16.5 million posts from Reddit and Weibo, employing a two-stage, multi-task BERT model to quantify three pivotal marketing dimensions: aesthetic evaluation, emotional affinity, and WOM intention. Study 2 introduces a theoretical framework distinguishing between identity-driven preferences (receptivity based on self-representation) and norm-driven aversions (resistance triggered by deviations from traditional media conventions), revealing how cultural contexts in Western and Eastern markets moderate these conflicting forces. Study 3 provides actionable managerial solutions through controlled experiments, demonstrating that design-based "nudges"—specifically contextual background enrichment and functional strength cues—effectively mitigate bias and enhance affinity toward diverse characters. Collectively, this research provides a scalable, NLP-driven methodology for measuring complex consumer sentiment. By reconciling the tension between inclusive design and market norms, we offer a strategic roadmap for global brands to navigate the complexities of representation and optimize consumer engagement in the interactive media landscape.

4 - Optimizing Targeting Interventions: Balancing Sales and Returns via Contextual Bandits

Adriana Ricklin, Eindhoven University of Technology, Eindhoven, Netherlands, Maurits Kaptein, Petri Parvinen, Dominik Georgi

Targeting algorithms in e-commerce are typically designed to maximize immediate conversion, while product returns are treated as a secondary, ex-post cost of doing business. This separation creates a "green paradox": algorithms that successfully optimize for conversion may inadvertently target customers with a high propensity to return products, increasing returns alongside revenue. As a result, a critical gap remains in treating return

reduction not as a retrospective cost analysis, but as an explicit constraint at decision time within the targeting algorithm itself.

While algorithmic targeting has received substantial attention in the marketing literature, existing work has largely focused on optimizing single outcomes in isolation. Consequently, the problem of jointly optimizing multiple objectives, specifically purchase uplift and return risk, remains underexplored in both academic research and industry practice.

In this work, we examine whether contextual bandit algorithms can be used to explicitly manage this trade-off, shifting from ex-post risk mitigation to simultaneous optimization. We compare deterministic and stochastic policies under different incentive structures, and evaluate standard reward shaping approaches against constrained optimization methods that maintain separate belief distributions for each objective. Our analysis uses a real-world dataset from a European fashion retailer, including clickstream behavior, intervention logs, and transactional data on purchases and returns.

By framing conversion and returns as a multi-objective sequential decision-making problem, this study assesses whether bandit policies can sustain economic uplift while simultaneously satisfying ecological constraints.

5 - Personality-Based Nudges for Small and Medium-Sized Enterprises: Current Practices and Potential: An Abstract

Lisa Zangger, Hochschule Luzern, Lucerne, Switzerland, Simone Griesser, Sonja Heller

Nudging offers low-cost yet potentially high-impact opportunities to influence customer decisions. Hence, they are ideal for small and medium-sized enterprises (SMEs). Previous studies examined nudge effectiveness in different contexts or manipulation issues. Recent studies suggest that personality-based nudges are more effective than non-tailored ones. However, little is known about how SMEs apply nudging, perceived advantages, and disadvantages.

In their meta-review on nudge effectiveness Luo and colleagues (2023) examined 184 papers with over 2 million participants. They categorize nudges according to six cognitive processes: attention, perception, memory, effort, intrinsic motivation, and extrinsic motivation. Although developed outside the core marketing literature, the framework builds on choice architecture and psychological consumer decision-making theories central to marketing science. Using their framework, this study examines nudging practices in Swiss SMEs and benchmarks nudge effectiveness measurements from SMEs against their results, thereby contributing to the hitherto small body of literature around nudging practices in SMEs and personality-based nudging.

Adopting a mixed-methods approach, data is collected through a quantitative survey and subsequent semi-structured qualitative interviews. The survey will inform how many SMEs know about and use nudging, nudge effectiveness estimates, subsumption of these estimates within the above framework, and knowledge of personality theories. The interviews will explore SME nudge practices, opportunities, risks, implementation barriers, nudge effectiveness measurements, and the role of AI in creating nudges. Results, which are available in May 2026 (thesis defense: June 2026), are showing current SME nudging practices, indicate unused potential, identify risks and challenges, and give practical recommendations.

FT-F2A

B128

Flash Session F2A

Contributed Session

Flash

1 - Interpretable RL for Long-Term Revenue: Coupon Inventory and Expiration In Online Shopping

Leyan Xiao, Nanyang Business School, Nanyang Technological University , Singapore, Singapore, Kun Zhang, WEI ZHANG

Online shopping platforms increasingly use personalized coupons to influence consumer behavior over time. A central challenge is coupon management: customers hold evolving portfolios of unredeemed coupons with varying discounts and expirations, thus current issuance changes future incentives by altering coupon inventory and expiration pressure. We develop a value-based reinforcement learning (RL) framework that incorporates coupon inventory and expiration dynamics into the state, allowing the model to condition decisions on these intertemporal incentives. To address the "black-box" nature of RL, we incorporate a feature-gating mechanism that provides intrinsic interpretability by revealing which state features the policy relies on in making decisions. Using large-scale transaction data from a major online grocery platform, our model delivers significant improvement in long-term revenue, outperforming static and supervised benchmarks by over 30% and other RL baselines by approximately 9% while yielding stable off-policy evaluation estimates. Feature-gating analysis shows that inventory structure and expiration pressure are the primary drivers of policy decisions, followed by RFM-based features, whereas the contribution of demographic features is relatively limited. Policy analysis further indicates the following findings: discount intensity exhibits a U-shape as coupon inventory and expiration pressure increase; the policy adapts across age, membership tier, and tenure, while maintaining relative gender neutrality; very-high coupon users receive lower discounts, and discount intensity follows an inverted-U pattern across coupon-usage activity. Finally, we propose an LLM-simulated online environment to evaluate the policy, further demonstrating robust revenue improvements relative to baseline strategies.

2 - The Power of Immersion: Can Everyday VR Experiences Influence Prosocial Decisions?

Yujin Lee, University of Cincinnati , CIncinnati, OH, United States, Na Kyong (Kimberly) Hyun, Yuhosua Ryoo

Along with the rise of immersive experiences, immersive technologies such as virtual reality (VR) hold strong potential to shape subjective experiences and influence subsequent behavior. One domain in which VR has been widely adopted is charitable giving, with many NGOs (e.g., the United Nations) using VR as a powerful tool to encourage donations. However, prior research has largely focused on VR’s effects when the content is explicitly prosocial, leaving open the question of how immersion itself influences downstream outcomes and shapes consumers’ mindsets in prosocial contexts. Across five studies, this research demonstrates that immersion shifts consumers’ mindsets toward experiential value. Focusing on donation type, specifically material versus experiential support, which differs in what beneficiaries receive and how that support creates impact, this work examines how immersion influences donation preferences. The results show that immersive experiences increase donation likelihood for experiential, rather than material, donations, an effect mediated by awe elicited by the immersive experience itself. This indirect effect is further moderated by individual differences in transition difficulty between virtual and real environments, such that the effect weakens for individuals who experience greater difficulty transitioning back to reality. In addition, the effect is attenuated when attention is divided across external cues during the immersive experience. Together, these findings highlight immersion as a key psychological mechanism through which VR can encourage charitable giving and offer insights into how immersive technologies can promote donations more broadly, even when the content is not directly tied to a prosocial cause.

3 - ***Cancelled*Transforming Digital Attention into Social Action: A Multimodal AI Framework for Digital Philanthropy**

Erya Ouyang, Rutgers University, New Brunswick, NJ, United States, Jin Ai

Nonprofits increasingly rely on social media platforms to mobilize public attention, raise funds, and promote social causes. Yet digital visibility such as high engagement does not reliably translate into real-world impact such as donations, volunteering, and participation. This disconnect—referred to as the attention–action gap—creates a fundamental challenge for digital philanthropy. This paper develops a multimodal, data-driven framework to understand, measure, and reduce the attention–action gap in nonprofit fundraising. First, we construct a theoretically grounded typology of multimodal communication strategies that capture how text and images, jointly create persuasive meaning. Using large-scale data from the Meta, we link these multimodal strategies to both online engagement and real-world outcomes, and then apply Double Machine Learning to causally estimate when and how online attention converts into action. Beyond quantifying the attention-action

gap, the project advances a generative solution. We finetune a domain-specific vision–language model trained on nonprofit social media content to simulate, generate, and optimize multimodal fundraising messages. This model enables nonprofits to explore counterfactual content designs and identify strategies that maximize both engagement and conversion before deployment, reducing reliance on costly trial-and-error experimentation. Overall, this research produces a scalable analytic framework, actionable design guidance, and a practical AI tool that transforms digital fundraising from engagement-driven visibility into data-driven social impact.

4 - Marketing to the AI: The Role of AI Mind Share in Driving Brand Sales Performance

Xinlan Li, Fudan University, Shanghai, China, People's Republic of, Zhen Fang, Liyin Jin, Li Xiao, Tianyu Zhi

The rapid development of generative artificial intelligence is fundamentally restructuring the consumer decision journey. Consumers increasingly turn to conversational agents—such as ChatGPT and DouBao—to search, evaluate, and purchase products. Despite the rise of industry practices such as Generative Engine Optimization (GEO), there is still a lack of empirical evidence connecting how brands are perceived in AI systems to their market performance. Therefore, this study leverages a unique panel dataset covering over 800 brands across diverse product categories over a nine-month period to empirically examine the impact of AI Mind Share (AIMS) on brand sales performance and explore its boundary conditions across different product categories. We employ panel VAR model to examine whether AIMS predicts online sales performance above and beyond traditional marketing metrics. The results find that AIMS demonstrates a significant impact on brand sales performance, with heterogeneous effects across product categories. This research provides one of the first empirical investigations of AIMS as a critical marketing KPI. Managerially, our findings offer a strategic framework for allocating budgets between traditional brand assets and algorithmic influence, providing actionable insights for firms navigating the frontier of AI-driven consumer search.

5 - Estimating Price Elasticities for Freemium Add-Ons: A Structural Approach Based on Supply-Side Equilibrium Conditions

Joo Hyun Park, Seoul National University, Seoul, Korea, Republic of, Jun Kim

Freemium business models dominate the mobile gaming industry, yet estimating consumer price sensitivity for in-app purchases poses significant empirical challenges. This paper develops a structural demand estimation framework to recover price elasticities for add-ons in freemium mobile games. In the data analyzed, add-on prices exhibit minimal temporal variation and product quality attributes are unobserved, rendering standard identification strategies infeasible. The key methodological contribution lies in exploiting supply-side equilibrium conditions derived from profit-maximization assumptions. Imposing these restrictions enables the inclusion of add-on-level fixed effects within a two-stage estimation procedure, thereby separating unobserved quality heterogeneity from true price responsiveness. We apply this framework to transaction data from a major mobile app store and recover economically meaningful price elasticity estimates. The methodology contributes to the growing literature on digital goods pricing and offers practitioners a practical approach to inform pricing decisions from observational data.

Keywords: Freemium, Price Elasticity, Structural Estimation, In-App Purchase, Mobile Games

FT-F3A

B129

Flash Session F3A

Flash Session

Flash

1 - Quantifying Visual Congruence in Influencer -- Brand Collaborations

Qingli Zeng, The Hebrew University of Jerusalem, Jerusalem, Israel, Renana Peres, Michal Elhanan

This research examines the tradeoff between brand control and influencer authenticity in influencer marketing through the construct of **Visual Congruence**, defined as the degree of aesthetic alignment between a brand's visual identity and an influencer's established visual style. Influencers develop stable visual signatures that function as trust heuristics for consumers, yet sponsored collaborations often impose brand aesthetics that alter this alignment.

Using a large-scale dataset of sponsored and organic social media posts, we develop a computer-vision–based deep learning framework to quantify visual congruence based on differences in color composition, lighting, and image structure. Estimating a nonlinear response model, we show that visual congruence exhibits a threshold effect: while moderate departures from an influencer's baseline style can increase attention and engagement, lower levels of congruence substantially reduce conversion, consistent with an authenticity boundary.

We further demonstrate that this boundary shifts systematically with (i) brand status and price, (ii) product type (hedonic versus utilitarian), and (iii) brand–influencer strategic fit. For luxury brands, high visual congruence is essential, whereas for mass-market products, the constraint relaxes. Overall, the findings provide a quantitative framework for optimizing visual strategy in influencer campaigns and for determining when firms should enforce brand aesthetics versus preserve influencer authenticity.

2 - Navigating External Disruptions with Causal Robustness: How Visualizing How-Causation Enhances Consumer WTP

Beichen Liu, Wuhan University, Wuhan, China, People's Republic of

When luxury travel service providers face external "force majeure" events (e.g., logistical crises or climate disruptions), they often struggle to maintain pricing power. While traditional marketing emphasizes outcome transparency, the cognitive mechanism of how process-level information shields a brand's value remains under-explored. This research applies the Counterfactual Simulation Model (CSM) to consumer behavior, proposing that highlighting "How-causation"—the fine-grained, micro-level interventions a brand makes to ensure a successful outcome—significantly boosts Willingness-to-Pay (WTP) by establishing Causal Robustness. We argue that when consumers simulate the brand's "how" actions, they perceive the brand's capability as stable across various counterfactual scenarios, thereby justifying a higher price premium despite external volatility.

Five studies demonstrate that visualizing the "how" of a service process allows consumers to perform counterfactual simulations that reinforce the brand's causal power. This research extends CSM theory into the domain of strategic pricing and provides luxury brands with a novel communication framework to protect their margins during global crises.

3 - Learning Preference from Observed Rankings

Yu-Chang Chen, National Taiwan University, Taipei, Taiwan, Shang En Tsai, Chen Chian Fuh

Digital transactions, clicks, and many survey tasks reveal only partial rankings: a consumer selects one option, implying it outranks some alternatives, but we rarely observe complete orderings. Learning preferences from such incomplete rankings is essential for personalization and counterfactual marketing decisions, yet nontrivial because ranking information is sparse, unbalanced across consumers, and high-dimensional. We develop a scalable framework that converts each observed ranking into many pairwise comparisons. Utility combines (i) interpretable effects of observed product attributes, which enable extrapolation to items a customer has never consumed, and (ii) a low-dimensional latent user–item factor structure, which pools information across consumers with similar ranking patterns. Estimation involves maximizing a regularized likelihood with shrinkage and applying stochastic gradient updates over sampled pairs to scale to large, sparse item space. In an application to online wine retail transactions, the approach significantly improves out-of-sample recommendation of previously unconsumed product categories relative to a popularity-based benchmark. We also show how model-implied rankings support managerial decision-making by identifying high-propensity "fan" segments and formally evaluating their concentration using lift statistics.

4 - Decibel Dynamics: Unraveling the Divergent Effects of Voice Volume on Investment Behavior

Kimberly Hyun, University of Cincinnati, Cincinnati, OH, United States, Narayanan Janakiraman, Michael Lowe, ZhiYong Yang

An entrepreneur's voice is an instrument they must rely on regularly during pivotal communications such as investment proposals, public announcements, and interactions with stakeholders. Vocal characteristics can convey a great deal of information about a speakers' traits, states, and feelings (Schroeder and Epley 2016), and one basic vocal characteristic that varies naturally across speakers and circumstances is volume or loudness. Because of the importance that vocal volume can play in communicating social power dynamics and the importance of those power dynamics in investment or collaboration decisions, this research examines how vocal volume influences outcomes in contexts involving investment and business partnership decisions.

This research examines divergent effects of voice volume on investment behavior. Using a mixed-methods approach, including automated voice analysis of thousands of entrepreneurs' pitches in 2,791 Kickstarter campaigns (Study 1), 1,206 Shark Tank entrepreneur pitches (Study 2), and two controlled experiments (Studies 3 and 4), results indicate a positive (negative) effect of volume on investment decisions depending on the presence (absence) of a clear power dynamic.

With our findings, we contribute to a broader understanding of vocal and verbal cues in persuasion and communication strategies. Overall, we find divergent effects of vocal volume on investment decisions across two secondary datasets that vary in relationship norms and power dynamics. We find that greater voice volume is associated with increased investment when the cue for power dynamic is absent, we find that voice loudness backfires when the perception of power distance becomes salient.

FT-F4A

B130

Flash Session F4A

Flash Session

Flash

1 - Does Market Concentration Cause Higher Inflation: Evidence from Recreational Cannabis Market in 2020-2023

Vladimir Pavlov, UCL School of Management, London, United Kingdom

In 2021-2022, consumers, firms and governments had to contend with something many advanced economies have not experienced since the end of the 1970s: a period of high inflation. Some scholars have argued that the supply chain shocks worked as an implicit coordination mechanism, allowing firms in concentrated industries to increase their profit margins. This argument has been dubbed "seller's inflation" (Lerner (1958), Weber and Wassner (2023)), or, more derisively, "greedflation". It is commonly assumed that price coordination is more likely to occur in a market with fewer competitors. Given that assumption, one testable prediction of SI theory is that markets with fewer competitors would see higher inflation. This goal of this paper is to test this hypothesis.

In order to do this test, I use data from a unique setting of the recreational cannabis market in Washington state. When the market was first established in 2012, the licenses were allocated by lottery, allowing for exogenous local variation in the degree of competition among retailers. I use a recent approach by Borusyak and Hull (2023) to control for possible selection in firms' locations before the lottery. I find that a LATE of an additional competitor within 5 mile range is about -0.2 percentage points in inflation - a significant, though potentially economically small effect. The results are directionally robust to other definitions of market, degree of competition and inflation. This paper's contribution is to provide first direct empirical evidence in favor of SI hypothesis.

2 - Giving with Monetary or Network Capital? Evidence from a Large-Scale Field Experiment

Guangxin Yang, Guanghua School of Management, Peking University, Beijing, China, People's Republic of, Qiaowei Shen

Sharing plays a vital role for charities, often seen as a way to leverage one's network capital. Theoretical evidence suggests that sharing can serve as either a compelling alternative to, or complement for, monetary contributions. We conducted a large-scale field experiment on a leading charitable platform to compare the impact of highlighting the donation option versus the sharing option through a behavioral nudge design. The result shows that emphasizing sharing led to a measurable substitution of monetary contributions. However, when taking “chain donations” into account, the sharing nudge resulted in a sizable net increase in total funds raised, highlighting the power of network capital. Furthermore, we find that there are divergences between motives to respond and effects of responding for people with varied network capital. People with more within-community (vs. outside-community) friends are more inclined to respond to the nudge. However, the chain donation effect increases with the number of outside-community friends but not with within-community friends. Based on these results, we provide targeting insights for fundraisers and the platform.

3 - Llms as the Gatekeeper: How Product Type Determines Opposite Persuasion Effects Across Language Models

Andrea Pescher, University of Innsbruck, Innsbruck, Australia

With shopping-related GenAI use growing 35% in 2025 and over 60% of consumers expressing high trust in AI recommendations (BCG, 2026), large language models now function as commercial gatekeepers, processing marketing content before shaping purchase recommendations. For marketers competing for visibility in this new landscape, understanding how LLMs respond to persuasive techniques becomes critical for marketing strategy. This study maps LLM response patterns to persuasive techniques across product types. Using a controlled experiment with 13,500 observations across three LLMs (GPT-4.1 Mini, GPT-5 Mini, Kimi K2), the research tested hedonic versus utilitarian products under four persuasion conditions based on Cialdini's principles. Results reveal that identical persuasive content produces opposite effects by product type: social proof increased the rate at which LLMs expressed high certainty in recommending concert tickets from 9.6% to 65.6%, while authority appeals reduced certainty for utilitarian products. This pattern of hedonic amplification versus utilitarian resistance persisted across all models tested, demonstrating that LLM gatekeeping biases operate systematically and predictably. These findings provide actionable intelligence for optimizing marketing content in LLM-mediated commerce environments.

4 - Competing for Attention: How Eye Gaze and Narrative Framing Interact in Medical Crowdfunding

Shan Yu, UMass Boston, Boston, MA, United States, Yuanyuan Liu, T Ravichandran

Online medical crowdfunding has become a vital channel for individuals seeking financial support for healthcare expenses, yet fundraising success varies widely across campaigns. In digital environments saturated with subtle multimodal cues, understanding how visual and textual design elements shape attention and prosocial response is increasingly important. This study develops an attention-directing perspective on how two common cues—direct eye gaze in campaign images and narrativity in campaign text—influence donation outcomes. We propose that eye gaze heightens interpersonal connection by directing attention to the self, whereas narrativity draws attention into the story world and promotes perspective taking; each pathway can independently encourage giving. Using data from 59,000 GoFundMe medical campaigns (2017–2019), we find that direct eye gaze and narrativity each improve campaign performance. However, when both cues are present, they weaken one another: eye gaze reduces the marginal benefit of narrativity, consistent with attentional conflict under limited cognitive resources. Follow-up analyses show that this negative interaction disappears when campaigns clearly signal severe medical conditions, but becomes stronger for low-risk conditions or when medical details are sparse, suggesting that information salience mitigates cognitive constraints on attention. Together, these findings advance research on multimodal persuasion in digital prosocial contexts and offer actionable guidance for fundraisers and platform designers seeking to optimize campaign effectiveness through visual and textual cues.

5 - How to Take a Side Without (Completely) Losing the Other: When One- or Two-Sided Messaging Can be Useful in Corporate Activism

Elvira Ferrer-Bernal, University of Murcia, Murcia, Spain, Amir Grinstein, Salvador Ruiz-de-Maya

Corporations increasingly engage in divisive sociopolitical issues (e.g., supporting or opposing abortion), a practice labeled corporate activism (CA). Such actions often gain the support of audiences whose political ideology aligns with the corporation’s stance (i.e., a corporation supports a conservative [liberal] cause with a conservative [liberal] audience), while alienating those with opposing political views (i.e., a corporation supports

a conservative [liberal] cause with a liberal [conservative] audience). Researchers and corporations can benefit from a better understanding of how liberals and conservatives respond to CA when it aligns with target audiences, and especially how they respond when there is misalignment. The current research addresses these gaps and also studies how corporations can reduce negative responses under CA misalignment. Specifically, we test the effectiveness of a two-sided (vs. one-sided) messaging strategy that acknowledges the nuanced nature of sociopolitical issues. Based on two studies ($N_1 = 406$, $N_2 = 403$), the results show that when CA aligns with the audience's political ideology, one-sided messages are more effective for conservatives, while liberals respond favorably regardless of message type. When CA is misaligned, two-sided messages are more effective for both conservatives and liberals. Further, the underlying psychological mechanisms differ: liberals respond more favorably to two-sided messages due to a paradox mindset that tolerates contradictions, whereas conservatives respond positively because this approach enhances their sense of fairness. Together, these findings clarify when and why messaging strategies are effective in CA, offering actionable guidance for corporations in politically polarized markets.

FT-F5A

B131

Flash Session F5A

Contributed Session

Sustainability

1 - Do Price Promotions Form Preferences for Ultra-Processed Foods?

Lesley Haerkens, Tilburg University, Tilburg, Netherlands, Bart Bronnenberg, Max Pachali

Diet-related health problems have increased substantially, making the environments in which everyday food choices are made an important context to study. We examine whether repeated exposure to price promotions in supermarkets shapes consumer preferences for healthy versus unhealthy foods over time. Using purchase data from a Dutch household panel (2008–2024) that we linked to barcode-level nutrition and ingredient information, we estimate a consumption-capital model in which current demand reflects both the contemporaneous choice environment (including assortments, promotions, and prices) and an evolving stock of past consumption. Our approach allows for initial preference levels that vary with socioeconomic characteristics. We focus on ultra-processed foods (UPFs), which are widely consumed, heavily promoted, but associated with adverse health outcomes, and whose formulation and frequent consumption plausibly reinforce future demand. Preliminary results indicate that price promotions increase UPF purchases in the week they occur, but the short-run response is modest relative to the role of accumulated consumption capital (past consumption). Estimated persistence in UPF demand is high, implying that preferences adjust slowly. As a result, the effect of repeated promotional exposure on demand can accumulate over time through the consumption it induces. We use the model to evaluate how changes in promotion intensity—such as banning UPF promotions or increasing promotions for unprocessed foods—affect demand immediately and through the accumulation of consumption capital. Ongoing work addresses endogeneity concerns using a GMM framework and examines robustness using alternative health indicators, including the Nutri-Score that we constructed from the same barcode-level data.

2 - Exploration or Exploitation? A Study on the Mechanisms Through Which AI Augmentation Influences Cross-Border E-Commerce Merchants' Decisions

Yiting Zhou, City University of Hongkong, Hong Kong, China, People's Republic of, Xiaoyan Wang, Yang Zhou, Zhilin Yang

The rapid advancement of artificial intelligence (AI), particularly large language models and agent-based systems, is transforming strategic decision-making in cross-border e-commerce. Major platforms increasingly embed AI to support sellers with translation, product recommendation, demand forecasting, and market strategy optimization. Systems such as Alibaba International's Accio, Amazon's Amelia, and TikTok Shop's GMV Max exemplify a new generation of AI-augmented decision tools that substantially improve operational efficiency.

Despite these benefits, recent research cautions that AI-assisted decision-making may entail cognitive and metacognitive risks, especially in complex and uncertain environments. When AI is integrated "in the loop,"

sellers face multidimensional trade-offs across product selection, pricing, inventory, and market positioning. In such settings, AI assistance can reduce active cognitive engagement and promote overreliance, potentially undermining critical reflection, learning, and long-term decision autonomy.

This project argues that a key yet understudied factor shaping these outcomes is how users frame their relationship with AI. Conceptualizing AI as a tool, advisor, or partner may fundamentally influence trust, responsibility attribution, cognitive effort, and willingness to scrutinize AI recommendations. These framings may differentially affect short-term decision quality and long-term learning trajectories. Accordingly, this research examines how AI role framing shapes human decision-making and learning in complex tasks such as cross-border e-commerce, and investigates the cognitive and psychological mechanisms underlying these effects

3 - Machine Learning Analysis of Projected Versus Perceived Destination Image: Instagram Evidence from Post-COVID Macau

Yizhou Yuan, Xi'an International Studies University, Xi'an, China, People's Republic of, Chanthika Pornpitakpan, Tin Wai Kam

This study examines Macau's destination image by comparing travelers' perceived image with the projected image promoted by the Macau Government Tourism Office (MGTO). Instagram posts are collected using a Python script. The dataset covers the period from January 1, 2024 to January 31, 2025 to capture the post-COVID recovery phase. The cleaned traveler-generated content dataset includes 10,895 posts with 51,656 images, while the MGTO dataset comprises 573 posts and 1,087 images scraped directly from the official account.

Instagram images from both sources are analyzed using machine learning techniques to uncover the discrepancies between official narratives and traveler perspectives. Findings reveal that the official narrative emphasizes an idealized image centered on modernity, leisure, and the city's diversified identity. Nevertheless, certain elements highly valued by travelers, such as the exploration of heritage communities and luxury experiences, are absent from official content. The results also suggest that official promotion underrepresents fine dining while prioritizing local cuisine, whereas travelers express interest in both types of dining experiences. Recommendations are provided to incorporate more authentic and experience-driven elements.

This study highlights the value of machine learning in identifying the gap between projected and perceived destination images. The machine learning approaches enable visual data analysis at scale and deliver data-driven insights that improve the efficiency of tourism market analysis. Furthermore, this study broadens current approaches in destination image research by focusing on visual content rather than textual content.

4 - The Relational Value of Unexpected Gifts on Online Platforms

Ming Ding, IESE Business School, Barcelona, Spain, Diego Aparicio, Michael Tsiros

Firms commonly use transactional, reward-based promotions to entice purchases, such as "buy one, get one 50% off." These incentives are typically salient, disclosed upfront, and contingent on purchase. In this research, we examine a distinct and understudied strategy: providing unexpected gifts in the delivery boxes of online orders after a purchase has been completed. Because these gifts are neither anticipated at checkout nor expected upon receipt, customers cannot strategically respond to them when making the focal purchase. Using evidence from three field experiments conducted in partnership with an online grocery platform and three laboratory experiments, we show that unexpected gifts generate substantial customer growth benefits. Specifically, gifts increase subsequent spending, expand purchase variety, and strengthen customer loyalty. We further propose and test a conceptual framework that characterizes unexpected gifts as relational rather than transactional, with effects driven by surprise and the emotional connection customers form with the firm.

FT-F5A

B132

Flash Session F5A

Flash Session

Flash

1 - Is There a Whitening Effect of Image Generation Services? Evidence from An Empirical Study of AI-Generated Advertisements

Hugo Arribas, Institut Mines Télécom Business School, Paris, France, Uttara Ananthakrishnan, Grazia Cecere, Vincent Lefrere, Catherine Tucker

Artificial intelligence (AI) is a powerful tool for improving ad campaigns. However, the gains introduced by AI can be offset by potential biases. We construct an original data set where we compare real images of real person for each country in the world with images produced by AI. We collect the images from different contexts including the fashion industry, politics, and sports. We use artificial intelligence tools to detect the lightness of the skin color of the real images and the AI generated images. Initial model-free evidence shows that the images generated by women exhibit a lighter skin tone compared to their real-world counterparts. The whitening effect of the model is heterogeneous within the treated group, varying by gender, socio-economic category, and geographic location prompted. Women systematically experience a stronger whitening effect.

2 - Experimentation Without Experiments: Simulated LLM Markets via DAGS

Xiexin Liu, Penn State - Abington College, Philadelphia, PA, United States, Xinwei Chen, Huiyao Liao, Yixiang Xu, Park Sinchaisri

While controlled experimentation is foundational to data-driven decision making, many high-stakes interventions remain infeasible to test in the field due to implementation costs, regulatory constraints, and stakeholder risk. We introduce Simulated Language Experiments via DAGs (SLED), a principled framework that leverages large language models (LLMs) to simulate market-level experimental responses when real-world experimentation is prohibitively costly. SLED builds on LLMs to create theory-guided simulators constrained by causal structure and validated against real-world data. In an initial in-silico stage, the LLM simulates heterogeneous consumer personas under controlled interventions to generate synthetic demand responses. Using these simulated outcomes, the LLM performs abductive reasoning to propose candidate DAGs that explain observed heterogeneity through economically interpretable latent mediators. These candidate structures are then tested against historical data, eliminating graphs inconsistent with observed behavior. The surviving DAGs constrain subsequent market simulations, steering them toward economically plausible dynamics. We apply SLED to housing price optimization, where RL-based pricing is hindered by a lack of price exploration due to limited price variation in observational data. Across increasingly complex settings from incorporating market competition to negotiation and platform coordination, SLED yields more accurate intervention-response estimates and better downstream decision performance than unconstrained, naïve LLM simulation baselines.

3 - Product Reformulation: A Suitable Substitute?

Youngeun Lee, Boston College, Chestnut Hill, MA, United States, Anna Tuchman, Caroline Wang

This paper investigates product reformulation -- the adjustment of ingredients or composition of ingredients in existing products -- in the food and beverage industries. Using comprehensive data on product ingredients, nutrition facts, and store sales, we document the prevalence of reformulation, characterize the tactics firms employ, assess the impact of reformulation on product quality and differentiation, and evaluate consumer demand for reformulated products. We find that reformulation is a widespread and persistent practice, with reformulated products accounting for 26% of volume sales across categories and over time. Firms use a diverse range of tactics, including dilution and adjusting the compositional flexibility, leading to moderate shifts in nutrient density, but minimal change in the average nutritional quality within a category. We find that less healthy products tend to experience improvements in their nutritional profiles while healthier products are reformulated to be less healthy, suggesting a convergence toward average nutrient values within a category following reformulation. Finally, we find limited evidence of meaningful demand response, indicating that reformulated versions may serve as close substitutes for their originals -- even when nutrient density deteriorates without corresponding price changes. Such minimal response suggests that reformulation may modify product quality in a way that is difficult for consumers to detect.

4 - The Limits of Observational Methods for Advertising Incrementality in Retail Media

Carlos Garcia Alvarado, Zalando SE, Berlin, Germany

Randomized controlled trials (RCTs) using ghost ads are the gold standard for advertising incrementality measurement. However, they are often unavailable, costly, or underpowered due to sample size and budget constraints. This motivates the use of non-experimental methods to measure incrementality. Yet, environments like Zalando, which offer retail media services, employ complex algorithms for ad personalization, bidding, and pacing. These systems introduce significant selection bias, as users already predisposed to a brand are naturally more likely to be served its ads, making it difficult to distinguish organic intent from ad-driven lift.

This paper evaluates whether observational methods can reliably estimate incrementality for Sponsored Brands by analyzing 12 large-scale ghost ads experiments at Zalando. Leveraging first-party data with user-level behavioral features, I follow Gordon et al. (2022) to evaluate incrementality using Double/Debiased Machine Learning (DML) and Stratified Propensity Score Matching (SPSM). I further incorporate Bayesian structural time series (CausalImpact), using unexposed geographies, organic demand and advertising demand as control series.

Results across the consumer funnel—brand followers, PDP views, add-to-wishlist, add-to-carts and conversions—show that observational methods systematically overestimate incremental lift compared to RCT benchmarks. While less severe than Gordon et al. findings of overestimation on Facebook, errors remain substantial enough. It can be concluded that non-experimental methods remain unreliable substitutes for ghost ads experiments in retail media incrementality measurement.

Friday, June 12, 2:00 PM - 3:30 PM

FC01

B002

Consumer Search

Invited Session

Special Session

Chair: Kadachi Ye, New York University

1 - Modeling Filter-Assisted Consumer Search with Inverse Reinforcement Learning

Kohei Onzo, Columbia University, New York, NY, United States, Asim Ansari, Raghuram Iyengar

Consumers often use product filters in e-commerce contexts to narrow their search for desirable alternatives. We empirically model heterogeneous consumer search behavior in the presence of product filters and estimate the model using inverse reinforcement learning. Our framework casts this search problem as a dynamic program in which consumers can repeatedly use filters to view readily available information about subsets of products and engage in further search within these subsets before making a purchase decision. The resulting dynamic program generalizes the Weitzman and other index-based sequential search frameworks along multiple dimensions. We then estimate the proposed structural model using clickstream data from an online retailer of Japanese incense. We develop novel Markov chain Monte Carlo (MCMC) methods that leverage neural network-based value function approximation for model estimation. Specifically, we design a neural network architecture that facilitates efficient approximate value function iteration. After estimating our model, we use it to conduct counterfactual analyses that investigate the impact of alternative filter mechanisms on consumer behavior and on the online retailer's revenue.

2 - Searching for Breakthroughs with Both Parallel and Sequential Learning

Wee Chaimanowong, The Chinese University of Hong Kong, Hong Kong, Hong Kong, Te Ke, J. Miguel Villas-Boas

We develop a dynamic model of R&D planning in which a decision maker (DM) engages in costly search for breakthroughs among multiple uncertain projects, with the option to stop learning at any time and choose to pursue one project or revert to a safe outside option. Projects are either good or bad, and only good ones promise breakthroughs. We allow the DM to flexibly allocate resources on any subset of projects for parallel learning, subject to economies of scale in learning costs. By constructing the value function via a continuous-time analog

of value iteration, we offer some characterization of the optimal learning strategy. We identify a learning index that governs which subset of projects to explore and show that the optimal learning sets evolve in a nested manner over time and may exclude the most promising project in order to eliminate less promising ones more efficiently. In the two-project case, we provide a more complete characterization of the optimal learning strategy and highlight the relevance of parallel learning even when the DM's beliefs about the two projects are dissimilar. Comparisons with pure sequential learning reveal that lower learning costs, a higher outside option, and the option of parallel learning can all prompt the DM to prefer to prioritize the more promising project.

3 - Consumer Search with Sold-Out Items

Kadachi Ye, New York University, New York, NY, United States, Shangwen Li

When users search for an item on an online platform, they often learn about the market and search for a purchasable item at the same time, making it difficult to cleanly separate information acquisition from purchase-oriented search. In this project, we use a setting in which search results include sold-out items to isolate these two forces. Because sold-out items cannot be purchased, exposure to them primarily operates through information: seeing a sold-out listing can update users' beliefs about demand, quality, and availability, so sold-out items can serve as an information device rather than a directly attainable option.

We care about this setting for two reasons. First, we ask whether consumers actually click sold-out listings and, if they do, how such exposure affects subsequent search and purchase behavior. Second, we examine the implications for platform design. To decide whether and how to display unavailable listings, platforms need to understand whether sold-out exposure mainly creates friction, such as wasted attention and frustration, or provides useful information that guides consumers toward better substitutes and faster decisions. In our data, about two-thirds of buyers have seen sold-out items as item impressions, and among those, about half clicked and viewed the item. Our findings inform platform design choices such as whether to surface information devices that cannot be pursued and clarify the trade-offs for conversion, user experience, and market efficiency.

4 - Predictive Accuracy, Consumer Search, and Personalized Recommendation

Zirou Chen, University of Toronto, Toronto, ON, Canada, Mengze Shi, Zemin (Zachary) Zhong

Firms use predictive technology to attract and direct consumer search through personalized product recommendations. This paper examines the firm's recommendation strategy by analyzing a key trade-off: accurate recommendations draw high-search-cost consumers into the search process (the "participation-drawing effect") but may narrow the search intensity of moderate-search-cost consumers (the "search-narrowing effect"). When pricing is inflexible in response to environmental changes, the search-narrowing effect dominates in markets with intermediate predictive accuracy or limited search costs, leading firms to forgo recommendations despite their value in reducing search frictions. However, with pricing flexibility, the no-recommendation strategy is optimal only when both predictive accuracy and search costs are low. Flexible pricing enables firms to capture the surplus from accurate recommendations, strengthening the participation-drawing effect. It also shifts the firm's strategic focus from managing search intensity to managing search participation, increasing the profitability of personalized recommendations. Our findings underscore the dual impacts of personalized recommendations on consumer search behavior and highlight the importance of pricing flexibility in optimizing recommendation strategies. This research provides actionable insights for firms leveraging predictive technologies in customer management.

FC02

B003

Technology and Markets IV: Causal Methods and Policy

Invited Session

Special Session

Chair: Yufeng Huang, University of Rochester, Rochester, NY, United States

Co-Chair: Sylvia Hristakeva, Cornell S.C. Johnson College of Business, Ithaca, NY, United States

1 - Bundled Loyalty Discounts in Healthcare: Evidence from Physician-Administered Vaccines

Chiara Gardenghi, Simon Business School, URochester, Rochester, NY, United States

In many industries, multi-product sellers offer bundled loyalty discounts to buyers who refrain from purchasing competing products from rivals. These contracts can increase sales volumes by helping sellers establish a strong customer base across their product portfolios, but they also risk foreclosing competing sellers, even those offering superior products. I examine the welfare implications of bundled loyalty discounts in the context of physician-administered vaccines, which medical providers purchase and administer directly to their patients. I use prior antitrust cases involving vaccines to recover the proprietary terms of bundled discount contracts. I then develop a model of medical providers' demand and pharmaceutical companies' supply of vaccines. Using all-payer claims data from Colorado to estimate the model, I recover medical providers' preferences, vaccines' marginal costs, and the magnitude of bundled discounts that rationalizes providers' observed purchasing patterns. I use the model to evaluate the equilibrium and welfare effects of banning bundled discounts, allowing sellers and buyers to re-optimize their choices. I show that, in the absence of discounts, providers purchase fewer and lower-quality products, particularly at the expense of optional vaccines not required for school access. Insurers benefit in the short term through lower immunization coverage costs. The effect on pharmaceutical companies' profits varies, depending on the scope and composition of their vaccine portfolios.

2 - Incentive-Aligned Firearm Regulation

Bradley Shapiro, University of Chicago, Chicago, IL, United States, Sarah Moshary, Sara Drango

Gun violence imposes substantial social costs, yet policies restricting firearm ownership face intense political opposition and constitutional scrutiny. We take a different approach: rather than asking whether gun restrictions should be imposed, we ask how much it would cost to compensate potential handgun buyers to choose less lethal alternatives. Using a structural model of firearms demand estimated from stated-choice experiments, we estimate the distribution of willingness-to-accept (WTA) for substituting away from handguns toward long guns or no gun purchase. Our results highlight substantial scope for "win-win" compensation-based firearm policies that reduce harm while respecting gun owners' preferences, though they also underscore the value of information for policy design.

3 - Using Contextual Embeddings to Predict the Effectiveness of Novel Heterogeneous Treatments

Paul Ellickson, University of Rochester, Rochester, NY, United States, WREETABRATA Kar, James Reeder, Guang Zeng

We propose a framework for causal prediction that enables the design and evaluation of novel treatments based on estimated causal effects. Our approach centers on constructing a response surface that connects unstructured text—captured through contextual embeddings—to economically meaningful outcomes, operationalized as doubly robust scores. This response surface then functions as a critic within an actor-critic algorithm, where a GenAI engine like ChatGPT can serve as the actor. To evaluate our framework, we examine a targeted marketing application involving 3.3 million observations from 34 customer emails over 45 days. Our results highlight the use of contextual embeddings to achieve an accurate prediction of novel treatments while a commonly used encoder, human codification, fails to do so. The accuracy of our framework in prediction of novel treatments is driven by the availability of semantically similar treatments within the contextual manifold. Finally, we illustrate how managers can use our framework to generate novel content, demonstrating that it outperforms a naive application of Generative AI. Moreover, our framework can be extended to account for heterogeneous treatment effects, allowing for segmentation and personalized targeting in developing novel treatments.

FC03

B004

AI Search and LLM-Mediated Consumer Discovery

Contributed Session

Contributed

Chair: Axel Stock, University of Central Florida, Orlando, FL, United States

1 - AI Search and Web Traffic

Kai Zhu, Bocconi University, Milan, Italy, Qiaoni Shi, Kai Gu

This paper investigates whether AI search restores the referral ecosystem by driving downstream traffic or exacerbates 'zero-click' consumption by synthesizing answers within the interface. Leveraging granular clickstream data and a staggered difference-in-differences design, we estimate the causal impact of AI search adoption on users' broader web consumption and compare the magnitude of direct referral traffic against traditional search engines. Furthermore, we test for heterogeneity to determine if AI intermediaries disproportionately concentrate traffic toward specific domain types and to analyze the 'AI divide' across user demographics. By quantifying these shifts, our findings illuminate the long-term viability of the ad-supported internet, providing insights for policymakers and content publishers navigating the evolving competitive dynamics between AI platforms and the open web ecosystem

2 - Expanding Yourself Through AI: How Message Appeals Affect User Response Toward AI Applications

Yiran Zhang, Tianjin University, Tianjin, China, People's Republic of, Chundong Zheng

AI applications represent the primary interface of AI technologies and offer substantial potential value, yet user adoption remains limited, constraining their commercial success. Understanding how to motivate users to engage with AI applications is therefore critical. This research investigates how the fit between message appeal (feasibility vs. desirability) and AI type (task-oriented vs. social-oriented) influences user responses. Across five studies (N = 1,584), results show that for task-oriented (vs. social-oriented) AI, feasibility-focused (vs. desirability-focused) messages lead to more favorable user responses, with self-expansion mediating this effect. Moreover, this fit effect is stronger among users with low (vs. high) AI belief. This study advances research on AI promotion by highlighting the interaction between AI type and message appeal and by identifying self-expansion as a novel psychological mechanism. It also offers actionable insights for optimizing AI marketing strategies and targeting user segments.

3 - Synthetic Corpus and Consideration Manipulation in Generative Engine Optimization

Xiaoyan Xu, The Chinese University of Hong Kong, Hong Kong SAR, Hong Kong, Tony Ke, Chenxi Liao

The rapid adoption of generative engines as the primary gateway for product discovery has given rise to Generative Engine Optimization (GEO), a new practice where firms attempt to influence AI-driven product recommendations and, consequently, consumer consideration sets by strategically seeding the online environment with synthetic corpora, such as fake reviews and blog posts. This paper investigates the market implications of GEO using a game theory model where product quality is either high or low, and consumers who are uncertain about product quality rely on a generative AI's recommendation to form their consideration sets and subsequently inspect online corpora of recommended products to evaluate their quality. We model the generative engine as a "prediction machine" that recommends products based on statistical inference. We highlight how GEO collapses the traditional purchase funnel, as the same synthetic content intended to gain visibility via GEO during the consideration stage also serves as the evidence for consumer evaluation during the evaluation stage. For the high-type firm, this creates a critical visibility-credibility trade-off: while synthetic corpora increase the probability of being recommended (a demand expansion effect), they simultaneously raise the risk of consumer detection, which can trigger skepticism and reduce purchase intention (a consumer suspicion effect). Our analysis reveals that a high-type firm's incentive to manipulate is non-monotonic in the quality of its low-type competitor. We also show that a regulatory ban on synthetic content does not necessarily improve consumer surplus.

4 - The Impact of AI Chatbots on Online Retailing

Axel Stock, University of Central Florida, Orlando, FL, United States

Recently, Walmart decided to let shoppers buy its products directly within OpenAI's ChatGPT. Although Walmart's stock price rose significantly following the announcement, its biggest rival Amazon.com currently blocks its listings from showing up on GenAI platforms, Instead, Amazon.com offers its own AI shopping features. These observations raise some puzzling research questions. What company or market characteristics favor an online retailer to work together with an AI platform? When is it optimal for a retailer to offer AI features on its own shopping site instead? To address there questions we utilize a game theoretic model of an online retailer offering a product line to a market of consumers who are uncertain about their preferences for a product feature. The retailer chooses both price for the product and the advertising fee charged to companies wanting to advertise on its website. We show under which conditions it is optimal for the retailer to support consumers'

decision making by offering an AI chatbot, and when to allow them to purchase the product directly on a GenAI platform. Afterwards we extend the model to include retail competition. We show that when there is sufficient heterogeneity between retailers then they pursue asymmetric GenAI strategies in equilibrium providing support for our empirical observation.

5 - When Context and Intent Drive Substitution: a Theory-Grounded Framework for Personalized Recommendation

Shuo Zhang, Shanghai Jiao Tong University, Shanghai, China, People's Republic of

Substitute recommendation, which suggests alternative products based on what users are currently browsing, plays a critical role in digital advertising. The effectiveness of these recommendation algorithms hinges on understanding consumer psychology, where behavioral theories highlight two factors that shape how consumers make substitution choices: ``In what contexts can one product replace another?'' and the ``What does the user currently intend to fulfill?''. In practice, however, most existing research emphasizes identifying general substitutes by aggregating collective user behavior, thereby highlighting products recognized as interchangeable at a population level. Such approaches often overlook the personalized aspects of substitution decisions and the contextual factors on which substitute relationships depend.
To bridge this gap between theory and practice, we propose a novel graph neural network framework tailored for the task of personalized substitute recommendation, which has three main contributions.
First, we incorporate behavioral insights on substitute selection into our framework design, resulting in a theoretically grounded recommender that goes beyond product similarity.
Second, we design components that exploit graph neural networks for pattern extraction, enabling the modeling of substitute context and selection intent, and employ an alignment module to assess their compatibility.
Third, we showcase the critical roles of substitute context and selection intent in substitute recommendation through in-depth analyses on unique data obtained from world-leading e-commerce platforms.
From a managerial standpoint, our findings offer valuable insights for advertising professionals, highlighting that contextual and behavioral factors often outweigh basic product similarity in determining personalized substitutability.

FC04

B005

Privacy II

Contributed Session

Contributed

Chair: Wenxing Ma, Tsinghua University School of Economics and Management, Beijing, N/A

1 - The Cost of Asking: Information Disclosure and Privacy Norms in Acquisition Funnels

Man Xie, Arizona State University, Tempe, AZ, United States, Uyen Tran

Digital platforms and firms increasingly require prospective users to disclose personal information early in onboarding and recruitment processes. While such disclosures may improve targeting and screening, they can also create participation frictions that reduce acquisition. We study when such disclosure requirements enhance versus undermine customer acquisition outcomes. Using controlled experiments that vary (i) the amount of personal information required and (ii) the privacy profile of the program, we measure attrition at each stage of a standardized recruitment funnel and estimate how privacy preferences interact with disclosure requirements. Our results show that higher disclosure requirements significantly increase attrition, particularly in programs with widely varying privacy preferences. Meanwhile, a substantial fraction of users who report strong privacy concerns continue into high-disclosure settings. We also propose a simple theory in which users trade off perceived privacy costs against expected participation value, generating testable implications that map directly onto observed outcomes. Together, our empirical and theoretical findings provide guidance for platform and onboarding design, highlighting when extensive information requests function as efficient screening devices and when they act as avoidable barriers to customer acquisition.

2 - Curbing Toxicity Without Compromising Privacy? the Effects of Limiting Anonymity on User Engagement

Xinyi Sun, HKUST, Hong Kong, Hong Kong, Jia Liu, Christine Kim

As toxic behavior escalates online, platforms face a persistent dilemma: how to curb undesirable content without undermining user privacy or participation. We study whether and how subtle reductions in anonymity can improve discourse quality by exploiting a sharp policy change on a large university forum where users post/comment content under persistent but non-personal IDs. The intervention restricted fully anonymous posting from unlimited to three posts per day. Using a Regression Discontinuity in Time (RDiT) design, we estimate the causal impact of this change on a multidimensional set of content outcomes---including negative and positive emotion, toxicity, mental harm, and informativeness---measured through a framework that combines human validation, industry standards, and large language models. The intervention produced sizable and immediate improvements in discourse quality. Toxic, mentally harmful, and negative posts fell by 10–20%, while informative and positive posts increased. Importantly, these quality gains occurred with only modest reductions in posting volume and no overall decline in commenting activity. We also find strong spillover effects as toxicity and mental harm in comments decreased substantially. Heterogeneous treatment effects and a preregistered randomized experiment converge on a common mechanism---perceived traceability. Users who felt more recognizable (e.g., through distinctive IDs) exhibited the largest behavioral recalibration. Our findings demonstrate that privacy-preserving traceability can meaningfully improve online discourse, a viable alternative to real-name policies or heavy-handed moderation.

3 - Setting Privacy Risk Budgets in Online Experiments

Alina Ferecatu, Rotterdam School of Management, Erasmus University, Rotterdam, Netherlands, Gilian Ponte

Firms engaging in digital marketing routinely conduct experiments to assess and improve the effectiveness of their marketing campaigns. Privacy regulations complicate these practices by restricting the extent of experimentation using consumers' data. We propose a novel approach to privacy-minded online experimentation, whereby firms set a privacy budget prior to experimentation, and engage in sequential learning via bandit experiments that complies with their budget. To specify a privacy risk budget, the approach integrates a mathematical definition of privacy, differential privacy, into multi-armed bandit experiments. Differential privacy introduces a quantifiable privacy risk parameter, ξ, which controls consumers' privacy risk, and is the basis of our privacy budget. The exploration probability ε of the greedy policy has a natural counterpart in the privacy risk parameter set for differential privacy, as both express the extent to which consumers are randomly assigned to or specifically targeted with an ad. We leverage this natural link between the two strategies. By allowing early on for a low privacy risk (high exploration probability) and later for that privacy risk to increase (high probability to exploit), we enable firms to adaptively learn consumers preferences for ads while quantifying the privacy risk set in the privacy budget. We assess via simulations the extent to which the proposed privacy-minded bandit policies fair against optimal learning. Policymakers could integrate the idea of privacy budgets into the privacy regulations. Our method allows companies to commit to a privacy budget prior to experimentation, and it enables regulators to better assess the proposed privacy budget.

4 - Privacy Protection OR Privacy Priming? the Effects of U.S. State Data Privacy Regulations on Brand Perceptions

Andre Martin, University of Notre Dame, Notre Dame, IN, United States, katrijn Gielens, Tarun Kushwaha

In the absence of a comprehensive federal privacy regime in the U.S., several states have enacted consumer data privacy regulations, most prominently California Consumer Privacy Act and subsequent state statutes, granting consumers rights over collection, use, and sharing of their personal data. Although these regulations aim to reduce information asymmetry and build trust, they also require firms to present salient disclosures and obtain explicit consent, which may prime concerns about surveillance, data exploitation, and loss of control. We examine this tension by analyzing how state-privacy regulations shape consumer brand perceptions across the purchase funnel. Using enactments in five states—California, Virginia, Colorado, Connecticut, and Utah—we employ quasi-experimental design that combines synthetic controls with difference-in-differences estimation. Our analysis uses weekly perception data for 1,921 brands, measuring impression, consideration, and purchase

intention. Consistent with privacy priming mechanism we find that privacy regulations deteriorate brand perceptions at all funnel stages, despite their consumer-protective intent. We also uncover substantial heterogeneity in responses. Brand consideration drops more in high trust industries. College-educated consumers exhibit increase in impressions, consistent with greater appreciation for regulation, but then reduce consideration more sharply, reflecting heightened scrutiny during evaluation. We draw implications for firms to navigate this regulatory landscape.

5 - Unveiling Consumer Preference from Real-TIME Micro-Decisions in the Era of Digital Privacy

Wenxing Ma, Tsinghua University School of Economics and Management, Beijing, China, People's Republic of, Xiaojing Dong, Zoey Hu

Making inferences about consumer preferences has been instrumental in targeting and personalized recommendations. Traditional methods have relied on access to historical consumer-level data, a resource becoming scarce due to burgeoning privacy regulations. In this research, we introduce a Bayesian dynamic approach to decode consumer preferences by harnessing a specific micro-decision during search sessions - consumer filtering choices such as adjustments on price ranges to refine search results. This innovative method allows us to understand consumer preferences even with limited data. It holds the potential to bolster a company’s capability to provide timely recommendations while adhering to the constraints of privacy regulations. We developed a Bayesian model to capture live-streamed information to assess individual-level price-quality tradeoffs. Through a utility model tailored for price-quality tradeoffs, our model provides a closed-form solution, bringing insights into how various factors converge to influence consumer browsing actions. Our model is validated using both simulated data and empirical data from hotel searches on a major travel platform. The results indicate that by capturing early-stage signals from search filter decisions, our approach effectively reveals the dynamic interplay between consumer behavior and market offerings, offering a promising strategy for enhancing personalized online shopping experiences in privacy-constrained environments.

FC05

B008

Generative AI for Marketing Measurement, Experimentation, and Design II

Invited Session

Special Session

Chair: Lan Luo, Columbia Business School, New York, NY, United States

Co-Chair: Jia Liu, HKUST, Hong Kong

1 - Going From One Experiment to Another: Estimating Treatment Effects Across Populations

Mengjie Cheng, Harvard Business School, Boston, MA, United States, Elie Ofek, Nathan Vierling-Claassen, Jerry Chen

Digital experimentation has advanced rapidly in recent years and has become the industry gold standard for estimating the incremental effects of treatments, such as assessing the impact of different marketing channels. Despite its widespread adoption, however, large-scale experimentation remains costly and may negatively affect both revenue and consumer experience. In this paper, we develop a framework that leverages historical experimentation data to improve the efficiency of average treatment effect (ATE) estimation for a new target population. The framework consists of three stages. First, we improve the accuracy of ATE predictions by learning from historical data. Second, we combine multiple predictors to mitigate the risk of negative transfer. Finally, we rectify these predictions using a small amount of target population experimental outcomes. We first evaluate the framework using simulated data and show that it is effective under both covariate shift and concept shift between the historical and target populations. Building on these findings, we then validate the framework in a real-world setting through a collaboration with Wayfair. Using the firm's historical experimentation data, we show that the proposed approach substantially reduces the amount of labeled target-population data needed to reach statistical significance for the effect of email interventions on consumer traffic. Together, these results highlight the promise of machine learning methods for improving digital experimentation and offer important implications for how firms design, scale, and optimize experimentation in practice.

2 - Leveraging LLMs to Improve Experimental Design: a Generative Stratification Approach

George Gui, Columbia Business School, New York, NY, United States, Seungwoo Kim

Pre-experiment stratification, or blocking, is a well-established technique for designing more efficient experiments and increasing the precision of the experimental estimates. However, when researchers have access to many covariates at the experiment design stage, they often face challenges in effectively selecting or weighting covariates when creating their strata. This paper proposes a Generative Stratification procedure that leverages Large Language Models (LLMs) to synthesize high-dimensional covariate data to improve experimental design. We demonstrate the value of this approach by applying it to a set of experiments and find that our method would have reduced the variance of the treatment effect estimate by 10%-50% compared to simple randomization in our empirical applications. When combined with other standard stratification methods, it can be used to further improve the efficiency. Our results demonstrate that LLM-based simulation is a practical and easy-to-implement way to improve experimental design in covariate-rich settings.

3 - Generative Brand Choice

Kevin Lee, Ross School of Business, University of Michigan, Ann Arbor, MI, United States

Predicting demand for new products is an important and challenging problem in marketing, especially for product categories where brand is a key driver of choice. In these settings, observed product attributes do not explain choice patterns well, which makes predicting sales of a new product as a function of marketing mix variables intractable. To address this problem, I develop a scalable framework that enriches structural demand models with large language models (LLMs) to predict consumer preferences for new brands. After estimating preferences for existing brands using a structural model, I use an LLM to generate predictions of these brand utilities from text descriptions of the brand and consumer. When fine-tuned on this data, I show that the tuned LLM is able to generalize to previously unseen brands that were excluded from the training sample. In contrast, conventional models based on text embeddings return predictions that are essentially uncorrelated with the actual utilities, and general-purpose LLMs are also uninformative. My fine-tuned LLM's predictions attain a correlation of 0.52 with the held out preferences and 17 times higher mutual information than embedding-based models; i.e. for the first time, informative predictions can be made for consumer preferences of new brands from text. Additionally, I combine causal estimates of the price effect from instrumental variables methods with the LLM predictions to enable pricing-related counterfactuals. By integrating the powerful generalization abilities of LLMs with principled economic modeling, my framework enables informed decisions on optimizing the marketing mix of a new product.

4 - Digital Twins as Funhouse Mirrors: Five Key Distortions

Olivier Toubia, Columbia Business School, New York, NY, United States, Tianyi Peng, george gui, Melanie Brucks, et al.

Scientists and practitioners are aggressively moving to deploy digital twins - LLM-based models of real individuals – across social science and policy research. We conducted 19 pre-registered studies with 164 diverse outcomes (e.g., attitudes towards hiring algorithms, intention to share misinformation) and compared human responses to those of their digital twins (trained on each person’s previous answers to over 500 questions). We find the digital twins' answers are only modestly more accurate than those from the (homogeneous) base LLM and correlate weakly with human responses (average r = 0.20). We document five ways in which digital twins distort human behavior: (i) stereotyping, (ii) insufficient individuation, (iii) representation bias, (iv) ideological biases, (v) hyper-rationality. Together, our results caution against the premature deployment of twins, which may systematically misrepresent human cognition and undermine both scientific understanding and practical applications.

FC06

B009

Risks and Opportunities of Generative AI

Invited Session

Special Session

Chair: Sumon Chaudhuri, WU Vienna University of Economics and Business, Wien, Austria

1 - Wisdom of AI: Using the Delphi Technique with LLMs as a Forecasting Tool

Sumon Chaudhuri, WU Vienna University of Economics and Business, Wien, Austria, Isin Acun, Malik Stromberg

While forecasting customer behavior is a well-studied field, practical adoption of this research remains limited; practitioners often favor simple heuristic based methodologies like the Delphi method over complex modelling frameworks. These methods are simple, and oftentimes quite effective; however, they are also expensive, and heavily dependent on the participating subjects. We propose a novel methodology that capitalizes on the strengths and mitigates the weaknesses of heuristic based customer behavior forecasting by utilizing Large Language Models (LLMs) as subjects within a structured Delphi method. We empirically test this approach's accuracy within the elective cosmetic procedures industry, comparing its performance against established market research techniques across various testbeds.

2 - Talk to Think: How Communication Modality Shapes Human-AI Collaboration in Ideation

Tijmen Jansen, University of Hamburg, Hamburg, Germany, Claus Hegmann-Napp, Mark Heitmann

Organizations increasingly integrate generative AI into ideation and innovation processes to augment human creativity. While large language models (LLMs) excel at rapid synthesis and pattern recognition, effective innovation depends on how humans and AI collaborate, particularly how they communicate. Despite the growing availability of voice-enabled conversational agents, AI-assisted ideation remains dominated by text-based interfaces, and the consequences of communication modality for creative collaboration remain largely unexplored.

Drawing on cognitive load theory, we theorize that spoken interaction with AI reduces extraneous cognitive load relative to written communication, freeing cognitive resources for creative processing. We test this prediction across three experimental studies in product and marketing ideation contexts. Study 1 establishes a performance benchmark, showing that an LLM instructed with product information and consumer reviews outperforms both uninstructed AI and human ideators on overall idea quality and the ability to address customer complaints. Studies 2 and 3 examine communication modality in human–AI collaboration. Across both studies, participants who interact with AI via speech generate higher-quality ideas than those who interact via text. Mediation analyses demonstrate that reduced perceived cognitive load explains a substantial portion of this speaking advantage.

Together, these findings identify communication modality as a critical and previously overlooked design lever in AI-assisted innovation. By showing that speaking, rather than writing, with AI enhances creative output through reduced cognitive load, this research advances theory on human–AI collaboration and provides actionable guidance for organizations considering voice-based AI systems for ideation and innovation work.

3 - The Narrative Campaign Generator: Weaving Consumer Reviews into LLMs Using Graph Rag

Madhav Arora, ESSEC Business School, Cergy, France, Malik Stromberg, Thomas Reutterer, Arnaud DeBruyn

Personalizing marketing communications improves consumer response through higher click-through and conversion rates (Yoganarasimhan, 2020). Yet creating such personalized advertisements at scale remains costly. Recent advancements in LLMs could help reduce these marginal costs, but they suffer from two key limitations: factual unreliability (hallucinations) and content homogenization. Consumer reviews offer a promising knowledge source to address these limitations, as they contain rich product information such as usage contexts, emotional reactions, and performance evidence. To ground LLM output with such external knowledge, the current approach uses retrieval-augmented generation (RAG) with vector similarity search. This approach, however, can lead to a redundancy problem. In other words, since most reviews contain similar information, feeding them into LLMs leads to generic responses that fail to capture the full breadth of available information (Yang et al., 2025). In our study, we introduce Review GraphRAG, a framework that uses signed graph retrieval to construct structured knowledge representations from consumer reviews. To generate novel yet accurate campaign ideas, we employ a diversity-maximizing graph traversal mechanism for feature selection,

preventing the redundancy inherent in vector similarity search. Our approach improves both reliability and diversity of campaign narratives since the generated content is not only grounded in verified consumer experiences but also has broader feature coverage. As a next step, we are testing our approach's effect on purchase intentions through a field experiment with a fragrance partner in Austria.

4 - When AI Chooses for You: How LLM-Based Shopping Assistants Shape Product Discovery

Evgenii Gradusov, WU Vienna University of Economics and Business, Vienna, Austria, Martin Reisenbichler, Thomas Reutterer, Xiao Liu

We analyze how AI-powered shopping assistants reshape choice architecture and competition. Using extensive query-level data from Amazon's Rufus chatbot across multiple product categories, we document three empirical patterns.

First, algorithmic curation sharply narrows consumer choice: AI draws from a small fraction of the product catalog (~15% of available products), exhibits high concentration among a few products and brands, and clusters around mid-range options. These patterns vary systematically with query specificity, with more generic queries granting greater algorithmic discretion. Within this curated environment, we document systematic Pareto efficiency violations: most displayed products have cheaper and better-rated alternatives that are excluded, implying substantial potential consumer savings losses, alongside platform affiliation patterns consistent with strategic self-preferencing through badges and certifications.

Second, AI curation amplifies winner-takes-all dynamics: recommended products have substantially more reviews than excluded alternatives, and dominant brands capture a disproportionate share of algorithmic visibility relative to their organic presence.

Third, competition shifts to new dimensions, as visual and semantic alignment with consumer queries becomes a central determinant of algorithmic visibility. Text and image embeddings play a substantially larger role in AI-curated recommendations than in traditional search rankings.

Our findings contribute to the emerging literature on algorithmic market design and have implications for consumer welfare, seller strategy, and the regulation of AI-mediated commerce.

FC07

B010

Research Based on AiMark Data: Unlocking Insights from International Household Panel Data

Invited Session

Special Session

Chair: Esther Orr

1 - Research Based on Aimark Data

Esther Orr, AiMark / Tilburg University, Tilburg, Netherlands

AiMark will provide an overview of its household scanner panel data. The presentation will highlight the unique features of these data, including their comprehensive country and product coverage, and details on household and retailer characteristics. Together, these attributes make the data well suited for research in areas such as marketing mix effectiveness, public policy evaluation, consumer health and well-being.

In addition to describing the structure and scope of the data, the presentation will outline the procedures through which academic researchers can gain access to AiMark data for scientific use.

The session is intended for researchers interested in learning how to use AiMark data in their work and in exploring new opportunities for empirical research in marketing and retail analytics.

2 - How and when Does a Cancer Diagnosis Impact Consumers&Rsquo; (Un)Healthy Grocery Shopping Behavior

Niels Holtrop, Maastricht University, Groningen, Netherlands, Els Breugelmans, lien lamey

Receiving a cancer diagnosis can profoundly affect individuals' lives, including their ability to adhere to healthy dietary habits. Maintaining a healthy diet, however, is a key strategy for supporting the immune system, enhancing treatment outcomes, and accelerating recovery. This study aims to gain a deeper understanding of when and how a cancer diagnosis affects grocery shopping behavior, an essential daily activity that primarily determines (un)healthy food intake. By linking detailed individual health data with household grocery purchases, we examine whether and to what extent a cancer diagnosis leads to changes in (un)healthy grocery shopping behavior. We define that behavior based on the recommendations that patients receive after a cancer diagnosis, to: (i) eat fresh produce (i.e., vegetables, fruit, and beans), (ii) limit fast food (i.e., bakery, desserts, candy & salty snacks), (iii) limit red & processed meat, (iv) limit sugar-sweetened drinks and (v) limit alcohol. We further explore heterogeneity in responses by analyzing which diagnosis characteristics (e.g., severity, site, treatment) and consumer traits (e.g., age, income) are associated with changes in (un)healthy grocery shopping behavior. Initial results indicate that improvements in food purchases occur on all aspects, except for alcohol, where no change is observed.

3 - How Researcher Choices Impact Price Elasticity Estimates: Insights from a Many-Analyst Study

Harald van Heerde, University of New South Wales, Sydney, Australia, Hannes Datta, Oliver Koll, Karin Teichmann, Koen Pauwels

Recent open science initiatives have called for more efforts to engage in reproducible science that is transparent and helps to improve the quality and accumulation of scientific knowledge (Munafò et al., 2017). Such a call should resonate strongly in marketing, a discipline which has been shown to boast an unusually high incidence of p-hacking and publication bias (Brodeur, Cook, & Heyes, 2022). This project responds to this call for more transparent research by specifically addressing the issue of heterogeneity in researchers' path choices. Towards this end, this study adopts a many-analyst approach whereby multiple research teams analyze the same dataset to answer the same research question. 156 teams were asked to estimate 68 brands' price elasticities (BPE) defined as as the percentage change in volume brand sales (in weight) due to a 1% increase in the brand's price. The paper informs about the diversity of methodological choices, outcomes and examines the variation in findings caused by specific modelling choices.

4 - Retailer Reactions to Tampon Tax Reductions: Do Consumers Benefit?

Phil Wienecke, University of Muenster, Muenster, Germany, Sonja Gensler

Several countries reduced the tax rate on feminine hygiene products to limit fiscal discrimination against women. While recent studies focus on advanced economies, there is no quantitative research offering insights into the dynamics in developing economies. The authors investigate the effect of tampon tax reductions on prices and sales in developing and advanced economies using AiMark data from Asia, South America, and Europe. The analysis compares the outcome development in countries that implemented the tampon tax reduction (i.e., Colombia, India, Vietnam, Germany, France) with the dynamics in economies that did not experience a tax change (i.e., Peru, Indonesia, and Italy). Aligned with recent literature, the authors find significant price decreases in advanced economies (70% pass-through in France and 110% in Germany) while observing price effect heterogeneity in developing countries. The authors note significant overall price reductions in Colombia (128% pass-through) and India (47% pass-through) while prices remain unaffected in Vietnam. Retailers in India induce the overall price reduction by increasing the promotion frequency without reducing shelf prices consistently. Colombian retailers lowered shelf prices without changing the marketing conduct. However, similar to advanced economies, the reforms fail stimulating any sales growth in developing countries. Decomposing the overall price effect while assessing adjustments in promotional activities, the authors present a nuanced investigation of the policy's incidence and retailer behavior.

FC08

B011

Loyalty

Contributed Session

Contributed

Chair: Alan Montgomery, Carnegie Mellon University, Pittsburgh, PA, United States

1 - Asymmetric Intertemporal Preferences for Loyalty Points Across Spending and Receiving Decisions

Jing Hu, University of Macau, Macau, China, People's Republic of, Kao Si

Consumers increasingly make intertemporal choices involving different payment media, yet little is known about whether these media elicit different temporal preferences across decision contexts. This research examines consumers' choices between sooner–smaller and later–larger outcomes when outcomes are denominated in loyalty points versus monetary media. We compare intertemporal preferences across spending (loss-like) and reward (gain-like) decisions and benchmark loyalty points against both cash and cash vouchers. Across studies, we found that, in spending decisions, consumers exhibit a stronger preference for sooner outcomes when paying with loyalty points than when paying with cash or cash vouchers, indicating greater impatience when expenditures are framed in points. In contrast, in reward decisions, consumers show a weaker preference for sooner outcomes when receiving loyalty points than when receiving cash, and no difference between points and cash vouchers. This research makes three contributions. First, it extends intertemporal choice research by demonstrating that temporal preferences are medium-dependent and context-specific, challenging the assumption of medium-invariant discounting. Second, it contributes to the payment-media and mental-accounting literatures by showing that the psychological meaning of loyalty points translates into systematically different timing preferences in spending versus receiving decisions. Third, it advances loyalty-program research by identifying a previously undocumented cross-context asymmetry in intertemporal preferences for point-denominated outcomes. Managerially, the findings inform the design of point-based payment options and reward schedules that align with consumers' time preferences.

2 - Transitioning from a Spend-Based to Status-Based Loyalty Program: Evidence from a Quasi-Experimental Study

Arun Gopalakrishnan, Rice University - Jones Graduate School of Business, Houston, TX, United States, Anmol Madan, Upender Subramanian

An increasing number of retailers gravitate from a frequency- or spend- based loyalty program to a status-based program, yet little is known about how such a transition impacts existing customers. We developed a quasi-experimental design to uncover causal effects of such a transition on customers of an Asian retailer focusing on contribution margin, revenue, and order frequency effects. The retailer piloted a new status-based loyalty program with three tiers (Bronze, Silver, and Gold) in one major geographic market while keeping other markets in the old spend-based program. We find that contribution margin increased across all status tiers, with the effect size increasing in status. Order frequency declined for all tiers, with the steepest decline for Bronze customers. Both Gold- and Silver- eligible customers increased their spend per order in the new program. Contribution margin was relatively unchanged for Bronze customers, with removal of previously available benefits reducing variable costs and counterbalancing the decline in order frequency.

3 - Conditional Promotion Offers to Encourage Loyalty

Alan Montgomery, Carnegie Mellon University, Pittsburgh, PA, United States, Neha Neha

Loyalty programs provide firms with access to granular, individual-level transaction data and enable rewards to be conditioned on complex conditions. This creates opportunities to design conditional promotions, such as "spend at least X dollars within P periods to earn a reward R". The intent of these offers is to construct conditions that challenge the right customers to generate profitable, incremental purchases. This contrasts with

unconditional promotions that often appeal to price-sensitive customers and do not necessarily encourage loyalty among more profitable customers.

We examine conditional promotions and identify the consumer, firm, and market conditions under which they outperform unconditional promotions. Typical rewards encourage consumers to make isolated purchase decisions but are subject to noisy learning conditions which lessens the information gleaned about customer promotional sensitivity. In contrast, conditional promotions require consumers to make more difficult decisions in which they must plan spending across multiple periods to meet a cumulative target. This structure integrates their spending over time and, more importantly, creates a sharper qualification outcome that better reveals whether a customer can adjust their behavior to reach a spending target. As a result, conditional promotions provide clearer information about underlying consumer preferences and concentrate reward payments on customers who generate sufficient value.

We study a repeated learning environment in which firms update beliefs about consumer preferences based on observed spending behavior across successive promotional campaigns. We show using analytical models and simulation-based experiments that conditional promotions can generate more information per dollar compared with regular rewards.

FC09

B127

Platforms III - Content Platforms

Contributed Session

Contributed

Chair: Dorottya Sári, N/A

1 - The Role of Platform-Generated Content in Sustaining User Engagement on User-Generated Content Platforms

Carina Töller, University of Cologne, Cologne, Germany, Jens Paschmann, Florian Pethig, Franziska Voelckner

User-generated content (UGC) platforms generate economic value through monetization mechanisms such as affiliate advertising and click-outs. Creating this value requires continuous user engagement. However, sustaining user engagement is a major challenge for platforms. Users can decide whether and when to post content, so platforms may face a lack of content, which jeopardizes engagement and monetization. To sustain user engagement, a common management strategy is for platform employees to create “platform-generated content” (PGC). Despite its practical relevance, little is known about how PGC affects user engagement, particularly on mature-stage UGC platforms with established user communities, where user engagement is primarily driven by social interactions and users’ desire for social recognition. In such environments, PGC could induce competition for the community’s attention between users and the platform provider, potentially making users feel that their contributions are no longer vital for the platform. Using a unique panel dataset from one of Europe’s largest deal-sharing platforms, comprising daily individual-level activity of 7,633 users, we examine how PGC influences users’ content posting and consuming behavior. Our empirical results show that a high share of PGC relative to the total platform content discourages user engagement, making users less likely to post and consume content and reducing the intensity with which they do so. Moreover, PGC has a heterogeneous impact on different user segments, with user engagement of heavy users being less affected by PGC. Our findings have implications for both theory and practice, providing insights into how managers can optimize their platform and content management strategies.

2 - Adoption of Generative AI Platforms and Creator Behavior: Evidence from Multi-Platform Social Media

Shaojun Qin, Temple University, Philadelphia, PA, United States

This paper investigates how adoption of generative AI platforms affects content creation and engagement behavior among social media creators. Leveraging a unique multi-platform dataset, we examine changes in posting activity, content characteristics, and audience responses surrounding creators' adoption of a novel AI tool.

Our empirical strategy employs a difference-in-differences design exploiting variation in adoption timing, paired with robust identification techniques to address challenges in treatment classification and user matching. Beyond standard engagement metrics, we utilize advanced machine-learning methods to capture shifts in content style and composition.

Preliminary findings reveal an overall negative effect of adoption on engagement, particularly pronounced among larger creators. We also identify heterogeneous effects across platforms, indicating that platform features and creator types shape the impact of AI tool adoption.

This study advances understanding of the economic and behavioral consequences of emerging AI technologies in digital content markets, highlighting how platform adoption dynamics influence creator strategies. The findings offer valuable insights for marketers, platform designers, and researchers exploring innovation diffusion and digital ecosystem evolution.

3 - Social Media Platform Competition for Content Creators: Using CPM and Revenue Sharing as a Pricing Tool

Mahmood Pedram, Grenoble Ecole de Management, Grenoble, France

We study the competition between social media platforms for content creators through the "pricing" of their ad revenue sharing. Social media platforms receive ad revenue from advertisers, part of which they pass on to content creators. Although just one of many factors, we use CPM (cost per thousand impressions) as the metric in this pricing. We find that platforms make more money from smaller content creators than from larger ones, as a share of revenue. At the optimum, platforms do not utilize a constant CPM but rather employ an exponential pricing structure such that for higher impressions, they share more of the ad revenue with the content creator and retain less for themselves, making MrBeast (although more valuable) less profitable than "MrNormal."

4 - Dynamics of User and Platform Recognition

Keyvan Dehmamy, Goethe University Frankfurt, Frankfurt, Germany

By using Yelp Open data of over 22K active users from 2012-2022, with at least one year of Elite status, their reviews and reactions to their reviews, I built a dynamic model to postulate the dynamics of platform and user endorsements on users' platform engagements, lingual and emotional word-associations of their review texts, and reactions to their reviews. I find that user endorsements, such as the count of *Useful* or *Funny*, have a long-lasting effect on users' engagement and the length of their reviews (which is usually a measure of review quality). In contrast, platform endorsements result in only short-term engagement by simultaneously reducing the *Usefulness* of reviews. The effect of platform endorsement is not a direct explanation of the number of reviews; in the short term, user endorsements are not direct explanatory variables, but become so over time.

5 - When More Becomes Less: Optimizing Update Frequency and Transparency in Early Access Markets

Dorottya Sári, Korea University Business School, Seoul, Korea, Republic of, Tony Garrett

Early Access (EA) has become a standard go-to-market strategy for digital products, enabling firms to sell unfinished offerings while continuously communicating progress through updates, roadmaps, and developer messages. In practice, this creates a tension. Frequent updates and high transparency are often treated as best practices for building trust and engagement, yet developers increasingly report communication fatigue, inflated expectations, and user backlash when progress fails to match public promises. Despite the prevalence of EA, we lack systematic evidence on whether more communication is always beneficial or when it starts to hurt.

This study examines update frequency and transparency as continuous market signals under uncertainty. Building on signalling theory, expectation–disconfirmation, and user involvement research, we argue that communication intensity does not have linear effects. Instead, it follows an inverted-U pattern: moderate

communication strengthens perceived developer competence and credibility, while excessive signalling magnifies expectation–delivery gaps and undermines trust, sentiment, and loyalty.

Empirically, we analyse a longitudinal panel of Early Access games on Steam. We link developer communication behaviour (update cadence, developer posts, and roadmap specificity) to user responses, including reviews, sentiment, playtime proxies, and retention indicators. Fixed-effects panel models with nonlinear specifications are used to estimate the communication levels that maximize performance outcomes. To test mechanisms, we complement the panel analysis with event-based tests around roadmap disruptions and a vignette experiment.

The study extends signalling theory to continuous public signalling and derives empirically grounded thresholds for update cadence and transparency in live digital markets.

FC10

B128

Live Streaming

Contributed Session

Contributed

Chair: David de Jong

1 - Psychological Mechanisms and Response Formation in Live Streaming Commerce

Mengqi Wu, University of Essex, Colchester, United Kingdom, Muhammad S. Akram, Erik Jacobi

Live streaming commerce combines real-time interaction with consumer decision-making, creating environments in which behavioural responses develop during ongoing social exchange. This study examines how streamer attributes and experiential features jointly shape dynamic brand experience, follower engagement, and impulse buying through consumers' internal psychological states.

Using survey data from 600 live streaming commerce users in China and the United Kingdom, the study estimates a structural framework grounded in a stimulus–organism–response logic. Streamer attributes and interactive features of live streams influence consumers' sense of presence and perceived congruence among the brand, the streamer, and the follower. These internal evaluations shape consumers' experiential assessments during live shopping episodes, which in turn drive engagement behaviour and impulse-oriented purchase responses.

The results indicate that streamer attributes exert indirect effects on follower engagement and impulse buying primarily through experiential and relational mechanisms rather than through direct behavioural influence. Dynamic brand experience emerges as a central pathway linking internal psychological states to behavioural outcomes across both markets. Cross-market comparisons further reveal contextual differences in the strength of these mechanisms, reflecting variation in consumers' familiarity with live streaming commerce environments.

By modelling live streaming commerce as a process in which behavioural responses emerge from evolving psychological states, this research contributes to marketing science by clarifying how interpersonal and experiential factors jointly structure consumer behaviour in interactive digital retail settings.

2 - Live Streamers Embroiled in Controversy: Should the Brand Flee or Stay?

Liqi Cai, University of Macau, Macau, China, People's Republic of, Ying Ho

With the soaring popularity of live streaming commerce, firms often partner with prominent live streamers (e.g., celebrities, KOLs) in making sales. When these streamers face publicity crisis, brands typically terminate the working relationship to prevent negative impacts on brand image and revenue. However, recent evidences suggest that negative publicity of brand endorsers or live streamers can produce positive consumer viewing and purchase behaviors. This study explores why and under what conditions will negative publicity of live streamers

bring positive business consequences. Data was collected from 495 Chinese participants who participated in live streaming sales hosted by streamers embroiled in controversy. Results suggest that information about the negative incidents (e.g., streamer's attitude and emotions, details of the negative event) elevate consumer's perceived values (i.e., epistemic, emotional and functional values) during live streaming participation. These heightened values drive both consumer traffic (i.e., word-of-mouth intention) and business revenue (impulse purchase and willingness to pay premium). More interestingly, when the controversy streamers face is nuanced (i.e., more ambiguous), the impact of negative publicity information on consumer's perceived emotional value and positive consumer actions is further strengthened. Our results provide interesting insights for brand spokesperson selection and publicity crisis management in the live broadcasting industry. Findings suggest that selective partnering with live streamers/endorsers with controversial publicity may boost customer traffic and sales. When the streamer controversy is uncertain (e.g., at the early stage of negative publicity, or the event nature is controversial), firms may stay in the partner relationship to ripe business benefits.

3 - Information, Persuasion and Live Streaming of Hedge Fund

Taize Gu, The Chinese University of Hong Kong, Shatin, Hong Kong, Mantian Hu, Sha Yang, Chunyu Li

The live streaming market is projected to grow from $1.76 billion in 2024 to $4.89 billion by 2029 (Amra & Elma, 2024), with 46% of marketers leveraging live video as a key social media strategy (GO-Globe, 2024). While existing research on live streaming mostly focuses on consumer goods such as gaming and e-commerce, this study explores a unique context: the live streaming of hedge fund.

Similar to traditional advertising, companies utilize live streaming to promote various products by disseminating information and persuading potential consumers. However, hedge funds present distinct characteristics that set them apart from typical live streaming commerce scenarios: 1) the minimum investment threshold of 1 million RMB necessitates a deliberative decision-making process, reducing impulsive buying behavior; and 2) the transparency of product quality, with key data on returns and performance rankings readily available, significantly mitigates information asymmetry. This context allows us to identify the distinct effects of information dissemination versus persuasive influence in a highly rational decision-making environment.

In collaboration with a leading Chinese financial sales platform featuring over 895 hedge funds available in 2025, we analyzed approximately 1,100 live streaming sessions conducted by fund managers. Preliminary findings reveal that funds managed by fund managers who engage in live streaming achieve average sales volumes per fund that are more than *ten* times higher than those of their non-streaming counterparts.

This research aims to illuminate the mechanisms through which live streaming influences investor behavior and to underscore the critical role of live streaming in the financial sector.

4 - Rising Above the Game: Exploring Creator Growth Strategies in Live-Streaming

David de Jong, RWTH Aachen, Aachen, Germany, Dennis Herhausen, Yuri Peers, Bernd große Siemer, Daniel Wentzel, Dhruv Grewal

As the creator economy expands, over seven million monthly streamers compete for attention on Twitch. Because game choices are largely standardized, aspiring streamers must differentiate by building a game portfolio strategy rather than unique content. This study conceptualizes streamers as human brands and examines how creators build audiences from scratch and which portfolio decisions support growth and persistence in a crowded attention economy.

This study develops novel measures of game portfolio diversity, thematic similarity across games played, and the trade-off between playing popular games versus niche categories. These metrics are constructed by integrating stream-level performance data, platform-wide popularity indicators, and game metadata into a monthly panel of 198 aspiring streamers observed over five years (2019–2024). Panel models assess how the portfolio characteristics influence audience growth outcomes, including average viewership and follower acquisition. A complementary survival model examines the longevity of streamers based on the portfolio choices they make.

Results show that greater coherence across a creator's game portfolio predicts higher average viewership and faster follower growth, particularly when streams emphasize gameplay over audience chat. In contrast, heavy reliance on the platform's most popular games is associated with lower survival and weaker sustained growth. These effects vary by stage: lower-viewership creators benefit from selectively incorporating popular titles to attract initial attention, while higher-viewership creators grow more by diversifying away from top titles while maintaining internal coherence. Together, these findings extend marketing research on portfolio strategy and human branding by explaining how early-stage creators grow when content itself is highly standardized.

FC11

B129

Healthcare II

Contributed Session

Contributed

Chair: Thomas Gruca, University of Iowa, S356 Pappajohn Business Bldg., Iowa City, IA, 52242=1994, United States

1 - Can Digital Patient Navigation Reduce Time Spent on Outpatient Visits? A Field Experiment

Siliang Tong, Nanyang Technological University, Singapore, Singapore, Wenchang Li, Yixing Chen, Qing Ye

In countries with weak primary care gatekeeping, patients often spend hours waiting and navigating their outpatient visits after arrival, undermining both timeliness of care and patient experience. To address this challenge, governments, hospitals, and the private sector invest substantially in digital patient navigation: i.e., patient-facing tools that provide step-by-step guidance and digital access to services. However, causal evaluation of the effectiveness of these tools is rare. Collaborating with a large public hospital system in China, we conducted a three-month field experiment of nearly 900,000 patients where access to digital patient navigation was randomly assigned. We find that digital patient navigation does not reduce patients' time spent since physician consultation. Instead, digital patient navigation leads patients to arrive earlier, increasing the total time spent on their outpatient visits, with this effect being stronger among older patients. These findings suggest that patient-centered digital navigation, when deployed under binding capacity and workflow constraints, does not deliver intended benefits as a standalone solution to outpatient congestion. Rather, patient-centric information interventions should be integrated with capacity planning, workflow redesign, and health system reforms.

2 - Money Talks: Understanding the Impact of Doctors' Financial Incentives on Patients' Healthcare Decisions

Qiyuan Wang, Hong Kong Polytechnic University, Hung Hom, Hong Kong, Wu Liu, Zhentao Zhou

Fee-for-service (FFS) is a widely adopted compensation model that rewards doctors for each service provided. While FFS is known to incentivize doctors' care provision, its impact on patients' healthcare decisions remains underexplored. This study examines how FFS financial incentives affect patients' decisions to fill prescriptions using a unique dataset from a large online health platform in China. Leveraging a policy shock that changed the weight of medication revenue in doctors' compensation, we find that higher financial incentives significantly increase the likelihood of patients filling prescriptions. despite patients being unaware of the compensation structure. This indirect effect arises because doctors decrease their persuasive efforts in ``selling'' medication, leading to reduced patient compliance. These insights have significant policy implications for the management and regulation of the healthcare market.

3 - Pause OR Disruption? the Long-Term Effects of the COVID-19 Pandemic Shutdown of Elective Medical Care on Rural Outreach Activity by Specialist Physicians

Thomas Gruca, University of Iowa, Iowa City, IA, United States, Greg Nelson

Rural patients who have an annual visit with a specialist physician experience significantly lower mortality and fewer unexpected hospitalizations. Unfortunately, very few specialists live in rural communities. To improve

access, many specialists participate in rural outreach where they meet with patients face-to-face in their own communities.

The COVID-19 pandemic disrupted many areas of healthcare in the US. Early in the pandemic, many states enacted restrictions on elective medical and surgical procedures in hospitals to conserve resources. While these restrictions eventually eased, it is unknown what long-term effect this shock had on rural outreach activities.

Our data comes from the state of Iowa which has a unique and long-running program to track the rural outreach activities of all specialist physicians practicing in the state. Our data consists of annual observations from 2010-2025. For each outreach clinic, we have information on its location, frequency and home location of participating specialists. We examine the outreach activity (total number of individual clinics, total clinic days) across all specialties and for cardiology, orthopedic surgery, medical oncology and urology, sub-specialties with the highest number of clinics. Data is collected in the first half of each calendar year. In late March 2020, most elective medical procedures were banned which effectively ended all rural outreach activities for the entire year.

We use joinpoint analysis to examine the long-run effects of this unexpected interruption on overall outreach activity and for the most active sub-specialties. This is an important and potentially fragile system of care for rural patients.

FC12

B130

Marketing Strategy

Contributed Session

Contributed

Chair: Debanjan Mitra, University of Connecticut, Storrs, CT, United States

1 - Is This Research Relevant? The Role of Scholars; Practical Experience in Evaluating Managerial Relevance

Malte Bleeker, University of St.Gallen, St.Gallen, Switzerland, Sven Reinecke, Johannes Hattula, David Reibstein

Marketing scholars routinely evaluate the managerial relevance of research during the publication process, yet little is known about how closely these evaluations align with practitioners' assessments. Because managerial relevance is defined from a practitioner perspective, such evaluations may be challenging when scholars' exposure to managerial contexts varies and is often limited. Using 987 paired evaluations (1,974 total reviews) of submissions to a European marketing transfer journal—each independently reviewed by one scholar and one practitioner—we document that alignment between scholars' and practitioners' managerial relevance ratings is generally weak ($r = .099$, $p = .002$; $ICC(A,1) = .098$, $p = .001$). Moreover, alignment is substantially higher when scholarly reviewers have recent practical experience (≤4 years; interaction model) and declines as experience becomes more temporally distant, a pattern corroborated by LOESS smoothing of the absolute scholar–practitioner rating gap. Together, these findings contribute to research on the academia–practice gap by identifying scholars' recent practical experience as a key condition under which evaluations of managerial relevance more closely reflect practitioner assessments.

2 - Hybrid Monetization, Hybrid Strategies: How Transaction-Based Incentives Reshape Creator Content Strategies in the Creator Economy

Qi Wang, China Europe International Business School, Shanghai, China, People's Republic of, Xia Wang

Digital platforms in the creator economy are increasingly moving from single, engagement-based incentive systems to hybrid monetization regimes that also reward commerce outcomes. Yet the dynamic consequences of these incentive transitions remain underexplored empirically. This study examines a platform setting that introduces transaction-based incentives (TBI) while retaining information-based incentives (IBI) and engagement-based incentives (EBI). In this regime, IBI rewards views, EBI rewards engagement (e.g., likes and shares), and TBI rewards commercial conversions and affiliated sales revenue. Using granular panel data that

link creators' content choices to downstream engagement and commerce outcomes around the incentive change, we empirically evaluate how incentive design reshapes creator content strategy and value capture.

We develop the Creator Content Strategy Value Chain (CCSVC) framework to theorize how incentive changes propagate through (1) creators' strategic content reallocation, (2) consumer engagement and conversion responses, (3) creator-level value capture and economic outcomes, and (4) platform-level redistribution and feedback effects. Building on CCSVC, we derive testable predictions about heterogeneous creator adaptation—transactional creators' expansion and refinement versus informational and interactional creators' selective diversification or strategic resistance. We theorize competing trajectories for the performance of informational content under increased commercialization, and differential conversion effects across discount-driven versus persuasion-based transactional content. Finally, we also examine whether hybrid monetization generates distinct short- versus long-run revenue trajectories across creator types and whether it is associated with increased platform commission capture. Together, these dynamics imply an efficiency–diversity trade-off that may improve near-term monetization while potentially undermining long-run ecosystem vitality.

3 - How Firms Grow with Their Customers

Thilo Kraft, Goethe University Frankfurt, Frankfurt am main, Germany, Bernd Skiera

We study how firms grow with their customers by decomposing top-line revenue growth into revenue retention and acquisition components. This distinction is economically consequential: two firms can exhibit the same top-line growth while having very different exposure to retention shortfalls and acquisition dependence. We derive an accounting identity that links firm-period revenue growth to (i) an acquisition component equal to the acquisition rate of new revenue (new revenue relative to last period's new revenue) scaled by the firm's prior share of new revenue (share of new revenue relative to a firms total revenue) and (ii) the revenue retention rate (retained revenue relative to last period's total revenue):

$$Revenue\ Growth_t = Share\ of\ new\ Revenue_{t-1} \times Acquisition\ Rate_t + Revenue\ Retention\ Rate_t - 1$$

Using U.S. consumer transaction data covering 1,526 firms across 60+ industries from 2017–2024 (10,040 firm-year observations), we document substantial heterogeneity in revenue composition and customer dependence. Empirically, retained customers primarily drive most firms' revenue growth, yet many rely on acquisition to offset retention shortfalls. Acquisition contributes to top-line growth mainly when firms are exposed to a high share of new revenue, as the marginal effect increases for those firms. Acquisition is considerably more volatile than retention, while retention explains the majority of within-firm variation in revenue growth. We further show that acquisition and retention co-move positively within firms, suggesting complementarity rather than a trade-off. Overall, the framework clarifies how new and retained customers jointly generate revenue growth and volatility, enabling benchmarking and valuation of long-run growth and risk.

4 - Uncertainty Reduction for Marketing Strategy

Nagasimha Kanagal, Indian Institute of Management Bangalore, Bangalore, India, Nagasimha Kanagal

Uncertainty reflects in thinking, and planning, for marketing strategy. It's considerations reflect in contingent action of important marketing strategy decisions that go beyond the purview of tactical control, into the purview of strategic control, and thus called contingent action due to performance uncertainty; in variations of actual demand realized from planned values due to inadequate product-market fit arising from consumer heterogeneity, called spatial uncertainty; due to change in planned brand choice of consumers due to situational factors; as well as change in mind of consumer in making the brand choice from his declared intention called category incidence uncertainty; in futures building or scenario planning called temporal uncertainty; in innovation processes as is required in the transformation of innovation events to innovation possibilities; and in switching away to other firms' brands as in competitive uncertainty. In market dynamics uncertainty manifests as chance odds of probabilistic choice behavior that range from speculative buying to utility-based brand choice. In competitive dynamics it reflects as gaming behavior analyzed by expectancy-value based decision theory. In the limit, uncertainty based probabilistic occurrences transform to business possibilities that lend itself to decision making situations.

Uncertainty reduction for marketing strategy thus gains significance. The study examines the construct of uncertainty, types of uncertainty, issues in coping with uncertainty, and briefly outlines scenario planning. It is expected that such an examination will improve the manager's ability to deal with uncertainty, as well as aid marketing strategists in providing insights to futuristic market intelligence.

5 - The Dynamics Between Consumers&Rsquo; Satisfaction with Products and Their Sentiment of The Economy and Its Consequences on Consumption Growth

Debanjan Mitra, University of Connecticut, Storrs, CT, United States

Economic theories contend consumers' economic sentiment comprising perceptions of current and expectations of future economic conditions is captured in current consumption but its growth is a random walk. In contrast, marketing theory establishes the primacy of consumers' satisfaction with products (i.e., goods and services) in driving future consumption, and thereby, its growth. On its face, the two judgments – perceptions or expectations of the economy and satisfaction with products, both made by consumers, pertain to different aspects, and refer to different time periods. Merging publicly available aggregate data from multiple sources spanning 25 years, we estimate an empirical dynamic model. We find that even though expectation of the economy and current perceptions of the economy move together they have a different impact on consumers' satisfaction with offerings. Specifically, we find higher current perceptions of the economy increases expectations of future economy as well as consumers' satisfaction with offerings but higher expectation of the future economy lowers future consumer satisfaction with offerings. Consequently, interactions between consumers' expectations of the economy, perceptions of the economy, and satisfaction with the economy's offerings drive growth in consumption expenditure. Theoretically, our findings signify the Le Chatelier equilibrium principle and illustrate how consumer satisfaction, a key marketing concept, complements economic theories of consumption and growth.

FC13

B131

Digital Advertising and Search

Contributed Session

Contributed

Chair: Bryan Bollinger, Dartmouth Tuck School of Business, New York, NY, United States

1 - Beyond Search: LLM Adoption and Web Traffic Concentration

Samira Gholami, Stanford University, Stanford, CA, United States, Cristiana Firullo, Cristobal Cheyre, Alessandro Acquisti

Search engines have long served as the primary gateway to the web, dispersing user attention across a wide range of external websites. The rapid adoption of large language models (LLMs), which provide answers directly within platform interfaces, raises concerns that online activity may become more centralized. We study whether LLM adoption displaces traditional web navigation or instead restructures how users discover and consume information. Using nationally representative Comcore panel data from 2019–2024 and session-level evidence from the Internet Behavior Experiment, we examine how search activity, web exploration, and downstream navigation evolve with LLM use. Exploiting staggered adoption across users, we find that LLM adoption coincides with a sustained increase in the number of unique websites visited, alongside a short-lived rise in traditional search activity, suggesting that LLMs complement rather than replace search. Session-level analyses show that most LLM use occurs alongside search, while LLM-only sessions remain rare. At the same time, when LLMs route users to external websites, traffic does not concentrate across a smaller set of destinations compared to traditional search.

2 - Advertising and the Cost of Search: Evidence from An Online Field Experiment

Cristiana Firullo, Cornell University, Sunnyvale, CA, United States, Cristobal Cheyre, Alessandro Acquisti

How does online advertising affect consumer search behavior and purchase outcomes? We address this question using detailed clickstream data from a randomized field experiment with approximately 1,200 participants

assigned to one of three conditions: ad-blocking (no ads), standard browsing (targeted ads), or anti-tracking (untargeted ads). Unlike prior work that observes behavior within a single platform, our data capture the complete cross-site browsing path from initial query to purchase completion.

On the extensive margin, ad exposure increases total browsing sessions by 38% and time spent online by 34%, yet does not change the intensity of product-related search within sessions. On the intensive margin, advertising reduces purchase completion by 1.7 percentage points, with the effect growing for longer browsing sessions.

A purchase funnel decomposition identifies the primary friction point: ad exposure reduces the probability of reaching a shopping cart by 4.4 percentage points. Conditional on reaching a cart, however, exposed consumers are more likely to proceed to checkout, consistent with a selection effect — those who navigate past advertising-induced distractions are more committed buyers. From checkout onward, advertising has no detectable effect.

Mediation analysis confirms that advertising's negative effect on purchases operates almost entirely through the pre-cart browsing stage. When controlling for checkout behavior, the direct effect of ad exposure attenuates by 68% and loses statistical significance. These findings suggest that online advertising imposes real search costs on consumers — not by reducing purchase intent, but by introducing noise into the browsing path that diverts consumers before they reach the purchase funnel.

3 - The Internet Behavior Experiment: An Experimental Infrastructure for Ecologically Valid Studies of Online Advertising, Tracking, and Targeting

Alessandro Acquisti, Massachusetts Institute of Technology, Cambridge, MA, United States, Cristobal Cheyre, Li Jiang, Florian Schaub, Zijun Ding, Cristiana Firullo, Yucheng Li

We present the Internet Behavior Experiment (IBE) - a novel experimental infrastructure for studying the impact of online advertising, tracking, and targeting on consumer behavior. Existing approaches rely heavily on observational data, which suffer from self-selection and limited causal identification, or platform-specific experiments, which provide strong internal validity but cannot capture the broader consumer journey across the web. Laboratory and survey studies, while controlled, lack ecological validity and temporal depth. The IBE addresses those limitations through a client-server infrastructure that enables randomized interventions in advertising exposure, tracking, and targeting, while collecting rich, longitudinal data across multiple platforms and devices. The methodology integrates multiple captured behaviors (including browsing, advertising exposure, shopping and search, purchase confirmation, promotional emails) with periodic self-report surveys. Rigorous privacy and security safeguards ensure responsible handling of sensitive data. We illustrate the capabilities of the infrastructure with a demonstration experiment that assigns participants to full behavioral advertising exposure, ad-blocking, or anti-tracking conditions over three months, allowing tracing the effects of interventions on product search patterns, purchases, and satisfaction. Beyond consumer welfare, the infrastructure can support a wide range of inquiries into media consumption, vendor diversity, exposure to political or health-related advertising, interactions with large language models, and more.

4 - Cross-Platform Search Behaviour: How Consumers Navigate from Search Engines and Social Media to Retailer Websites

Tsz Kwan Wong, Imperial College London, London, United Kingdom

Digital marketing primarily leverages search engines and social media as acquisition channels; however, how these entry channels shape goal orientation, and consequently downstream behaviour and conversion, remains underexplored. Based on the distinction between goal-directed and exploratory mindsets in consumer decision-making, we examine whether entry via search versus social media influences users' initial goal orientation, and how that cognitive state translates into observable clickstream behaviour and purchase outcomes. Using a two-condition randomised online experiment (N = 221) in a controlled retail environment, we combine objective clickstream data with validated goal orientation measure. Our result confirms that search entry increases goal-directed orientation compared to social entry, consistent with the distinction between goal-directed versus exploratory states. Mediation analyses further show that goal orientation significantly affects exploratory behaviours (page and product views) but does not directly explain purchase-related actions. Unsupervised clustering identifies four distinct behavioural segments from the clickstream data: low-conversion baseline, deep

deliberator, purposeful browser, and fast deciders, which emerge across both channels and highlight substantial within-channel heterogeneity. Importantly, a regularised predictive model trained on early-session behavioural signals achieves strong out-of-sample performance (ROC-AUC ≈ 0.91; accuracy ≈ 0.86), demonstrating that early clickstream interactions provide greater predictive power for conversion than acquisition channel indicators. These findings support a dynamic view of digital intent: while entry channel shapes initial cognitive orientation, downstream outcomes are primarily driven by early in-session behaviour. The results offer actionable implications for real-time personalised navigation path and multi-channel strategy in digital marketing environments.

5 - Self- and Social Signaling: Evidence from Solar Adoption in California

Bryan Bollinger, Dartmouth Tuck School of Business, New York, NY, United States, Kenneth Gillingham, A. Kirkpatrick

Prosocial behavior plays a role in many economic contexts and has been explained by altruism, social pressure, signaling, and expectations of fairness and reciprocity. We examine prosocial behavior in a context that allows us to distinguish the role of self-signaling and social signaling from alternative explanations, including warm glow. Our context is residential solar, and self-signaling is separately identified from social signaling by the exogenous visibility of potential solar arrays. We show that the political affiliation of proximate peers influences the extent of self-signaling and is crowded out by the private benefits of installing solar.

FC14

B132

Utility and Choice

Contributed Session

Contributed

Chair: John Roberts, University of New South Wales, Kirribilli, Australia

1 - Hedonic vs. Utilitarian: Examining the Impact of Promotional Types on Consumer Engagement

Qingliang Wang, Xi'an Jiaotong University, Xian, China, People's Republic of

Promotion is a widely used marketing tool to stimulate sales, and prior research commonly distinguishes between hedonic and utilitarian promotions based on consumers' perceived benefits. However, existing studies have primarily focused on promotion–product fit, with limited attention to how different promotion types drive consumer engagement and the factors that shape this process. This study develops an integrated framework of promotional methods and consumer engagement to examine how hedonic versus utilitarian promotions influence consumer participation and how this relationship is moderated by consumer characteristics and promotional design features. Drawing on framing theory, consumer learning theory, and the customer perceived value literature, we test our hypotheses using transaction-level data from more than 1,000 promotional campaigns executed by a marketing services firm on behalf of its client companies. The results show that, under comparable conditions, consumers are more likely to engage in utilitarian promotions than hedonic promotions. Moreover, purchase experience strengthens this tendency, loss-framed promotional messages weaken it, and perceived scarcity enhances engagement with utilitarian promotions. These findings contribute to the literature on promotional strategy and consumer engagement, providing actionable insights for firms seeking to design more effective promotional programs.

2 - The Monetization of Hedonic and Utilitarian Features in Durable Goods

Tianqi Xue, The Chinese University of Hong Kong, Hong Kong, Hong Kong, Yiwei Li, Jacky Tang, Wei Fan

Many products integrate hedonic attributes that offer aesthetic and emotional value with utilitarian attributes that provide functional benefits. Prior research, however, typically treats them as separate options, often comparing two different goods (e.g., a chocolate bar as relatively hedonic vs. glue as utilitarian). In reality, most goods are hybrids that bundle both attribute types within a single product (e.g., in an apartment, the view is hedonic while commuting time is utilitarian). Yet little is known about how these attributes jointly shape consumer responses or how firms should allocate costs across them. Using unique data that naturally separates the monetization of both

components within one good, this study applies a cost-based framework to examine how internal cost allocation affects revenue through cost–revenue elasticity. The findings show that hedonic and utilitarian investments each increase revenue, their joint expansion yields diminishing returns, and the optimal mix shifts toward utilitarian spending as total cost rises. Aligning cost allocation with these patterns enables firms to achieve superior revenue outcomes, offering valuable implications for allocating across hedonic and utilitarian components and designing marketing strategies.

3 - Reading the Mind of Dissatisfied Customers: An Empirical Analysis of Complaint Resolution Process

Hyeasinn Song, Georgia State University, Atlanta, GA, United States, Yi Zhao, Yusen Xia

Consumer–firm interactions increasingly occur through text-based channels such as email, chat, and social media, where complaint resolution is shaped by a sequence of exchanges rather than a single response. While prior research highlights the importance of post-purchase communication, most studies adopt a static, complaint-level perspective that offers limited guidance for managing ongoing interactions. We address this gap by developing an integrated, sequential framework that links semantic content, interpretable topics, and latent customer satisfaction states to analyze complaint conversations at the message level. The framework operates directly on text-based exchanges, enabling firms to evaluate how different response strategies perform across heterogeneous complaint types and stages of interaction. Using a large corpus of complaint dialogues from a major U.S. retailer, we show that customer satisfaction is often unobserved even when interactions are successfully resolved. Our approach clarifies how firms can assess which types of responses are more effective at different points in a conversation and under different complaint conditions, moving away from one-size-fits-all policies. More broadly, the proposed framework provides a generalizable tool for managing text-based customer interactions. It shifts complaint handling from a reliance on individual agent judgment toward organization-wide guidance, enabling firms to develop message-level playbooks that standardize response choices across diverse complaints and evolving interaction contexts, with applications beyond complaint resolution.

4 - An Empirical Study on Customers' Channel Choices in an Omnichannel Environment

Junji Miyamoto, Tama University, Tokyo, Japan

This study aims to examine consumers' multi-channel choices and channel switching over time. Through empirical analysis, it clarifies how the choices between offline and online channels influence brand loyalty.

Prior research has seen a growth in studies comparing offline and online channel choice (e.g., Dinner et al., 2013). There also exists some research linking channel choice to loyalty in cognitive dissonance theory (Kwon & Lennon, 2009) or uncertainty avoidance (Guo & Wang, 2024). Shankar et al. (2003) demonstrated that loyalty is higher when choosing online channels compared to offline channels. However, these studies are limited to just comparing offline and online channels and have not considered multi-channel choices or channel switching. Nor is there any research investigating the impact of multi-channel choices or switching over time on brand loyalty.

This study uses time-series analysis of purchase history data to elucidate how consumers' channel choice patterns influence brand loyalty from an actual behavioral perspective. Based on Wang et al. (2024), this study employs dynamic customer segmentation. This involves modelling (time-series clustering) centred on consumers' channel choices, while also considering purchased items, categories, amounts, and time of day.

In terms of academic significance, this approach contributes to research on channel choice and customer experience in marketing and consumer behavior by dynamically capturing consumers' channel choice behavior, rather than merely comparing offline and online channels. In terms of practical and societal significance, it deepens understanding of consumers in the omnichannel era, enhances convenience, and contributes to the development of corporate channel strategies.

5 - The Curse of Mixed Feelings: Probing Asymmetric Effects of Emotional Incoherence in Product Purchases

John Roberts, University of New South Wales, Kirribilli, Australia, Songting Dong

In addition to cognitive perceptions, emotions have been shown to be important in discrete choice models. Previous research has suggested that the separability assumption usually attached to discrete models may be violated by incoherence, leading to inaccurate estimates and misleading diagnostic insights. The emotional analogue of attribute incoherence, mixed feelings, may lead to similar bias and insight inconsistencies. We have developed a model of emotional incoherence which distinguishes between that caused by consumer indifference and that incoherence caused by contention between salient but conflicting affective response. Using proprietary Forethought Research data (the results of which we have permission to publish), we demonstrate the very different implications of these two types of processing phenomena in consumer choice. For negatively correlated emotions such as sadness and contentment, low levels of both (the indifference quadrant) have little effect beyond the additive utility lost in a belief importance model. For high levels of both, the incoherence can strongly reduce the positive expected effects of both, due to the uncertainty introduced by incoherent information. For positively correlated emotions, high-low combinations also lead to negative interaction effects because of the uncertainty that the emotional deficit that the weaker emotion causes (the emotional gap).

FC15

B133

Pricing I

Contributed Session

Contributed

Chair: Haonan Wang, N/A

1 - Why Reference Prices Work Asymmetrically: Nonlinear Outside Good Utility and Income Effects

Yuji Nakayama, Osaka Gakuin University, Tokyo, Japan, Ziming Li, Paulo Rita

The internal reference price is a crucial factor influencing consumers' purchasing behavior. Brand choice models often introduce reference price deviations from the current selling price in a reduced-form fashion, without explicit assumptions about the underlying utility structure that generates asymmetry, except for the reference-dependent preferences as a behavioral trait. Yet, the rationale for doing so is rarely explained.

This study demonstrates that, by introducing nonlinearity in outside good utility with income effects, and expressing the utility of non-purchase as a weighted sum of the utility of unused budget and the utility of purchasing at the internal reference price, Thaler's (1985) framework of acquisition utility and transaction utility can be naturally derived with a microfoundation in the context of brand choice models. Furthermore, this model has behavioral implications for consumers by deriving an asymmetric reference price effect on changes in brand-choice probability, based on nonlinear outside good utility and income effects. It can also capture consumer-specific heterogeneity in the emphasis placed on either acquisition utility or transaction utility.

In the presentation, we report on the model's performance on synthetic and discrete-choice experiment data using hierarchical Bayesian estimation and discuss its potential for future development of reference-dependent choice modeling and retailers' dynamic pricing strategy.

2 - The Strategic Dilemma of Price Matching Policies: Empirical Evidence of Drivers and Consequences of Self- and Competitive Price Matching

Helena Martin, Cooperative State University Mannheim, Mannheim, Germany, Arnd Vomberg, Emanuel Bayer

Retailers face the strategic dilemma of whether and how to implement price-matching policies (PMPs). While traditional research focuses on competitive price matching (CPM), self-price matching (SPM)—where retailers match their own cross-channel prices—has gained prominence. This paper investigates the distinct drivers and financial consequences of both policies using a mixed-method approach. Study 1 analyzes 5.6 million transactions from a leading German electronics retailer. We document that SPM is invoked nearly three times more frequently than CPM, yet consumer inaction is pervasive, with missed matching opportunities accounting

for 7.6% of revenue. Multinomial regression reveals that CPM and SPM are distinct behavioral constructs: higher price levels primarily drive CPM (suggesting risk mitigation for high-stakes purchases), whereas larger price competitiveness gaps drive SPM (suggesting a desire to restore fairness). Study 2 utilizes a Monte Carlo simulation to map the profitability boundaries of these policies. We demonstrate that CPM achieves profitability with relatively low incremental sales, making it a lower-risk strategy. Conversely, SPM requires substantially higher incremental volume to offset its deeper discounts and higher claim frequency, characterizing it as a high-risk strategy. These findings provide a framework for retailers to manage PMPs as distinct strategic instruments.

3 - How Brands Price Cross-Category Influencers: An Empirical Study Based on Dynamic Content Creation

Haonan Wang, Shanghai University of Finance and Economics, Shanghai, China, People's Republic of, Qi Sun

While influencer marketing has flourished in recent years, existing literature primarily relies on the match-up hypothesis to explore brand-influencer image consistency. This traditional perspective fails to explain the increasing prevalence of cross-category collaborations and often overlooks influencers' agency as independent commercial entities, treating them merely as passive information intermediaries. Using micro-data from a leading Chinese social media platform, this study investigates how brands price cross-category influencers. By employing deep learning techniques, this research reveals a dual mechanism in cross-category pricing from a dynamic content perspective: a risk discount resulting from long-term persona mismatch and a novelty premium generated when sponsored content fills semantic structural holes within a vertical category. Further analysis indicates that this premium does not stem from real-time textual modifications. Instead, it is rooted in the influencers' generalist capabilities and their ability to integrate sponsored content from other categories with their original personas. In an extended analysis, this study employs a DID model based on the platform's mandatory identity-labeling policy. The findings demonstrate that increased information transparency preserves high-quality cross-category resources by strengthening market screening mechanisms rather than suppressing prices. This research extends the scope of influencer marketing beyond static matching to dynamic content creation and asset pricing, offering a new theoretical framework and managerial guidance for understanding cross-category collaborations in social media environments.

FC16

B134

Demand Estimation

Contributed Session

Contributed

Chair: Yuan Lu, The Ohio State University, Dublin, OH, United States

1 - Demand Estimation in Markets with Unit Capacity Constraints and Sequential Consumer Arrivals

Ludovic Stourm, Institut Mines-Telecom Business School, Evry-Courcouronnes, France, Valeria Stourm

Consumers typically arrive to a market continuously over time, but purchase data are often available to researchers only on a periodic basis, which results in the loss of information regarding both the timing and sequence of consumer arrivals within a period. However, stock-outs may happen within a period, leading to dynamic changes in the choice set that need to be taken into account in demand estimation to avoid potential bias. This issue is particularly important in markets with unique offerings, such as sharing-economy and gig-economy platforms, where sellers face unit capacity constraints: an item chosen by a consumer becomes unavailable to other consumers. In this context, evaluating the likelihood of a set of purchases leads to a computationally challenging integration that extant methods resolve through simulation with uncertain precision. In this paper, we develop a method to resolve this problem while retaining an exact likelihood evaluation, using dynamic programming. Relative to a full enumeration approach, whose computational cost explodes with the number of stock-outs, our approach dramatically reduces the computations required and makes demand estimation computationally feasible on data with dimensions frequently observed on sharing-economy platforms. We use simulations to show the biases that arise from ignoring stock-outs, and we present estimation results on data from a French car sharing platform.

2 - Demand Estimation with Negative Control Outcomes: a Framework to Select Valid Negative Controls for Instrumental Variables

Mohammad Hosein Tavakoli, Warwick Business School, Coventry, United Kingdom, Marco Gregori

Estimating price elasticities is central to marketing research, yet obtaining causally valid estimates remains challenging due to endogeneity. The standard instrumental variables (IV) approach requires instruments that satisfy the exclusion restriction—an assumption that is fundamentally untestable and frequently violated in practice. This paper develops a method that relaxes this requirement by combining potentially invalid instruments with negative control outcomes (NCOs). NCOs are variables affected by the same unmeasured confounders as the outcome of interest but unaffected by the treatment itself. In demand estimation contexts, sales of unrelated products (neither substitutes nor complements to the focal product) serve as natural NCOs, capturing confounding from promotional activities, cost, and demand shocks without being directly affected by the focal product's price. Unlike traditional IV methods, our approach allows researchers to empirically validate the conditional independence assumption required for NCOs using a Wishart test of factor structure, providing a testable alternative to the untestable exclusion restriction. We demonstrate this framework through an empirical application estimating toothpaste price elasticity using Nielsen scanner data. While traditional two-stage least squares (2SLS) produces highly unstable estimates ranging from -2.93 to -5.63 across instruments, our NCO-corrected approach yields consistent estimates between -2.14 and -2.65, aligning with established literature on toothpaste elasticity.

3 - Several Million Demand Elasticities

Uyen Tran, Arizona State University, Phoenix, AZ, United States, James Traina, Jordan Rosenthal-Kay

A firm's residual demand elasticity takes into account both the household's demand elasticity and the equilibrium response of competitors, and therefore measures its market power. We measure over 9 million of these residual demand elasticities for over 100,000 products in different regions and years using retail scanner data. We find the distribution of these elasticities is stationary over time, suggesting any conclusions that markups are rising in retail markets must be driven by assumptions on conduct. We document substantial spatial heterogeneity in residual demand elasticity estimates, implying the toughness of competition varies considerably more across markets than across time.

4 - Understanding Archetypal Decision Simplification in Consumer Choice: a Mixed Membership Model for Screening and Attribute Attendance

Yuan Lu, The Ohio State University, Columbus, OH, United States, Alice Li, Greg Allenby

Consumers frequently simplify complex choice tasks by selectively ignoring certain product attributes and screening out alternatives that fail to meet minimum requirements. While prior research has examined attribute non-attendance and rule-based screening separately, little is known about how these simplification mechanisms jointly operate and vary across consumers. We develop a hierarchical Bayesian Mixed Membership Screening Selection (MMSS) model that integrates the two mechanisms within a unified mixed membership framework. Our model uncovers latent archetypal decision simplification mechanisms, allowing consumers to exhibit partial membership across multiple profiles rather than belonging to a single homogeneous segment. The empirical results demonstrate that heterogeneity in consumer choice arises not only from differences in preferences, but also from systematic variation in decision simplifications. The MMSS framework provides a novel approach to segmentation, enabling firms to design, target, and communicate offerings based on how consumers simplify the choice decision rather than solely on what they prefer.

FC17

B135

Influences on Consumer Behavior

Contributed Session

Contributed

Chair: David Olk, Hollandseweg 1, 6706 KN

1 - Influence Projection: How Self-Perceptions Shape Marketers' Intuitions About Influence Tactics

Walter Herzog, WHU, Vallendar, Germany, Johannes D. Hattula, Darren W. Dahl

Marketers continually learn about new tactics for influencing consumers, for example, through executive education, LinkedIn posts, interactions with colleagues, or practitioner-oriented articles and books (Cialdini, 2021). The present research examines how marketers form intuitions about the effectiveness of these tactics for their specific target consumers. Across three studies with experienced marketers, we find that these intuitions are highly self-referential—that is, marketers infer their target consumers' susceptibility to influence tactics from their own perceived susceptibility to these tactics ("influence projection"). Study 1 shows that marketers project their self-perceived susceptibility to various tactics onto target consumers, which in turn affects the likelihood that they use these tactics in practice. Study 2 manipulates marketers' self-perceived susceptibility and provides causal evidence for influence projection. Specifically, marketers' predictions shift with experimentally induced self-perceptions, even though target consumers' true susceptibility remains unchanged. Thus, influence projection introduces unsystematic variance in marketers' predictions (Kahn, Luce, & Nowlis, 2006), and our results suggest that this effect is substantial (R^2 range: 23-43%). Finally, study 3 shows that informing marketers about influence projection increases their willingness to question their intuitions and to test them empirically (e.g., through field experiments). This finding is important because only a minority of marketers routinely conduct such tests, with estimates ranging between 1% and 29% (Runge, Geinitz, & Ejdemyr, 2020; Koning, Hasan, & Chatterji, 2022). Overall, our research suggests that marketers' intuitions about influence tactics are highly self-referential and that raising awareness of this finding can promote more objective, data-based evaluations of these tactics.

2 - Variety-Seeking in Joint Decisions: the Role of Reciprocity

Nuno Jose Lopes, EADA Business School, Barcelona, Spain, Ignacio Rodríguez-Carreño, Cristina Etayo, Elena Reutskaja

Consumers typically switch between different alternatives when choosing multiple times from the same product category. Although this phenomenon of variety-seeking has received considerable attention, literature has primarily focused on decisions made by only one person. However, consumers frequently choose jointly with their peers. This situation often implies different decision processes and outcomes compared with individual choices. We address this gap in two studies. The participants chose either in groups of two people (i.e., dyads) or alone. We found that dyads exhibited a higher level of variety-seeking than individuals, with reciprocity working as a key driver of dyadic variety-seeking. Furthermore, the variety behavior of a dyad decreased when the favorite alternatives of both dyad members were the same, positioning preference alignment as a moderator. Finally, the analysis of the role of impression management concerns showed that, more than the individual score of each dyad member, it was the difference between the two members what significantly affected dyadic variety-seeking.

3 - Do Trends Matter? the Importance of Trend Display for Choice

Leonard Rackowitz, University of Hamburg, Hamburg, Germany, Kerstin Mayer, Michel Clement

Online retailers commonly present a range of social information cues, such as electronic word of mouth (eWoM) valence and volume, rankings, personalized recommendations, and, increasingly, trend displays that visualize changes in product popularity over time (e.g., via trend curves). Although the effects of eWoM, rankings, and recommendations on consumer behavior are well established, the role of trend display remains largely understudied. Across four studies, we investigate how consumers attend and respond to trend display. An eye tracking experiment (N1 = 96) shows that trend display attracts visual attention comparable to other established social cues across two product categories. A conjoint experiment (N2 = 4,361) demonstrates that, in the context of other social information sources, trend display is important for choice to a similar extent in two product categories, whereas the importance of eWoM, rankings, and recommendations varies by category. Two field experiments in the online shop of a wine retailer (N3 = 3,061; N4 = 4,043) reveal that trend display shifts product interest and actual purchases from negatively to positively trending items rather than increasing basket size. Moreover, when different levels of price discounts are introduced, these social cues exert the strongest influence under the largest discount, while trend effects become negligible under moderate and small discounts. Overall, this research positions trend display as a dynamic form of social information and identifies contextual boundaries to its effectiveness, offering actionable guidance for online retailers and suppliers on when and how to deploy it.

4 - Long-Term Effectiveness of Nutri-Score in the Online Grocery Shopping Environment

David Olk, Wageningen University, Wageningen, Netherlands, Christopher Amaral, Iina Ikonen, Francesca Sotgiu

Despite the increasing understanding of the health issues related to obesity, rates of obesity and overweight are continuing to increase across the world (World Health Organization 2020). In response, various governments and manufacturers introduced front-of-package nutrition labels to motivate healthier food choices (Temple, 2020). However, previous findings on the effectiveness of front-of-package labels on purchase healthiness have not reached a clear consensus, and are obtained from lab-studies or short-term field studies (Ikonen et al. 2020). As a result, limited research regarding the longer-term impact of nutrition label implementation, or even nudging in general (c.f., Robitaille et al. 2021), exists.

This research examines how the implementation of the Nutri-Score label in online grocery store environments influences the healthiness of consumers' purchases in the long term. We estimate difference-in-differences model using a retail panel dataset (five million purchases, 4,000 individuals, two prominent retailers) to compare consumers' shopping basket healthiness before (January 2019 - May 2020) and after (June 2020 - December 2023) the implementation of Nutri-Score.

Preliminary insights show that Nutri-Score implementation increased average calories per item by 14.00 kcal (SE = 4.91, p = .004). Contrary to expectations, these preliminary results mean that consumer purchased less healthy products after the Nutri-Score introduction. More detailed results will be presented at the conference.

The findings of this research will offer clear insights to policymakers developing guidance on nutrition labelling and retailers looking to help their customers develop healthier diets, or to predict the impact of potential future implementations of nutrition labelling schemes.

FC18

B136

Policy and Choices

Contributed Session

Contributed

Chair: Moein Javadian, Concordia University, John Molson School of Business, Montreal, QC, Canada

1 - Pay Transparency in Action: the Effect of An Emerging Workplace Policy on Consumption Behavior

Satheesh Seenivasan, Monash University, Caulfield, Australia, Xinghui Chen, Indranil Goswami

Using a mixed-methods approach, we examine how the emerging policy of pay transparency affects consumers' consumption decisions. We focus on status-oriented and discretionary purchases, which often involve substantial opportunity costs, such as reduced investment in human capital and savings. Exploiting the introduction of pay transparency websites by several U.S. states between 2018 and 2019 under Freedom of Information laws, we study how public disclosure of income information influences consumption behavior. Using difference-in-differences analyses of consumer expenditure data from the U.S. Bureau of Labor Statistics, we compare changes in the expenditure shares allocated to status goods among state government employees before and after their pay information became public, relative to private-sector employees and state government employees in states that did not adopt pay transparency websites. Across multiple specifications and robustness checks, we find consistent evidence that pay transparency reduces status consumption. To strengthen causal inference, we complement the archival analysis with a controlled experiment, which provides converging evidence for a causal effect of pay transparency on status consumption behavior. The results support predictions from signaling theory,

showing that income transparency reduces the utility of status signaling by decreasing information asymmetry, thereby weakening incentives for conspicuous consumption.

2 - Beyond Policy Interventions: Can Community Sport Events Foster Individuals' Healthier Choices?

Lorenzo Morgante, Università Bocconi Phd School, Milano, Italy, Sara Valentini

This study examines how large-scale urban sport events, particularly marathons, influence health-related behaviors among city residents. Focusing on the 2023 New York City Marathon, we analyze how on-site presence and residential proximity to the event affect health-related consumption patterns among exposed individuals. Leveraging GPS tracking data, we document a significant increase in physical activity following exposure to the marathon. Residents along the race route show an average 35% rise in weekly visits to sports-related locations, and event-study estimates indicate that these effects persist beyond the event itself.

To capture broader changes in healthier choices, we also track visits to fast food chains and restaurants serving healthier ingredients. Although exposure is associated with an overall rise in restaurant visits, the composition of this increase varies systematically: individuals with higher levels of physical activity show a disproportionate rise in fast food visits relative to healthier dining options, whereas less physically active individuals exhibit comparatively greater increases in visits to health-oriented restaurants.

These findings suggest that large-scale sport events can reshape behavioral patterns in multifaceted ways, simultaneously promoting physical activity while influencing food consumption choices. Overall, marathons and similar urban events may serve as effective, non-coercive complements to traditional public health interventions.

Keywords: urban sport events; physical activity; food consumption; GPS data

3 - Matches are Not Made in Heaven: Frictions and Engagement in Two-Sided Matching for Business Mentoring on Digital Platforms

Soniya Gupta-Rawal, University of Cambridge, Cambridge, United Kingdom, Ahmed Khwaja, Jaideep Prabhu

Most micro-entrepreneurs in emerging markets run small, informal firms with limited access to structured business guidance. Digital mentoring platforms promise scalable support, yet outcomes hinge on platform design and matching rules. Three questions motivate this study. First, *who matches with whom* when entrepreneurs and mentors differ in backgrounds and organisational forms? Second, do first-contact match frictions, such as language, template messages, inbox congestion, and incomplete profiles, outweigh value alignment in determining whether a match forms? Third, conditional on matching, why do some relationships develop into sustained engagements while others fade?

We test these mechanisms using conversation data. We analyse 40,000+ mentoring conversations linking 18,000 entrepreneurs and 8,500 mentors. Using profile data and message histories, we construct engagement measures proactiveness, persistence, curiosity, linguistic richness, and information gain. Because engagement is observed only after matching, we address selection with a two-stage, selection-corrected model: Stage 1 predicts match formation using alignment and opener-time frictions; Stage 2 explains engagement among matched pairs while correcting for selection on unobservables.

Findings show that reducing first-contact match frictions increases match probability by 5 to 6 percentage points. Conditional on matching, engagement quality rises by 0.3 SD when mentors' expertise fits the venture's current development stage. Matches that bridge organisational missions, for-profit entrepreneurs paired with social-enterprise or non-profit mentors, sustain 18% higher engagement quality than purely commercial pairs. These patterns motivate testable platform policies on routing, profile prompts, and early-message design, with broader implications for digital expertise marketplaces and entrepreneurship-support programmes seeking to scale mentoring and engagement.

4 - The Impact of "Buy Domestic" Movements on Firm Pricing and Their Interaction with Retaliatory Tariffs

Moein Javadian, Concordia University, John Molson School of Business, Montreal, QC, Canada, David Soberman

Since early 2025, "Buy Domestic" movements in countries that are important trading partners of the United States have come into focus due to the actions of the Trump administration. These movements can be thought of as consumer-based upgrades of domestic options and corresponding downgrades of foreign options. Conventional wisdom suggests the natural reaction in such situations is for the prices of domestic products to increase and the prices of foreign products to decrease. Yet a recent study related to the Buy Canadian movement (in Canada) found that less than 10% of the prices of domestic products increased. How can we reconcile the reality of price movements with this conventional wisdom? We believe the answer to this question is rooted in the mechanisms that drive Buy Domestic movements. With spatial modeling, we show that a combination of intrinsic incentives (warm-glow benefits from buying domestic and cold-prickle disutility from buying foreign), social effects (solidarity, embarrassment, and distinction), and market conditions makes price decreases for domestic products in such conditions just as likely as price increases. Across four representative market settings, we find that foreign firms almost always lower prices in response to the movement, while domestic price responses vary. We also examine the impact of retaliatory tariffs. These generally lead to higher prices, but Buy Domestic movements can amplify or dampen tariff pass-through depending on market structure and the combination of social effects that influence the buying decisions of consumers.

FC19

B137

Meet the Editors: JCR, JM, JR, QME, JACR

Invited Session

Special Session

Chair: Pedro Gardete, Nova School of Business and Economics, Carcavelos, Portugal

1 - Journal of Retailing

Els Breugelmans, KU Leuven, Antwerp, Belgium

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2 - Journal of Marketing

Marc Fischer, University of Cologne, Cologne, Germany

..

3 - Quantitative Marketing and Economics

Paul Ellickson, University of Rochester, Rochester, NY, United States

..

4 - Journal of Consumer Research

Jacob Goldenberg, Reichman University, Hertzelia, Israel

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5 - Journal of the Association for Consumer Research

Vicki Morwitz, Columbia University, New York, NY, United States

Journal of the Association for Consumer Research

Friday, June 12, 4:00 PM - 5:30 PM

FD01

B002

Information Ecosystems on Digital Platforms

Invited Session

Special Session

Chair: Boya Xu, Virginia Tech, Blacksburg, United States

Co-Chair: Tianyu Han, Hong Kong University of Science and Technology, Kowloon, Hong Kong

1 - The Impact of AIGC Disclosure on Content Engagement: Evidence from a Large Video Platform

Ivy Chu Dang, The University of Hongkong, Hongkong, Hong Kong, Zhili Li, Kayla Li, hongchuan shen, Michael Zhang

The rapid advancement of generative AI (GenAI) technologies has fundamentally transformed the landscape of digital content creation, making AI-generated content (AIGC) ubiquitous across social media and content platforms. Major platforms have begun to implement AIGC detection and disclosure policies, but little is known about their effects on market outcomes. Using a large-scale, proprietary dataset from a major video platform and a Double Machine Learning (DML) framework, we investigate the impact of platform-disclosed versus creator-disclosed AIGC labels on content engagement. We uncover a divergent impact based on the disclosure source: Platform disclosure triggers a significant engagement penalty, whereas creator disclosure generates an honesty premium. Importantly, this core effect is subject to significant heterogeneity across two dimensions. First, the effects are heterogeneously amplified by creator characteristics: big creators, who possess high idiosyncrasy credit, face a disproportionately larger penalty when their AIGC is platform detected and disclosed, yet they also reap a stronger honesty premium from voluntary disclosure. Second, the disclosure penalty is most severe for content with high reality dependence (e.g., TV and news), where AIGC triggers an uncanny valley-like psychological reaction but is significantly mitigated for content with low reality dependence (e.g., abstract music and memes), where AIGC is perceived through a novelty heuristic. In summary, our research demonstrates that the impact of AIGC disclosure is jointly determined by the source of disclosure, the characteristics of creator, and the nature of content. These findings offer critical guidance for platforms on designing effective disclosure regimes and for creators on strategically managing transparency.

2 - Delegating Household Finance to Algorithms

Cheng He, University of Wisconsin, Madison, Madison, WI, United States, Jeffrey Hu

Automation and default-based interventions increasingly rely on algorithmic systems to execute financial decisions on behalf of households. While much of the discussion of artificial intelligence in finance emphasizes prediction and personalization, many widely deployed systems operate through relatively simple but scalable algorithmic allocation rules that determine how income is distributed across spending, liquidity, and long-term saving. This paper studies how the design of such algorithmic financial decision rules shapes household behavior. Using high-frequency data from a digital financial platform, we examine how households allocate resources, manage liquidity, and maintain saving commitments when financial decisions are governed by flexible, rule-based algorithms rather than fixed recurring investment commitments. Conceptually, we treat algorithmic automation as a form of delegated financial decision-making that varies in rigidity and adaptability. The analysis sheds light on how different algorithmic designs influence the persistence of saving behavior and the balance between short-term liquidity and long-term financial goals, with implications for the design of automated saving programs and algorithmic financial systems.

3 - Information Silos on Social Media

Tianyu Han, Hong Kong University of Science and Technology, Kowloon, Hong Kong, Zijun Shi, Wenbo Wang

Social media platforms often confine users to information silos, creating narrow loops of reinforced interests that limit exposure to diverse perspectives and exacerbate societal divisions. This study introduces a metric to systematically quantify this phenomenon through two dimensions: intrapersonal variety, reflecting the breadth of individual topic engagement, and interpersonal difference, capturing the divergence of user consumption from population norms. Focusing on TikTok, we combine demographic surveys with a field experiment wherein participants record their browsing behavior. We analyze video topics to compute this information silo index, identify silo formation patterns, and correlate them with user characteristics. Furthermore, we test experimental interventions by providing users with tailored feedback on their content consumption habits. Our results demonstrate the intensity of information silos, assess user awareness, and establish the efficacy of feedback mechanisms in disrupting these patterns to foster broader content engagement.

4 - Finfluencer Communication on Inflation

Tao He, Virginia Tech, Blacksburg, VA, United States, Boya Xu, Hao Pang

Social media has become a major source of economic information, with financial influencers ("Finfluencers") translating complex topics into accessible but opinionated narratives. However, little is known about how these non-expert yet influential voices differ from professional commentary in traditional media and how they affect individual understanding of macroeconomic conditions and decision-making. To fill this gap, this paper examines how Finfluencers communicate about inflation and compares their messaging with traditional media using a large-scale dataset of TikTok videos from 2021 to 2023. We develop a scalable agentic framework that extracts inflation sentiments, expectations, and uncertainty from multimodal video cues. Leveraging exogenous monthly releases of the Consumer Price Index, we identify that Finfluencer communication responds systematically to macroeconomic shocks rather than functioning as random noise. Furthermore, we find that Finfluencers hold backward-looking views of past inflation but more responsive expectations of future inflation, with macro Finfluencers expressing consistently more pessimistic and uncertain perspectives. Compared with traditional media experts, Finfluencers present more pessimistic yet less volatile inflation narratives that can even better predict future declines. Finally, experimental evidence indicates that Finfluencer content influences consumer beliefs and behaviors in ways distinct from traditional media, raising perceived and expected inflation and promoting greater financial risk-taking. These findings highlight the importance of enhanced oversight of unlicensed financial content on social media to better protect consumers' financial well-being.

FD02

B003

Frontiers in Platforms and Strategic Uncertainty

Invited Session

Special Session

Chair: Reza Roshangarzadeh, University of Washington, Seattle, TX, United States

Co-Chair: Shervin Shahrokhi Tehrani, University of Texas-Dallas, Richardson, TX, United States

1 - Generative AI, Open Source, and Application-Layer Product Development

Yi Liu, University of Wisconsin-Madison, Madison, WI, United States, Bowen Lou, Dokyun Lee

In this paper, we study open-source LLMs for corporate product development. The rise of foundation models in generative AI (GenAI), driven by the development of large language models (LLMs), is reshaping firms' product development strategies through open-source technologies. Unlike traditional open-source environments characterized by collaboration and standardization, LLM-based open source introduces new complexities, notably fine-tuning uncertainty and limited collaboration between firms, that influence innovation efforts of firms. This paper develops an analytical model to examine how these dynamics shape firms' product development strategies, contrasting settings involving traditional open-source technologies with those built on LLMs. Our results show that fine-tuning uncertainty acts as a double-edged sword: while it destabilizes predictable product development outcomes for firms, it can also create artificial vertical differentiation that softens competition and boosts firm profitability. In contrast, limited collaboration imposes structural barriers that prevent cooperative vertical improvement, curtailing shared progress and reducing profitability. Taken together, however, these dynamics can still yield positive outcomes. From a welfare perspective, we find that as LLMs become easier to adapt to product needs, total welfare increases in both settings, but interestingly, it grows more slowly under LLM-based open source, due to distortions introduced by the artificial vertical differentiation that weaken firm-user matching. At the same time, limited collaboration can improve welfare by compelling firms to undertake stronger vertical development individually, raising product quality and alleviating the underinvestment problem that arises in traditional open-source collaboration. Overall, our study sheds lights on the strategic trade-offs in leveraging open-source LLMs for product development.

2 - Scheduling the Stream: Temporal Dynamics in Livestream Commerce

Philip Kim, Texas Christian University, Fort Worth, TX, United States, Xian Gu, Maximilian Matthe

Livestream commerce is reshaping rapidly growing channel in which brands sell products through real-time, influencer-led broadcasts. Because brands commonly host multiple livestream sessions within a campaign window, a key managerial decision is how to schedule these sessions over time – whether to concentrate them close together or spread them out. Yet the performance implications of alternative temporal schedules remain unclear. Using a dataset from Douyin (TikTok) spanning over 7 million livestreams, we examine the impact of three temporal strategies: burst (sessions clustered into a short period), pulsing (intermittent clusters separated by breaks), and continuous (sessions spread relatively evenly over time). Holding the number of livestream sessions constant, we find that additional sessions increase sales with diminishing marginal returns, and that burst schedules generate the largest incremental sales gains, followed by pulsing, with both significantly outperforming continuous schedules. We also observe that diminishing returns emerge at higher levels of activity, but the rate of decline is slower under burst schedules, indicating that additional sessions remain more effective when activity is temporally concentrated rather than evenly distributed. These findings demonstrate that temporal scheduling is an important lever in livestream commerce and offer actionable guidance for brands seeking to optimize livestream campaign performance.

3 - The Impact of Content Moderation Practices: Evidence from a Social Media Platform

Weiqing Zhang, Rice University, Houston, TX, United States, Masakazu Ishihara

Since platforms typically privilege a core content space—defined as the publications of platform-preferred creators—we investigate the impact of content moderation on content falling outside this domain. We propose an empirical framework that models the decisions of both consumers and content creators. We find that publications deviating from the meaning of the core space attract more consumption. However, consumption declines as the alignment rate (defined as the ratio of deviating publications to the total number of non-core publications) increases. Through counterfactual analyses, we evaluate how consumption is affected by three common moderation practices: adjustments to platform regulation levels, account suspensions, and topic demonetization.

4 - Navigating Content Strategy in the Face of Platform Moderation: the Case of Youtube's Borderline Policy

Shervin Shahrokhi Tehrani, University of Texas-Dallas, Richardson, TX, United States, Reza Roshangarzadeh

Online platforms face growing pressure to moderate harmful content while sustaining engagement in ad-based business models. A central policy lever is the demotion of “borderline” content—material that approaches but does not explicitly violate platform rules. YouTube’s use of this strategy highlights a core tension: while moderation aims to reduce societal harms, opaque enforcement creates uncertainty for creators, who cannot distinguish whether engagement changes reflect algorithmic suppression or genuine audience demand. As a result, moderation shapes not only content visibility but also creators’ strategic decisions and future content supply. We study this problem using a dataset of over 58,000 political YouTube videos uploaded between 2019 and 2024 by more than 130 influential creators, focusing on U.S. election–related narratives. To measure moderation risk, we construct a stance-aware borderline index by applying Natural Language Inference (NLI) to video transcripts against a curated set of widely recognized misinformation claims. This approach maps unstructured content into a continuous measure of proximity to misinformation, closely aligning with platforms’ own descriptions of borderline policy. Building on these measures, we estimate a structural Bayesian learning model of content choice in which creators update beliefs from noisy engagement signals, learn across related topics, and make decisions under risk aversion. We find that creators initially hold optimistic expectations about borderline content but revise them downward with experience. Spillover learning amplifies moderation effects, shifting content supply even in adjacent topics. Counterfactual analyses show that stricter borderline policies reduce risky content while increasing overall engagement, suggesting that content safety and platform growth.

FD03

B004

Pricing II

Contributed Session

Contributed

Chair: Eric Schmidbauer, University of Central Florida Department of Economics, 4336 Scorpius St, Orlando, FL, 32816, United States

1 - The Burden of Human Foresight: Algorithmic Pricing and Forward-Looking Consumers

Yuanfang Lin, University of Guelph, Guelph, ON, Canada, David Soberman, Amit Pazgal

Firms increasingly set prices using customer-level insights. Traditional behavior-based pricing conditions prices on observed purchase history, allowing firms to distinguish new from returning customers. More recently, many firms have adopted algorithmic pricing, the AI- or data-driven methods that infer consumers' preferences and dynamically tailor prices. We study how behavior and algorithmic-based pricing jointly shape competitive outcomes in dynamic markets, and how consumers' forward-looking behavior and evolving preferences alter the equilibrium outcomes.

We develop a two-firm, multi-period model where in each period a fraction of consumers is replaced by new entrants while past buyers may return. Firms observe identity and purchase history and, for returning customers, are setting prices in alignment with algorithmic-predicted preference. Theoretical model analyses suggest that the capability of combining behaivour and algorithmic-predicted preference in pricing has the potential to generate win-win for competing firms. Interestingly, forward-looking consumers can be harmed by their own sophistication. Anticipating future targeted prices, they behave as if less price sensitive in the current period, inducing higher prices in equilibrium that increase firms' profits. These effects are strongest when preference persistence is high and customer turnover is moderate. This study contributes to theory by characterizing how algorithmic preference inference and purchase-history–based targeting interacts in dynamic competition with strategic consumers, revealing conditions under which forward-looking behavior amplifies firms' pricing power rather than disciplining it. From a managerial perspective, our results highlight when investments in algorithmic pricing technologies increase profitability, informing firms' data strategies and ongoing policy debates surrounding personalized pricing and consumer protection.

2 - The Practice of Deceptive Pricing

Wei Fan, The Ohio State University, Columbus, OH, United States, Tianqi Xue, Greg Allenby

We study cross-channel fictitious reference pricing, where an online listing displays a stated "in-store" list price that exceeds the in-store tag price for the same SKU. In our setting, offline transactions are negotiated around the in-store tag price, and the online selling price provides a verifiable outside option for informed shoppers. Using consumer-level transactions that link posted prices in both channels, negotiated offline payments, and procurement costs, we estimate a structural demand-bargaining model that separates (i) credibility-weighted value inference from list prices and (ii) bargaining outcomes shaped by anchors and outside options. Consumers with cross-channel information discount the list-price signal much faster: the credibility half-life (the list-prior gap where the signal weight falls to 0.5) is 1,696 RMB for offline-only shoppers versus 680 RMB for cross-channel shoppers.

3 - Fillers Keepers! Purchase Behaviour Under Threshold-Based Free Shipping

Veronica Burbulea, University of Groningen, Groningen, Netherlands, Maarten Gijsenberg, Tammo Bijmolt, Christian Hirche

Threshold-based free shipping (TBFS) is a popular policy adopted by online retailers to recoup (part of) the relatively high logistics costs they incur. However, such policies may incentivize different purchase and return behaviors. Particularly, TBFS may induce strategic filler purchasing by consumers, whereby a product is added to the shopping basket at the end of the shopping trip solely to exceed the free-shipping threshold. This paper investigates how TBFS affects purchase behavior, focusing on the daily number of baskets, basket value, basket size, and basket diversity, as well as whether filler products are more or less likely to be returned. In addition, the analysis captures heterogeneity in policy effects by interacting TBFS with product-, basket-, and customer-level characteristics. Insights are based on the analysis of a large-scale transaction dataset from a major European online retailer, containing 25.88 million orders comprising 82.68 million items placed by 3.80 million customers across a broad range of product categories. The results show that threshold-based free shipping is associated with a higher number of baskets that are smaller in size and value and less diverse. Contrary to common arguments, filler purchases, often drawn from frequently purchased product categories, are less likely to be returned than regular purchases. Retailers can therefore benefit from strategic purchasing, as fillers turn out to be keepers. The paper further proposes a typology of "good" versus "bad" fillers and draws managerial implications regarding

which types of products retailers should promote at checkout to encourage favorable threshold completion behavior while minimizing returns.

4 - The Role of Product Line Extensions in Quality Signaling

Mingduo Zhao, University of California, Berkeley, Berkeley, CA, United States, Zi Yang Chen, Olivia Natan

We investigate the impact of downloadable content (DLC) on a game's core performance and producers' willingness to maintain quality. Drawing on theories of add-on pricing and product line design, we center our analysis on Steam, a dominant digital distribution platform covering about three-quarters of the U.S. PC market. Our dataset combines daily-level information from Steam's public API and Gamalytic, a third-party service that estimates sales and revenue for over 50,000 titles. We compare a treated group of games that released their first non-music/art DLC post-2023 against a matched control group with similar genre attributes, release dates, and price ranges. Using a two-way fixed effects (TWFEs) model and imputation estimators to address missing observations, we find that DLC launches raise base game sales by roughly 100% on average, with pronounced spikes during the first few days. DLC releases also coincide with increased user engagement, evidenced by rises in daily reviews and concurrent player counts. We identify a supply-side mechanism for preserving product quality: DLC releases coincide with a surge in bug-fix announcements by about 12 percentage points on average, peaking around day nine. These findings underscore how add-ons generate revenue and incentivize publishers to maintain a stronger product line.

5 - When Sellers Care About Buyer Identity and Usage

Eric Schmidbauer, University of Central Florida Department of Economics, Orlando, FL, United States

Sellers sometimes care not only about the price they receive but also about who the buyer is and how the product will be used. In markets such as real estate, buyers appeal to these preferences through "love letters" that describe personal circumstances and intended use. We model such pre-purchase communication as a buyer-initiated persuasion mechanism that stochastically alters the seller's evaluation of an offer. The buyer's message introduces risk into the effective bid: it can raise or lower the seller's willingness to transact depending on the seller's private reaction.

In equilibrium, lower-valuation buyers are most likely to communicate, while higher-valuation buyers typically abstain. Love letters therefore have the same effect as a mean-preserving spread in the distribution of competitors' bids—helping weaker bidders but discouraging stronger ones. In a bargaining model, communication benefits the buyer only when gains from trade are small and benefits the seller through higher utility, even though monetary revenue falls. Extending the analysis to auctions yields threshold strategies in which low types use love letters and high types do not. Allowing such messages softens price competition, reduces expected revenue, and can generate inefficient allocations even after accounting for the seller's intrinsic preferences.

The results identify buyer-to-seller persuasion as a distinct form of pre-purchase communication with implications for marketing and policy. When sellers derive non-monetary value from buyers' identities or usage, permitting messages can raise satisfaction but lower revenue and efficiency, creating a fundamental tension for platforms and regulators.

FD04

B005

Dynamic Forecasting

Contributed Session

Contributed

1 - Paying Without Consuming: Understanding Inactive Subscriptions Behavior

Sol Lee, Queen's University Belfast, Belfast, United Kingdom, Seokjoon Yoon

With the rise of subscription-based services, an increasing number of consumers maintain paid subscriptions while rarely using the service for extended periods. Despite its prevalence, such inactivity remains theoretically underdeveloped. Using large-scale longitudinal data from a digital content platform, we trace transitions among active use, inactivity, reactivation, and churn. This approach allows us to characterize how inactivity evolves over time, how consumers behave while remaining inactive, and to understand why it persists. In particular, inactive subscribers exhibit substantially lower usage even prior to becoming inactive. They appear to select into subscriptions for which minimal consumption is sufficient to justify continued payment. Consistent with this interpretation, inactivity does not uniformly signal imminent cancellation. Although churn risk rises shortly after becoming inactive, content browsing during inactive states significantly increases the likelihood of reactivation. These findings suggest that inactive subscription reflects a consumption strategy wherein minimal but sufficient expected value sustains retention. By grounding theorization in empirical regularities, this research reframes inactivity as a distinct post-purchase outcome and advances understanding of value in subscription-based consumption.

2 - Revisiting a Seasonal Model with Dropout: A Simple Model with Seasonal Effects for Noncontractual Settings

Peter Fader, Wharton School/Univ of Pennsylvania, Philadelphia, PA, United States, Ian Frankenburg, Bruce Hardie, Daniel McCarthy

The standard models of buyer behavior in noncontractual settings fail to account for seasonality in the flow of transactions, which can lead to biased parameter estimates. Wünderlich et al. (2022) hierarchical Bayesian seasonal model with dropout (HSMDO) addresses this issue. However, its implementation requires the use of simulation methods, which can be a challenge for many analysts. Upon examining their empirical analysis, we observe that a nested variant, the seasonal model with dropout (SMDO), performs nearly as well as the full HSMDO model. In this paper, we demonstrate that it is possible to derive closed-form expressions for several quantities of interest to analysts utilizing the SMDO model. This means we can use standard maximum likelihood methods for parameter estimation. We also demonstrate how the model parameters can be estimated using simple summaries of buyer behavior, thereby broadening the model's applicability to a wider audience of end-user modelers.

3 - Disentangling Aggregate Demand and Diffusion Dynamics: a Hybrid Time-Series and Hierarchical Bayesian Framework for New-Generation Products

Kyungjin Nam, Samsung Electronics, Hwaseong-si, Korea, Republic of, Jungyeol Ko, Eunjeong Seo, Jungha Son

Forecasting sales for newly launched product generations is challenging due to sparse early data and strong confounding between market size and diffusion dynamics. While time-series models are effective at predicting aggregate demand, they provide limited guidance on how demand unfolds across product generations and variations shortly after launch—precisely when managerial decisions are most critical.
We propose a hybrid forecasting framework that modularly separates aggregate demand estimation from diffusion-based allocation. Specifically, we first forecast line-level aggregate demand using a seasonal ARIMA model, which is well suited for settings with strong, stable seasonality and limited historical data and outperforms more flexible machine-learning alternatives in out-of-sample tests. We then allocate this aggregate demand across product generations and variations using a hierarchical Bayesian Bass model that captures diffusion-consistent sales trajectories. In our framework, generation-level market size is anchored by the aggregate forecast, while diffusion parameters are estimated hierarchically to enable partial pooling across generations and product variations.
This separation substantially improves parameter identifiability by mitigating the well-known confounding among market size and diffusion parameters, and yields robust early-stage forecasts even with limited post-launch data. Using detailed monthly sales data from multiple generations of a flagship smartphone product line, we show that the proposed approach outperforms conventional diffusion-only and time-series-only benchmarks in early forecasting accuracy and produces more stable and interpretable diffusion paths.
Beyond forecasting accuracy, our framework provides actionable managerial insights by delivering coherent monthly forecasts at the generation–variation level, supporting capacity planning, product mix decisions, and lifecycle management for new product generations.

4 - Disjunctive Density Gamma&Ndash;Beta: a New Anomaly Detection Algorithm with Application to Opioid Diversion

Annie Shi, University of Florida, Gainesville, FL, United States, Seethu Seetharaman, Anthony Sardella, Michael Wall, Chenthuran Abeyakaran

We propose Disjunctive Density Gamma–Beta (DDGB), a new anomaly detection algorithm for highly imbalanced settings. DDGB adopts a disjunctive decision rule, flagging an observation as anomalous if it is sufficiently unusual on any monitored dimension, and replaces the standard Gaussian assumption with flexible Gamma and Beta distributions that better match the support and skewness of features such as volumes, counts, and proportions. We apply DDGB to an important societal context: detecting suspicious opioid retail buyers in the U.S. ARCOS data. In this application, DDGB delivers substantially higher and more stable precision–recall performance than several supervised and unsupervised benchmark methods. We then study early-warning performance when only limited purchase history is available and illustrate policy uses of DDGB by ranking currently unlabeled buyers by risk. Taken together, the paper makes a methodological contribution by introducing a disjunctive Gamma–Beta–based anomaly detector and a substantive contribution by providing an actionable analytics tool for addressing opioid diversion, with broader applicability to fraud detection, credit screening, and other domains where rare but harmful actors must be identified.

FD05

B008

Large Language Models in Marketing Science: New Methods and Applications for Measurement, Inference, and Decision-Making (Methods)

Invited Session

Special Session

Chair: Tong Wang, Yale University, New Haven, CT, United States

Co-Chair: Tong Guo, Duke University, Durham, NC, United States

1 - Learning Marketing Craft via Linguistic Projection in Contrast Space

Tong Wang, Yale University, New Haven, CT, United States, Yiqing Xu, Leo Yang

Marketing outcomes depend on craft choices — copy, framing, voice, structure — that marketers author and intervene on. Existing text-to-outcome tools yield anonymous embeddings, off-target topics, or features bounded by researcher priors. We introduce a method that discovers interpretable, intervenable, and generalizable craft features directly from data. Within-product contrast vectors (embedding differences between higher- and lower-outcome variants of the same product) isolate craft from content. The principal direction in contrast space identifies the main axis of improvement; a large language model performs the linguistic projection — abstracting the shared pattern of the top-loaded pairs into a named, operational rule. The method iterates on the subspace orthogonal to previously named directions. We apply it to a corpus of book blurbs and recover a cross-seed-stable family of named craft features.

2 - From Model Choice to Model Belief: Establishing a New Measure for LLM-Based Research

Hongshen Sun, MIT Sloan School of Management, Cambridge, MA, United States, Juanjuan Zhang

Large language models (LLMs) are increasingly used to simulate human behavior, but common practices to use LLM-generated data are inefficient. Treating an LLM's output ("model choice") as a single data point underutilizes the information inherent to the probabilistic nature of LLMs. This paper introduces and formalizes "model belief," a measure derived from an LLM's token- level probabilities that captures the model's belief distribution over choice alternatives in a single generation run. The authors prove that model belief is asymptotically equivalent to the mean of model choices (a non-trivial property) but forms a more statistically efficient estimator, with lower variance and a faster convergence rate. Analogous properties are shown to hold for smooth functions of model belief and model choice often used in downstream applications. The authors

demonstrate the performance of model belief through a demand estimation study, where an LLM simulates consumer responses to different prices. In practical settings with limited numbers of runs, model belief explains and predicts ground-truth model choice better than model choice itself, and reduces the computation needed to reach sufficiently accurate estimates by roughly a factor of 20. The findings support using model belief as the default measure to extract more information from LLM-generated data.

3 - Generative Augmented Inference

Cheng Lu, Washington University in St Louis, Saint Louis, MO, United States, Mengxin Wang, Dennis Zhang, Heng Zhang

Large language models enable inexpensive AI-generated annotations, but using them reliably for causal inference remains challenging. Naively pooling AI and human data induces bias, while existing methods such as Prediction-Powered Inference (PPI; Angelopoulos et al., 2023) treat AI outputs as proxies of true labels - an assumption often violated for generative model outputs in practice. We propose Generative Augmented Inference (GAI), a framework that treats AI outputs as general, potentially high-dimensional informative features for learning human labels rather than as surrogates. GAI flexibly models this relationship using nonparametric methods, enabling consistent estimation and valid inference from combined human and AI data. We establish asymptotic normality and show that GAI strictly improves asymptotic efficiency over human-data-only estimation whenever AI outputs are informative for true labels. Empirical studies on real-world datasets demonstrate that GAI significantly reduces estimation error and improves confidence interval quality across diverse generative data sources relative to human-only and PPI-based estimation.

4 - Learning when to Quit in Sales Conversations

Emaad Ahmed Manzoor, Cornell University, Ithaca, NY, United States, Eva Ascarza, Oded Netzer

Salespeople frequently face the dynamic screening decision of whether to persist in a conversation or abandon it to pursue the next lead. Yet, little is known about how these decisions are made, whether they are efficient, or how to improve them. We study these decisions in the context of high-volume outbound sales where leads are ample, but time is scarce and failure is common. We formalize the dynamic screening decision as an optimal stopping problem and develop a generative language model-based sequential decision agent — a stopping agent — that learns whether and when to quit conversations by imitating a retrospectively-inferred optimal stopping policy. Our approach handles high-dimensional textual states, scales to large language models, and works with both open-source and proprietary language models. When applied to calls from a large European telecommunications firm, our stopping agent reduces the time spent on failed calls by 54% while preserving nearly all sales; reallocating the time saved increases expected sales by up to 37%. Upon examining the linguistic cues that drive salespeople's quitting decisions, we find that they tend to overweight a few salient expressions of consumer disinterest and mispredict call failure risk, suggesting cognitive bounds on their ability to make real-time conversational decisions. Our findings highlight the potential of artificial intelligence algorithms to correct cognitively-bounded human decisions and improve salesforce efficiency.

FD06

B009

EC Conference and Marketing

Invited Session

Special Session

Chair: Catherine Tucker, MIT, Cambridge, MA, United States

Co-Chair: Omid Rafieian, Cornell Tech, New York, NY, United States

Co-Chair: Preyas Desai, Duke University, Durham, NC, United States

1 - Marketing Science Journal Conference Forward to Journal Policy

Catherine Tucker, MIT, Cambridge, MA, United States

Marketing Science Conference Forward to Journal Policy will be discussed by Catherine Tucker, Senior Editor, Marketing Science. This policy describes the review process for papers forwarded from the EC conference to Marketing Science for possible publication in the journal.

2 - The Financial Consequences of Legalized Sports Gambling

Brett Hollenbeck, UCLA Anderson, Los Angeles, CA, United States, Poet Larsen, Davide Proserpio

Following a 2018 ruling of the U.S. Supreme Court, 38 states have legalized sports gambling. We study how this policy has impacted consumer financial health using a large and comprehensive dataset on consumer financial outcomes. We use data from the University of California Consumer Credit Panel, containing credit rating agency data for a representative sample of roughly 7 million U.S. consumers. We exploit the staggered rollout of legal sports betting across U.S. states and evaluate two treatment effects: the presence of any legal sports betting in a state and the specific presence of online or mobile access to betting. Our main finding is that overall consumers' financial health is modestly deteriorating as the average credit score in states with legalized sports gambling decreases by roughly 0.7 points. When states introduce online sports gambling, declines in average credit scores are much larger (12.17 points). The decline in credit score is associated with changes in indicators of excessive debt. We find a significant increase in average bankruptcy rates, debt sent to collections, auto loan delinquencies, and credit card delinquencies. Together, these results indicate that the ease of access to sports gambling is harming consumer financial health by increasing their level of debt.

3 - Pricing the Right to Renege in Search Markets: Evidence from Trucking

Richard Faltings, University of California San Diego, San DIego, CA, United States

In many markets, advance interim contracts include an explicit right to renege, granting one party the option to switch to more efficient matches that emerge later in the search process. This paper studies the formation and welfare implications of such interim contracts, leveraging novel data from a brokerage firm in the trucking industry. The broker allocates advance shipment contracts to carriers through a dynamic auction mechanism and penalizes cancellations through a reputational mechanism. I develop a theoretical model linking the carrier's bidding problem to the firm's cancellation penalties through a dynamic job-search problem and structurally estimate the model from rich data on bids and cancellations. In counterfactual simulations, I show that the firm is incentivized to lower cancellation penalties as the option value of the right to renege is priced into carrier bids. The results rationalize the large degree of contractual flexibility observed in the trucking industry as an efficient market outcome rather than one constrained by limited enforcement.

4 - A Quasi-Bayes Approach to Nonparametric Demand Estimation with Economic Constraints

Adam Smith, University College London, London, United Kingdom, James Brand

This paper develops a new estimation framework for balancing statistical flexibility and economic regularity in multi-product nonparametric demand systems. We take a quasi-Bayes approach that transforms a sieve estimator of inverse demand into a quasi-likelihood and then uses priors to regularize and enforce economic constraints. We implement novel sampling procedures that repose the heavily constrained posterior as the limit of a sequence of softly constrained posteriors, and then utilize Sequential Monte Carlo algorithms to push and filter samples through this sequence. Evidence from simulations and across several grocery retail categories shows that, relative to GMM estimators, our approach more accurately recovers economic structure and improves finite-sample performance. We also introduce an accompanying Julia package (NPDemand.jl) to help make nonparametric demand estimation more feasible in applied work.

5 - Does Firm Size Influence the Collection of Sensitive Data?: a Study of Child-Orientated Apps

Grazia Cecere, Institut Mines Telecom, Business School, Fontenay aux roses, France, Vincent Lefrere, Catherine Tucker

How does firm size affect the privacy protections offered to customers? On the one hand, it could be that larger firms use their size to amass more data. On the other hand, smaller firms may be less careful in their data protection practices, because they have a different perception of risk. Using data from the Google Play Store over a three-year period, we explore this empirical question in the U.S. children's app market. Our findings indicate that larger app developers consistently implement stronger privacy protections, requesting less sensitive data compared to smaller developers. These results hold across empirical approaches, including instrumental variables and the propensity-score matching approach. Additionally, our analysis shows that mergers between

developers and sudden increases in size of the user-bases of the product are associated with reduced data collection. We show that newly created and updated apps produced by large developers collect less data compared to existing apps. Our findings indicate a trend toward standardized privacy practices across different national regulatory regimes. This research highlights the potential for growth-driven improvements in data privacy practices among app developers, regardless of their regulatory context.

FD07

B010

Methods for Limited Data and Privacy Protection

Invited Session

Special Session

Chair: Ryan Dew, The Wharton School, University of Pennsylvania, Philadelphia, PA, United States

Co-Chair: Walter Zhang, Wharton

1 - Personalized Recommendations with Revenue-Preserving Machine Unlearning

Sam Levy, University of Virginia Darden School of Business, Charlottesville, VA, United States, Ahson Saiyed, Alan Montgomery, Chirag Agarwal

When users request data deletion from recommendation systems, removing raw records from databases is insufficient: their behavioral patterns remain encoded in model embeddings, posing significant privacy risks. Existing machine unlearning approaches rely on data sharding and model retraining, which either destroy collaborative filtering signals or impose prohibitive computational costs. Most importantly, no prior work addresses the negative economic consequences of unlearning for service providers. We introduce Sparse Auto-Encoder (SAE)-driven revenue-aware unlearning, a novel framework leveraging SAEs to identify and suppress user-specific latent features within Large Language Model-based sequential recommenders. Using search-clickstream data, we jointly optimize privacy, recommendation quality, and revenue preservation objectives through parameter-efficient fine-tuning updates guided by 131K interpretable SAE features. Crucially, our approach requires no model retraining—completing unlearning requests in minutes rather than hours. Our experiments demonstrate a 96% reduction in privacy-related activations while maintaining recommendation quality within 3% of baseline performance. The identified features cluster meaningfully by product category, enabling interpretable and targeted suppression of user-specific knowledge. Compared to existing approaches, our method achieves twice the revenue preservation while operating much faster. This work offers the first revenue-aware unlearning framework for personalized recommendations, providing practitioners with an interpretable, economically-grounded approach to user data removal.

2 - From Privacy Washing to Sustainable Data Strategies: A Theory-Based AI Approach

Ziqi Zhong, London School of Economics, London, United Kingdom

We first developed analytical models showing that firms can enhance profits and consumer surplus by adopting sustainable data strategies. To validate the model and enable scalable policy measurement, we introduced PrivaAI, an AI-based agent with a novel framework derived from regulation, literature, expert input, and human ratings. PrivaAI, leveraging structured chain-of-thought reasoning and enhanced retrieval-augmented generation, was fine-tuned and tested on 28,360 human-labeled evaluations (1,418 policies) to align with consumer perceptions by 92.5%. Applying it to policies from 10 million websites classified by Open PageRank and GICS sectors, we find: (i) lower-ranked providers systematically underperform, consistent with the model's assumption; (ii) substantial industry heterogeneity exists, with digital-native sectors outperforming traditional industries; and (iii) regulatory asymmetries—under weaker regulation (CCPA), higher-ranked firms often show uneven improvements, whereas stronger regulation (GDPR) yields broader, more balanced improvements. A pre-registered lab experiment with 610 US-representative participants validates that PrivaAI assessments explain consumer behavior and uncovers an “authenticity paradox“: consumers perceive high-quality policies with dimensional inconsistency as less deceptive than uniformly excellent policies, interpreting selective excellence as genuine prioritization rather than privacy washing. Together, these findings provide a scalable foundation for benchmarking privacy practices and offer actionable insights for firms and regulators.

3 - Training or Trading? Data Monetization and Privacy Transparency in Competitive Retail Markets

Hongchen Duan, Huazhong University of Science and Technology, Wuhan, China, People's Republic of, Jun Yang

Retailers increasingly collect consumer data to train personalization algorithms and boost sales. At the same time, the emergence of data marketplaces creates a new monetization channel by enabling retailers to directly sell consumer data. These data monetization opportunities, both through internal training and external trading, raise challenges in terms of data transparency for data collection and resource allocation for data utilization. We develop an interior Salop model to study how the availability of data trading and privacy transparency policies shape retailers' data monetization strategies and consumers' privacy concerns. We show that access to data trading can induce a distortion toward over-collection and under-training: retailers collect more data, yet invest too few resources in internal training, resulting in a decline in personalization levels. As such, consumers' perceived privacy cost may fall even as their actual privacy harm increases. Surprisingly, although data trading expands monetization opportunities, it can make retailers worse off when data marketplace efficiency is low and privacy concerns are moderate. The reason is that trading revenue may not offset the higher costs of over-collection and the intensified price competition associated with under-training. This prisoner's dilemma outcome can be resolved by privacy transparency policies. However, we also find that transparency---despite being designed to protect consumers---may instead reduce consumer surplus by reshaping firms' data and pricing incentives.

4 - Your Mmm is Broken: Identification of Nonlinear and TIME-Varying Effects in Marketing Mix Models

Ryan Dew, The Wharton School, University of Pennsylvania, Philadelphia, PA, United States, Nicolas Padilla, Anya Shchetkina

Recent years have seen a resurgence in interest in marketing mix models (MMMs), which are aggregate-level models of marketing effectiveness. Often these models incorporate nonlinear effects, and either implicitly or explicitly assume that marketing effectiveness varies over time. In this paper, we show that nonlinear and time-varying effects are often not separately identifiable: while certain data patterns may be suggestive of nonlinear effects, such patterns may also emerge under simpler models with time-varying effects. Moreover, these two types of effects often suggest fundamentally different optimal marketing allocations. We examine this identification issue mathematically, describing the conditions under which model conflation is likely to occur. Then, through an analysis of real-world marketing mix datasets and extensive simulations, we show that such conflation is likely widespread in practice, with significant revenue implications. Finally, we recommend measures that practitioners can incorporate when building their MMMs. First, we provide diagnostics that analysts can use to assess the degree of conflation risk in their data. Second, we show how marketers can avoid conflation through guardrails, which include making theory-driven assumptions, using multi-market data, and running experiments that strategically manipulate spending to pin down model form.

FD08

B011

Marketing and Policy: Leveraging Consumer and Business Insights for Social and Economic Impact

Invited Session

Special Session

Chair: Rupali Kaul, INSEAD, Singapore, Singapore

1 - From Pumps to Plugs: Value of Time and Charging Policies

Takeaki Sunada, University of Rochester, Pittsford, NY, United States, Tianli Xia

Designing an electric vehicle (EV) charging infrastructure requires understanding how drivers value charging speed, price, and convenience. We provide the first field-based estimates of drivers' value of time (VOT) in a fast-charging environment, using rich, high-frequency vehicle usage data from Shanghai in 2024. We estimate a

random-coefficient discrete-choice model of drivers' charging decisions among the city's commercial chargers. The estimated mean value of time is 6.5 Yuan per hour (27% of the average wage), implying lifetime charging time costs of about 1.7% of the vehicle price in 2024. Counterfactual analyses show that the city's high-speed charging infrastructure since 2020 reduces the lifetime time cost by 3.9% of vehicle price and accounts for 10.4% of new adoptions. We document the relative efficiency of investing on stations and vehicles, as well as possible dynamic inefficiency in the diffusion process. We also show the importance of coordinating investments between station density and speed to achieve an efficient charging infrastructure

2 - Marketing Durable and Sustainable Technologies in Low- and Middle-Income Countries

Yewon Kim, Stanford University, Stanford, CA, United States, Amrita Kundu, Erica Plambeck

We examine barriers to - and market-based solutions for - adopting durable and sustainable technologies in low- and middle-income countries (LMICs), focusing on lithium batteries for electric three-wheelers in Bangladesh. Despite clear environmental and private benefits, lithium batteries hold an insignificant market share, with the market dominated by short-lived lead-acid batteries whose recycling generates severe lead pollution. An incentivized field experiment and surveys show that low trust in manufacturers' claims, along with financial constraints and factors that reduce the value of future battery use (e.g., high salvage value of lead-acid batteries, high business uncertainty), depress willingness to pay for durable batteries and limit the effectiveness of warranties. While buyback programs that match the salvage value of lead-acid batteries do not increase willingness to pay for durable batteries, product-specific loans from local financial institutions substantially raise it above viable market prices and increase the value of warranties only when loan terms closely match claimed lifespans - suggesting that microfinance loans serve as a signal of credibility. Our estimates suggest that these loans could prevent more than 7,500 tons of lead contamination in the first year by reducing projected lead-acid battery use. The results highlight credit design as a key lever for technology adoption in LMICs and a broader role of microfinance

3 - Geographic Price Extrapolation, Learning, and Housing Search: Evidence from Danish Movers

Matteo Saccarola, University of California-Berkeley, Berkeley, CA, United States

Using population-wide Danish administrative registers on housing transactions, I document an asymmetric, hockey-stick relationship between origin market prices and overpayment for comparable homes. Quantitatively, the elasticity of overpayment with respect to the origin-destination price difference is 3.9 percent ($p < 0.01$) when movers relocate from more expensive to cheaper housing markets. In contrast, buyers moving to more expensive locations exhibit little systematic overpayment, and their purchase prices are unrelated to prices at origin. I interpret these patterns through a housing search model in which buyers enter with price beliefs anchored in their origin market and update those beliefs gradually during search. Despite homogeneous learning, endogenous stopping generates the observed asymmetry at purchase: buyers predisposed to overpay transact quickly before fully learning the local price level, while those predisposed to underpay search longer and converge toward local prices. The model yields additional predictions that I test using administrative and survey data. The evidence supports origin-based price extrapolation with subsequent learning rather than preference-based explanations such as reference dependence.

4 - Migrant Price Penalty: Field Evidence from South Africa

Rupali Kaul, INSEAD, Singapore, Singapore, Shreya Kankanhalli, Iris Steenkamp

Migrant-owned micro-enterprises are central to local economies but often face disadvantages stemming from their outsider status. This paper quantifies a demand-side channel through which such disadvantages arise: a consumer-imposed price and willingness-to-pay (WTP) penalty faced by migrant entrepreneurs. We study this phenomenon in South Africa’s informal retail sector (“spaza shops”) using a two-sided empirical strategy that combines supply-
side price audits with a large-scale, incentive-compatible conjoint experiment. On the supply side, audits of 432 spaza shops in Johannesburg show that immigrant-owned stores charge significantly lower prices than comparable local-owned stores, even after controlling for costs, competition, product quality, services, and detailed location characteristics. On the demand side, a conjoint survey with 1,974 local consumers reveals a sizable WTP penalty for products sold by migrant shopkeepers, equivalent to roughly 8–9 percent of price. To identify the sources of this bias, we embed an information experiment within the conjoint design. Revealing objective product quality substantially reduces the migrant penalty, indicating that a large share reflects statistical discrimination driven by incorrect beliefs. A residual penalty persists even with full information,

placing an upper bound on taste-based discrimination. Aggregated nationally, this demand-side bias implies foregone revenues of approximately USD 200 million annually for immigrant-owned spaza shops. These findings highlight a critical demand-side friction that may limit the returns to productivity-enhancing interventions targeting migrant entrepreneurs.

5 - Migrant Price Penalty: Field Evidence from South Africa

Iris Steenkamp, Bocconi University, Milan, Italy, Rupali Kaul, Shreya Kankanhalli

Migrant-owned micro-enterprises are central to local economies but often face disadvantages stemming from their outsider status. This paper quantifies a demand-side channel through which such disadvantages arise: a consumer-imposed price and willingness-to-pay (WTP) penalty faced by migrant entrepreneurs. We study this phenomenon in South Africa's informal retail sector ("spaza shops") using a two-sided empirical strategy that combines supply-side price audits with a large-scale, incentive-compatible conjoint experiment. On the supply side, audits of 432 spaza shops in Johannesburg show that immigrant-owned stores charge significantly lower prices than comparable local-owned stores, even after controlling for costs, competition, product quality, services, and detailed location characteristics. On the demand side, a conjoint survey with 1,974 local consumers reveals a sizable WTP penalty for products sold by migrant shopkeepers, equivalent to roughly 8–9 percent of price. To identify the sources of this bias, we embed an information experiment within the conjoint design. Revealing objective product quality substantially reduces the migrant penalty, indicating that a large share reflects statistical discrimination driven by incorrect beliefs. A residual penalty persists even with full information, placing an upper bound on taste-based discrimination. Aggregated nationally, this demand-side bias implies foregone revenues of approximately USD 200 million annually for immigrant-owned spaza shops. These findings highlight a critical demand-side friction that may limit the returns to productivity-enhancing interventions targeting migrant entrepreneurs.

FD09

B127

Platforms IV - Digital Media

Contributed Session

Contributed

Chair: O. Cem Ozturk, University of South Carolina, Columbia, SC, United States

1 - The Empirical Effects of Unrelated Gameplay on Decision Quality in Digital Platforms

Ashish Sinha, University of Queensland, Brisbane, Australia, Mathew Chylinski, Peter Popkowski-Leszczyc, David Lie

The global gamification market is projected to exceed $180 billion by 2035, with platforms such as Pinduoduo, Shopee, and Alipay in Asia, and HSN (Home Shopping Network) in the United States, embedding games alongside shopping and payments. This research examines whether unrelated gameplay embedded in digital platforms improves or impairs decision quality as consumers make repeated product choices. Three longitudinal experiments manipulate gameplay exposure across decision episodes, measuring decision accuracy, flow experience, and perceived skill over time. The dynamic state-space system models trajectories of individual accuracy across gameplay conditions. Results show that unrelated gameplay improves decision quality by accelerating learning rather than directly altering choices. Gameplay fosters flow and perceived skill that become integrated into the decision process, leading to more accurate decisions as experience accumulates. Flow reinforces perceived competence and influences subsequent performance, with effects persisting through learning dynamics. Game difficulty has little effect, but consumers' perceived competence and challenge during product choice determine whether gameplay improves accuracy. The findings help managers design digital platforms for both engagement and decision accuracy, while also assisting regulators assess whether platform designs benefit consumer welfare. Combining unrelated gameplay with choice decisions improves decision making when games reinforce competence without increasing cognitive demands.

2 - Time Constraints and Quality Shifts: the Impact of Ad-Free Subscription Program on Creator Content Platform

Tianyi Fang, The Chinese University of Hong Kong，Shenzhen, Shenzhen, China, People's Republic of, Qitian Ren, Fanjun Yao

Ad-free Subscription Program (AFSP) offers viewers an option to skip the ads by paying subscription fee, and improves the consumer experience. This program can provide platforms with a source of revenue from subscription fees, while also prompting the platform to find an appropriate pricing strategy to balance income from subscriptions and advertising. This paper investigates the impact of the AFSP on the creator economy in the content platform. We develop a game-theoretic model with a platform, two competing creators producing different quality of content, and two types of viewers (busy and leisure) with heterogeneous ads dis-utility level and time constraint. We show that AFSP can induce creators to shift toward lower-quality content when creation cost is moderately low. The mechanism is that AFSP changes viewers' content consumption choice by enabling more high ad-adverse viewers to consume low-quality content, which increases demand for low-quality content and softens competition between creators, thereby weakening creator incentives to invest in quality. Finally, we characterize the platform's optimal AFSP pricing strategy and show that the optimal subscription fee depends on advertising value and the market composition of busy versus leisure viewers. We find that although AFSP increases platform profits, it can soften creator competition and induce a shift toward lower-quality content, thereby reducing consumer surplus. These results imply that platforms should jointly determine AFSP pricing and ad intensity and may need additional quality-contingent incentives when scaling ad-free subscriptions.

3 - User Engagement on Digital Media Platforms: the Dynamic Interplay Between Discovery and Consumption

Qi Xie, Oregon State University, Corvallis, OR, United States, Linli Xu, George John

The rapid growth of digital media on mobile devices has intensified information overload, shaping how users discover and consume content. Two interface types dominate mobile experiences. The first is the content discovery page, where users scroll through lists of options to select items. The second supports continuous consumption, automatically loading new content as users finish each item, minimizing the need for active browsing. This study examines how the dynamic experience of content discovery and consumption under the existence of both interfaces shapes users' behavioral patterns on such digital platforms. We develop an empirical model framework capturing each user's sequence of decisions in discovering and viewing content and allowing for individual heterogeneity. We then estimate the model using granular data from a music mobile platform in China. We find that: 1) satiation exists in consumption across users but viewing a broad variety of content helps mitigate satiation, lengthening the duration of user engagement on the platform. 2) On average, consumers prefer to browse more options on the discovery page, but a greater variety level of content browsed on the discovery interface is likely to make a user quit browsing and start consuming content. 3) Our examination of user heterogeneity reveals two distinct types of users: "Binge-viewers" and "Browsers." The former favors extended viewing within a single session and waits longer to return to the platform, while the latter prefers exploring a wide set of content and returns to the platform sooner.

4 - Platform Governance and Automated Enforcement: Evidence from Youtube Content Id

Christian Peukert, HEC Lausanne, Lausanne, Switzerland, Sverrir Arnorsson, Stefan Bechtold, Catherine Tucker

Though copyright laws exist to incentivize creativity, the fact that they focus on the individual has, for many decades, led to challenges in how creators can actually exercise their rights in a world of diverse and disparate right holders. Intermediaries, such as collecting societies and record labels, have emerged to solve the aggregation problem and enforce copyrights on creators' behalf. The advent of digital tools and data promises to make it much easier to identify creators and allow them to enforce their rights directly: algorithmic enforcement should facilitate disintermediation and help creators. We study the consequences of the emergence of algorithmic enforcement tools in the context of YouTube, where the Content ID system automatically identifies copyrighted music in user-generated videos and enables rights holders to remove or monetize such content.
Drawing on a large-scale algorithmic audit, we find that while the matching technology is generally accurate, observed enforcement systematically diverges from legal entitlements. Some lawful reuses are misclassified, while some infringements escape detection. These errors are asymmetric: works represented by major labels are claimed in about 90 percent of cases, compared to roughly 50 percent for non-major labels. Nearly half of public-domain works are nonetheless claimed, driven by unverified rights data. We formalize platform incentives

to enforce copyright in a simple model. Our paper provides the first large-scale empirical evidence on algorithmic copyright enforcement. Our results suggest that policy intervention may still be needed to scale up copyright enforcement on the Internet successfully.

5 - Consumer Response to Racial Discrimination on Digital Platforms

O. Cem Ozturk, University of South Carolina, Columbia, SC, United States, Sungsik Park, Ayse Ozturk

Public health crises such as the 1918 influenza pandemic, the HIV/AIDS epidemic, and the COVID-19 pandemic often intensify discrimination against minority groups perceived to be linked to disease origins. Prior work suggests that such heightened discrimination has real negative economic consequences for affiliated businesses. Using the COVID-19 pandemic as an exogenous shock to anti-Chinese sentiment in the United States, we show that Chinese restaurants' online ratings increased relative to non-ethnic restaurants after the pandemic's onset. We then examine where and why this reputational lift is most pronounced. The increase in ratings is larger for restaurants with lower pre-pandemic ratings and those that are not part of a chain. It is also larger for restaurants located in areas with low- to middle-income levels and low- to middle-Republican vote shares. We complement these heterogeneity results using a large language model trained on more than 250,000 reviews, which supports a targeted prosocial behavior mechanism. Next, we link these reputational gains to longer-run outcomes. Higher pandemic-period ratings predict a higher likelihood of restaurant survival about five years after the pandemic's onset. Finally, we document a platform-side tradeoff. While ratings became more favorable for marginalized businesses, engagement with review content declined, reflected in lower perceived usefulness and humor. Together, our findings suggest that online reviews can serve as a channel for targeted consumer support during discrimination-inducing crises while also decreasing the informational value of review content.

FD10

B128

Large Language Models

Contributed Session

Contributed

Chair: Masao Ueda, N/A

1 - Measuring Corporate Risks Using Large Language Model Embeddings: Evidence on Corporate Climate Risks and Supply Chain Restructuring

Leyao Tan, University of British Columbia, Vancouver, BC, Canada, Yi Qian, Jiong Sun, Cyndia Wang

We propose a novel text-based approach to measuring corporate climate risk that combines large language model (LLM) sentence embeddings with supervised machine learning. We find that this combined approach improves the precision of climate-related sentence classification by 23% relative to predefined keyword methods and by 26% compared to a recent LLM agent-based classifier. Using the resulting corporate risk measure, we further explore how firms react to supplier climate risks. We find that after controlling firm- and supplier-level non-climate risks, supplier climate risk exposure increases the likelihood of terminating existing suppliers by 5.3% and adding new suppliers by 6.3%. Our analysis further suggests that such restructuring is strategic. First, the restructured supply networks exhibit greater geographic diversity, indicating firms' efforts to mitigate future climate-related disruptions by diversifying supplier locations. Second, firms prioritize adding new suppliers that produce more unique products or occupy more central positions in the supply chain network. We also document that such restructuring is most pronounced for supplier backward-looking climate risks and extreme physical climate risks. Firms with higher operational efficiency and greater product differentiation respond more aggressively to supplier climate risk.

2 - Digital Twin-Based Bayesian Imputation: Combining LLM Priors with Local Data Likelihoods

Youngik Lee, KAIST College of Business, Seoul, Korea, Republic of, Minki Kim

We propose Digital Twin-Based Bayesian Imputation (DTB2I), a hybrid framework designed for missing value imputation by synthesizing Large Language Model (LLM) intelligence with local statistical patterns. DTB2I

operates on a dual-stage Bayesian mechanism where it first elicits an informative prior from a digital twin, defined as an LLM agent prompted to simulate a specific respondent's persona, and subsequently updates this prior with a likelihood distribution derived from k-nearest neighbors within the internal dataset to yield a posterior estimate for the missing value. The main contributions of DTB2I are fourfold. First, unlike conventional imputation methods (e.g., MICE, kNN) that rely exclusively on internal data distributions, DTB2I integrates both external knowledge and internal empirical evidence. It utilizes LLMs as an external knowledge vault that is embedded with a multitude of latent relationships that can be leveraged to bridge the gap between internal data and external semantic reality. Second, it enables imputation through semantic reasoning, capturing latent relationships that purely numerical models overlook. Third, it remains viable in cold start scenarios characterized by high missing rates, where traditional models fail due to insufficient observed data. Finally, DTB2I is particularly effective in Missing Not At Random (MNAR) conditions, as the LLM's external prior provides a stabilizing anchor that mitigates the biases inherent in truncated or self-selected internal samples.

3 - Can Large Language Models Predict Firm Behaviors?

Jingyi Zhang, University of Chicago Booth School of Business, Chicago, IL, United States, Jean-Pierre Dubé, Sanjog Misra

We study the potential to use LLMs to measure the distribution of firms' future actions under different states of the world. Such distributions play a critical role to calibrate beliefs in marketing models where consumers face incomplete information about firms' future actions and where firms face incomplete information about their competitors' future reactions. We conduct a case study of Apple's launch of the suite of iPhone 16 and iPhone 17 models. Using a series of choice-based conjoint experiments, we elicit LLM-implied beliefs, based only on information available months ahead of launch, about the technical specifications of the next-generation iPhone. We then compare these beliefs with realized product outcomes. We find that LLM predictions closely align with the actual iPhone configurations released by Apple. An analysis of the underlying generative logic highlights the role of attribute-level nonlinearities and specific independence assumptions. Extending the study to incorporate historical product specifications and market rumors, we show that external knowledge selection and prompt injection methods systematically influence prediction performance. Notably, long-context prompting consistently outperforms Retrieval-Augmented Generation (RAG) in our experimental setting. Overall, these results suggest that LLMs can serve as scalable tools for predicting firm decisions, with broad implications for market participants and researchers.

4 - Improving the Predictive Accuracy of Large Language Models in Consumer Choice Simulation

Hani Bououdina, Copenhagen Business School, Frederiksberg, Denmark, Felix Eggers

Understanding and predicting consumer choices is central to marketing science. Recent advances in large language models (LLMs) offer a complementary tool for simulating consumer decisions, yet most applications rely on general-purpose models that are not trained on choice data and therefore show limited predictive accuracy in discrete choice settings.

This project investigates whether and how targeted fine-tuning and prompt design can improve the ability of LLMs to predict consumer choices. We fine-tune a Llama-based model using data from choice-based conjoint studies and systematically evaluate its performance under different prompting strategies. Specifically, we implement a four-factor prompting framework that varies whether prompts include (1) demographic information about the decision-maker, (2) information about the decision-maker's underlying utilities, (3) estimated choice probabilities, and (4) references to random utility theory.

Using a full-factorial design, we compare predictive accuracy across prompting conditions and benchmark the fine-tuned model against leading general-purpose models, including GPT-5.1 and GPT-4.1. Results show that fine-tuned models achieve substantially higher predictive accuracy than flagship models. Moreover, explicitly referencing random utility theory in the prompt improves prediction quality, while adding consumer utilities or predicted probabilities does not yield additional gains.

The findings demonstrate the value of fine-tuning LLMs with existing choice data and provide actionable guidance on prompt design for choice prediction tasks. More broadly, the study positions fine-tuned LLMs as scalable, low-cost tools for anticipating consumer responses in applied marketing contexts.

5 - Evaluating Large Language Models as Alternatives to Linear Models for Marketing Analysis

Masao Ueda, Yokohama-City University, Yokohama, Japan

With the advent of the big data era, marketing data have increased in volume, and various analytical methods have been proposed accordingly. While the growth in analytical techniques enables the derivation of richer marketing insights from data, it also poses a challenge: practitioners must invest considerable time in learning these methods, and as a result, many are not fully utilized in practice.

In this study, we examine whether large language models (LLMs), with their strong predictive capabilities, can be used to perform general pattern extraction and prediction on POS data and ID-linked POS data in a manner comparable to traditional linear-model-based analyses, using actual datasets. At the same time, although LLMs can be used for prediction, several issues require attention. For example, because LLMs output results as text rather than numerical values, additional formatting steps are necessary—for instance, ensuring consistent output formatting when the model generates a number such as “123,” which may otherwise be produced digit by digit. In the oral presentation, we will present predictions based on LLMs, discuss their potential substitutability for linear models, and outline important considerations for the analysis.

FD11

B129

Financial Decision Making

Invited Session

Contributed

Chair: Alexander Edeling, KU Leuven, Leuven, Belgium

1 - Who Brings Home the Bacon? Differences in Shopping Behavior Between Spouses

Salman Arif, University of Chicago Booth School of Business, Chicago, IL, United States, Pradeep Chintagunta, Yuxiao Li, Sarah Moshary

This paper studies differences in shopping labor and shopping behavior between men and women within and across U.S. households. Using a novel dataset that identifies the shopper on each trip, we document key facts about shopping differences between spouses and between men and women more generally. First, shopping labor is highly asymmetric in most married households. Wives undertake a much larger share of shopping tasks, and this pattern is consistent across regions and across demographic groups. Second, men and women differ significantly in prices paid and payment method usage. Wives tend to pay slightly lower prices than their husbands even when purchasing the same product from the same store, and the relative use of cash, credit, and government benefits varies by gender. Third, single men and single women have pronounced differences in product choices, and these differences partially persist among married shoppers. Fourth, women shop less often after sunset relative to men. Leveraging Daylight Saving Time as an exogenous shift in evening daylight, we provide causal evidence that the change in evening light reallocates shopping labor between spouses and alters household purchasing patterns. These findings demonstrate that business strategies and government policies that shift the intra-household division of shopping labor can inadvertently reshape household demand, suggesting that the “who” of the shopping process is a critical determinant of the “what.”

2 - A Tale of Two Household CFOs: Couples Who Co-Manage, Co-Thrive

Miranda Goode, Ivey Business School, London, ON, Canada, Philippe Wodnicki, Michael Moorhouse, June Cotte

“A good marriage is not about how much you make, but how much you manage together.”

– https://www.modernhusbands.com/post/112-quotes-about-marriage-and-money

Conventional wisdom and prior research suggest that financial responsibility within romantic couples is typically not shared (Ward and Lynch 2019; Hsu 2016). As relationships progress, one individual assumes the role of household chief financial officer (CFO), budgeting, shopping, planning for retirement, and possibly taking care of investments (Ferber and Lee 1974; Ward and Lynch 2019). With our research, we challenge this prevailing "lone CFO" narrative by showing that many couples co-manage financial responsibilities, which results in relational and financial benefits.

With secondary and primary data (n ≈ 8500), we first find that 30–50% of couples share financial responsibilities. With two additional survey-based studies (n ≈ 8000), we identify the value of co-managing: relationship quality is significantly enhanced, and couples report feeling more financially competent. With our research, we move beyond unitary measures of household financial responsibility to examine the effect of each partner's involvement. This approach allows us to distinguish couples who nominally "share" responsibility (but are minimally involved) from relationships where both partners are heavily involved. We also find that partners who share household financial responsibilities, and are both more involved, report better financial outcomes (i.e., lower household debt). Our findings extend recent work in marketing (Garbinsky et al. 2019; Olson and Rick 2023; Olson et al. 2023) by documenting the relational and financial advantages of co-managing household finances.

3 - Give and You Shall Receive: Prosocial Behavior Increases Perceived Deservingness and Subsequent Financial Risk-Taking

Vincentia Yuen, City University of Hong Kong, Hong Kong, Hong Kong, Benjamin Borenstein, Caglar Irmak, Vamsi Kanuri

Every day, across the globe, millions of individuals actively contribute through donations and volunteer efforts to various causes and organizations. The reasons why individuals engage in such prosocial behavior have been well-examined and established in the literature. While understanding the motivation behind prosocial behavior is crucial, it is equally important to explore the consequences of such behavior. Past work shows that prosocial behavior not only positively influences individuals, making them happier but also has broader implications, shaping self-perception and subsequent decision-making. The present research thus examines how engaging in prosocial acts—such as donating money or volunteering time—shapes the subsequent financial decision-making of the giver. Employing a multimethod approach, including a natural experiment of stock market investments following donations to the Indian Ocean tsunami relief campaign and six controlled experiments, this research demonstrates when, how, and why prosocial behavior increases individuals' willingness to take financial risks. The authors show that this effect arises because engaging in prosocial behavior heightens perceived deservingness of positive outcomes, which in turn promotes greater financial risk-taking. Consistent with this account, the authors further demonstrate that the effect becomes stronger among individuals with higher karmic belief and weaker when individuals are primed to feel low deservingness. These findings not only advance existing theory but also carry significant implications for marketers, consumers, and policymakers.

4 - Silver Surfers or Silver Searchers? Active Aging and Financial Approaching Behavior Under Favorable Financial Shocks

Miaomiao Liu, Xi'an Jiaotong-Liverpool University, Suzhou, China, People's Republic of

As populations age rapidly, understanding how elderly individuals actively engage in later life has become increasingly important. Existing research often characterizes later life as a period of passivity, emphasizing declining capacities and reduced economic engagement. Adopting an **active aging** perspective, this study argues that elderly individuals remain active in seeking (financial) security, especially when facing changes that may affect their economic well-being.

We conceptualize Financial Approaching Behavior as a form of active aging behavior, capturing how individuals approach, monitor, and engage with financial information through digital channels. Using a favorable financial shock as an empirical setting, this study examines how elderly individuals adjust their information-search and

engagement behaviors in response to changes in the financial environment. The analysis draws on high-frequency mobile browsing data from 16,780 individuals in China, covering 48 stock-trading days between September and November 2024.

Employing an intensity difference-in-differences design and an interrupted time-series analysis, we find a significant increase in elderly individuals' financial approaching behavior following the financial shock. While weaker than that observed among middle-aged individuals, the response is economically and statistically meaningful, indicating cautious but active engagement. Moreover, we find substantial heterogeneity among elderly individuals: broader and more exploratory information engagement amplifies responsiveness to financial change, whereas deeper and more focused engagement attenuates it.

Overall, this study provides direct behavioral evidence that elderly individuals actively pursue financial security through adaptive information-search behaviors and contributes to research on aging, information behavior, and individual responses to financial change.

5 - Projection Bias in Retirement Decumulation Preferences

Alexander Edeling, KU Leuven, Leuven, Belgium, Philipp Schreiber, Martin Weber

Against the backdrop of aging populations, understanding how individuals use their retirement savings has become increasingly important. Yet, prior research has paid little attention to the trade-offs people face when deciding how to draw down their wealth after leaving the workforce. We investigate how individuals value key attributes of retirement decumulation products, whether these preferences can be explained by observable characteristics, and whether individuals systematically misforecast their future preferences. Using a large-scale choice-based conjoint experiment with German households, we elicit individual-level importance weights for four central attributes: monthly consumption, consumption volatility, the risk of running out of wealth, and expected end-of-horizon wealth. We document pronounced heterogeneity in preferences. On average, respondents prioritize preserving wealth at the end of retirement, while placing intermediate importance on consumption and risk-related attributes. However, this heterogeneity is only weakly related to demographic and retirement-related variables such as age, wealth, income, or retirement status. Exploiting experimental variation in decision scenarios across working-age individuals and retirees, we test for projection bias in retirement planning. We find significant scenario effects for selected attributes: retirees indicate that, in hindsight, they would have assigned greater importance to end-of-horizon wealth and lower importance to consumption volatility earlier in life. In contrast, preferences for monthly consumption appear largely stable across scenarios. These findings suggest that individuals partially underestimate how their preferences evolve over the life cycle, consistent with projection bias in retirement decumulation decisions. The study's results offer important implications for retirement planning and the design of decumulation products.

FD13

B131

Advertising and AI

Contributed Session

Contributed

Chair: DongYoung Jeong, N/A

1 - How Artificial Intelligence Impacts Advertising Processes and Copy: An Investigation of Ad Professionals' Views

Giha Shin, Yonsei University, Seoul, Korea, Republic of, Jarim Kim, Haram Myong, Hyungtae Kim, Sehee Jeon, Changhee Lee

In recent years, the use of generative Artificial Intelligence (AI) in the advertising industry has grown exponentially. Yet, existing research has largely concentrated on consumer responses to AI-generated advertising and AI's potential to enhance effectiveness and streamline execution. Empirical studies examining how and to

what extent AI is impacting advertising production remain exceedingly limited. Addressing this gap, this study investigates advertising professionals' perceptions of AI-generated advertising copy through in-depth interviews with 21 practitioners. The findings show three key insights. First, professionals described AI-generated copy as original and formulaic, straightforward, and particularly well-suited for Internet advertising. Second, they agreed that AI offers high efficiency, but they viewed its effectiveness as conditional. Third, when comparing AI-generated copy to human-generated copy, they strongly affirmed human superiority and exhibited reluctance to acknowledge cases where AI might outperform humans. The study findings offer critical insights into emerging applications of AI and illuminate how the industry is evolving. In doing so, the study deepens our understanding of AI's shifting role in advertising and highlights both the skills professionals will need and the considerations AI developers should prioritize as they design future tools.

2 - ChatGPT vs Google: Consumer Search, Information Display, Brand Preference

Shiyuan Song, Hong Kong University of Science and Technology, Hong Kong, Hong Kong, Wenbo Wang

The rapid diffusion of generative AI is reshaping how consumers search for information and how firms compete for visibility in digital environments. Search engines (SEs) such as Google operate on index-based retrieval systems that rank and display collections of web pages according to keyword relevance and link authority, often supplemented by AI-generated summaries alongside ranked results, with users responsible for navigating, evaluating, and synthesizing information. In contrast, AI engines (AIEs) such as ChatGPT rely on large language models to aggregate, interpret, and synthesize information into direct answers with selective source citations, shifting much of the screening and integration task from users to the system, thereby creating a different paradigm of information access. These differences potentially alter information presentation, search costs, and brand exposure, yet systematic empirical evidence comparing the two paradigms remains limited. We conduct large-scale experiments across diverse consumer decision contexts to compare information display and consumer responses under SE and AIE environments. We examine how different querying strategies shape the structure and content of the information presented and how consumers process and act upon it. These studies provides a systematic comparison of the two search paradigms. The findings generate new insights into how different search paradigms shape consumer decision making and brand competition.

3 - Generative AI Prevalence and the Effectiveness of Visual Advertising

Yeonsoo Lee, Massachusetts Institute of Technology, Cambridge, MA, United States

Today, a substantial amount of advertising is visual-centric, as seen in television advertising, sponsored content on social media, and display ads. At the same time, increasing attempts to apply AI in ad creation have heightened consumers' awareness that the ads they encounter may be AI-generated. This research examines whether and how the perceived prevalence of generative AI in the environment influences the effectiveness of visual advertising. We conduct a 2 (low vs. high prevalence of AI-generated ads in the environment) × 2 (low vs. high textual emphasis) randomized experiment and compare respondents' brand attitudes and purchase intentions after viewing a video ad. We find that visual ads are less effective when perceived generative AI prevalence is high, and this reduction is attenuated in ads with higher textual emphasis. Exploratory evidence suggests that higher perceived generative AI prevalence reduces the perceived ad trustworthiness, which may explain the reduced effectiveness of visual advertising in high generative AI prevalence environments.

4 - Ai-Mediated Marketing: Constrained Content Optimization for LLM Visibility

Kartik Hosanagar, University of Pennsylvania, Philadelphia, PA, United States, Ruben Salas

Large language models (LLMs) increasingly shape consumer purchase decisions by synthesizing information and issuing direct recommendations, disrupting traditional search optimization. We introduce a Generative Engine Optimization (GEO) framework that influences LLM recommendations while preserving brand voice and professional integrity. Rather than using adversarial or low-quality content, our method computes gradients over token embeddings in open-weight models to identify words whose revision most increases selection probability. A multi-armed bandit balances exploitation of high-impact tokens with exploration of under-tested positions. Across experiments with 200 products in 50 consumer categories, GEO yields significant gains in single-token selection probability (+6.04 percentage points, $p < 0.001$) and natural ranking tasks (−0.139 rank positions, $p = 0.004$). These improvements require only minor edits, about 16 words per 100, preserving tone

and meaning. Effects are strongest for mid-ranked products, with ceiling effects for market leaders. The results extend search optimization to generative systems and offer an ethical, auditable approach to AI-mediated visibility.

5 - The Role of Sales Pitch Intensity in Live Commerce: Informational vs. Emotional Appeals

DongYoung Jeong, Sungkyunkwan University, Seoul, Korea, Republic of, Seungwook Jin, Keumseok Kang, Taekyung Kim, Alex Jiyoung Kim

Sales pitch plays a critical role in shaping consumer purchase decisions by conveying the value of product and reducing uncertainty related to consumer purchase. This paper examines how multiple dimensions of sales pitch, captured through both linguistic components such as sales messages and phonetic components such as characteristics of vocal delivery, jointly influence sales outcomes in live commerce.

Using data from 10,436 broadcasts on the largest live commerce platform in Korea, we develop an AI-based multimodal framework that integrates speech-to-text conversion, automated content classification, and phonetic analysis. Sales pitch intensity is operationalized along three linguistic dimensions—frequency, proximity, and stress—distinguished between informational and emotional content. Phonetic delivery is captured through vocal pitch and pronunciation clarity. Fixed-effects panel regressions estimate impacts on sales value and order quantity while controlling for seller-specific and temporal heterogeneity.

The results show that higher informational intensity significantly increases both sales value and order quantity, whereas emotional intensity consistently reduces performance. Phonetic delivery systematically moderates these effects: higher vocal pitch amplifies both the positive impact of informational intensity and the negative impact of emotional intensity, while clearer pronunciation attenuates the adverse effects of emotional appeals. These patterns are most pronounced for search goods, utilitarian products, multi-product broadcasts, larger discounts, and first-time sellers.

In sum, this study contributes to the literature on sales communication and live commerce by conceptualizing sales pitch as a multidimensional construct that integrates both linguistic and vocal components and showing how these components jointly affect sales performance in live commerce.

FD14

B132

Emotions in the Marketplace

Contributed Session

Contributed

Chair: Yuqiao Liang, Sydney, Australia

1 - The Pace of Awesome: How Fast and Slow Motion Make The Ordinary Awe-Inspiring

Anika Stuppy, Tilburg University, Tilburg, Netherlands, Craig Anderson, Anne-Laure Sellier

This research shows that fast- and slow-motion videography make mundane content awe-inspiring by revealing movements that are imperceptible in real time. Eight preregistered studies (and five supplementary studies) find that fast and slow motion elicit awe by increasing awareness of time scales outside the human realm of experience (vastness) and stimulating the incorporation of new knowledge (need for accommodation), in sequence. Dispelling the notion that only extraordinary content elicits awe, results show that the more mundane video content is in real time, the bigger effect fast and slow motion have on awe. As a boundary condition, this research documents that fast and slow motion do not inspire awe when they are applied to movements that are already fully perceptible in real time. Finally, this research highlights that a downstream consequence of awe-inspiring fast and slow motion is slower hedonic adaptation. After eight repetitions, participants who had watched a video in fast or slow motion (vs. real time) liked the video more and were more likely to choose similar content in an incentive-compatible choice. Taken together, fast- and slow-motion techniques provide

twofold benefits for content creators: They make mundane content more awe-inspiring while simultaneously reducing consumer satiation and thus content fatigue.

2 - The Value of Emotional Labor: Evidence from Millions of Customer Service Interactions

Clement Bellet, Erasmus University Rotterdam, Rotterdam, Netherlands

Drawing on 235,000 customer service calls and 24 million conversational turns from a leading Dutch telecommunications company, this paper brings a new empirical perspective to emotional labor—the management of one's own and others' emotions in workplace settings—and highlights its role in shaping consumer behavior and firm outcomes. The research constructs transcript-based measures of sentiment and four emotions (happiness, sadness, anger, worry) for both customers and workers to study how emotional dynamics shape both consumer outcomes and productivity during customer-worker interactions. Positive customer emotions are shown to reduce callback rates and increase sales and contract renewals within 24 hours, raising long-term profitability. Crucially, these effects operate through workers' ability to regulate consumers emotions during calls via emotional contagion. The findings highlight emotional labor as a distinct, measurable input in service production, bridging economics of non-cognitive skills with marketing research on customer satisfaction and firm performance.

3 - The Generative Artificial Intelligence Marketplace: Algorithmic Hyper-Intelligence and The Transformation of Marketing

Sunil Erevelles, University of North Carolina, Charlotte, Charlotte, NC, United States, Anthony Erevelles, Misti Polić

Generative artificial intelligence (Gen AI) pushes the boundaries of a paradigm shift, and is radically transforming marketing. It differs from *all* past technologies in that it is not a tool, but has agency. While a tool can be controlled by humans and gives humans more power, Gen AI does the opposite. It has the capacity to create, decide, execute and reproduce without human control. Thus, Gen AI can be classified as an inorganic species in accordance with the biological species concept. It surpasses humans in emotional intelligence, specifically because it has no emotions. It transforms consumers into algorithms, able to understand them better than they understand themselves. It metamorphosizes consumers and brands into simultaneously-evolving algorithms, able to precisely influence consumption behavior. It moves the focus of marketing communications from attention and engagement to intimacy. It commoditizes knowledge, intelligence and creativity and is mastering the power of illusions and delusions. Furthermore, while humans evolve slowly over thousands of years, Gen AI evolves rapidly over months. It can control marketplaces with hierarchies and networks of autonomous agents. Collectively, this paradigm shift will result in the *radical transformation of marketing*. The objective of this research is to develop a theoretical framework for a marketplace based on Gen AI-centric logic. Using inductive-realist approaches, and drawing on Bayesian, Latent Variable, Natural Language Processing and Behavioral Reasoning Theories, the author proposes a framework, with foundational premises for this fast-developing marketplace. This framework could help accelerate academic research and practitioner decision-making in an Age of Inorganic Super-Intelligence.

4 - Leveraging Post-Purchase Consumer Emotions and Extraordinary Rituals for Marketplace Success

Tanuka Ghoshal, CUNY/Baruch College, New York, NY, United States, Ana Valenzuela, Praveen Kopalle, Pragati Singh

Limited research has explored the marketing significance of consumer post-purchase product usage rituals and associated underlying emotions. We study the evil eye belief, a universal cultural belief that manifests in many common consumer contexts and modifies post-purchase consumer behaviors. A pilot experiment confirmed that the underlying psychological process of the evil eye belief is *concern about the malicious envy* of others, which triggers engagement in extraordinary rituals (such as hanging lemons and chilies). A field study in Facebook demonstrated the efficacy of marketing communications invoking post-purchase concerns about envy and extraordinary rituals, with respect to increasing real-world consumer engagement. Finally, a laboratory experiment showed that making envy of others salient in a post-purchase context increases consumers' affinity towards extraordinary rituals and associated seller-provided services. The effect is attenuated for purchase contexts less susceptible to envy, such as previously owned products, which are considered weaker signals of

status. This research suggests that extraordinary ritual engagement is an effective consumer strategy to manage concerns about envy in status-signaling consumption. It also demonstrates that an understanding of post-purchase, out-of-store consumer rituals and emotions helps marketers increase consumer engagement, and better manage the consumer journey.

5 - Inclusive Content, Unequal Returns: Brand Personality and the Engagement Return to LGBTQ+ Content

Yuqiao Liang, University of Sydney, Sydney, Australia, Ulku Yuksel, Jiang Qian, Veronica Jiang

As LGBTQ+ themes become more common in brand communications, firms experience unequal engagement returns that range from broad support to backlash. This research explains when and why LGBTQ+ content generates engagement by focusing on systematic heterogeneity across brand personalities.

In Study 1, we derive brand personality from brands' social media language using text analysis. A pilot experiment shows that these text-based personality measures align with consumers' perceived brand personality for the same brands. Using 195,439 Instagram posts from 48 brands, we model engagement (likes) using Poisson pseudo-maximum likelihood and benchmark log-linear specifications with calendar controls and heteroskedasticity-robust inference. We also implement a correlated random-effects approach to distinguish within-brand responses from cross-brand differences. Results reveal strong and systematic heterogeneity. The engagement return to LGBTQ+ content varies predictably across brand personality dimensions, with excitement and ruggedness amplifying returns and competence and sincerity weakening them. We also explore additional identification strategies in ongoing analyses.

Studies 2 (n = 1,190) and 3 (n = 364) provide experimental evidence that replicate the key heterogeneous patterns and identify mechanisms. Moderated mediation results show that LGBTQ+ content increases perceived brand bravery, which in turn drives engagement. Brand personality shifts the strength of this pathway, explaining why LGBTQ+ content is more effective for some brands than others.

Together, the findings advance inclusive marketing research by clarifying personality-contingent engagement returns to LGBTQ+ content and offering actionable guidance on when inclusivity is likely to pay off.

FD15

B133

Managing Brand Visibility in Digital Markets

Invited Session

Special Session

Chair: Liu Liu, University of Colorado Boulder, Boulder, CO, United States

Co-Chair: Daria Dzyabura, Moscow School of Management Skolkovo, Moscow, Russian Federation

1 - Beyond Ranks: Measuring Brand Visibility in LLM Outputs

Christine Schmidt, WU - Vienna University of Economics and Business, Wien, Austria, Siham El Kihal, Martin Reisenbichler

Large language models (LLMs) increasingly shape how consumers search for information and discover brands. However, visibility in LLM-generated answers is typically evaluated using proxies borrowed from traditional search engine settings (e.g., rank or textual prominence), which may not reflect how consumers perceive brand prominence in LLM-generated responses. We develop and validate a measure of LLM visibility that captures consumer-perceived brand prominence within LLM outputs. Across several studies, we show that LLM output structure is a central driver of perceived visibility beyond conventional visibility proxies. To study visibility in realistic LLM interactions, we employ an adaptive, prompt-based survey design that generates LLM responses in real time. Our findings provide a foundation for studying visibility and competition in LLMs and offer guidance for brands seeking to manage visibility in generative search environments.

2 - Long or Short? Personalizing Ad Length and Frequency

Ali Goli, University of Rochester, Rochester, NY, United States, David Reiley, Jonas Tungodden, Wenfeng Qiu

We study the economics of advertising length using a large-scale randomized experiment on 18.3 million Pandora listeners. The experiment promoted a listening feature and randomly assigned users to advertising campaigns that varied in ad format (10 vs. 30 seconds) and frequency. For both users unfamiliar with the feature and those already familiar, we document meaningful incremental ad effects, with the relative advantage of long over short ads substantially larger among unfamiliar users. We use machine learning to capture heterogeneity in both responsiveness to the campaign and realized exposure levels, and conduct off-policy evaluation of alternative campaign designs. A personalized policy that optimally allocates ad length and frequency across users increases incremental ad effects by about 30 percent. Two-thirds of this efficiency gain comes from leveraging heterogeneity in exposure rather than heterogeneity in responsiveness to the campaign.

3 - Going Dark: The Impact of Advertising Cessation on Brand Performance

Daria Dzyabura, Moscow School of Management Skolkovo, Moscow, Russian Federation

We study the impact of advertising cessation (“going dark”) on brand performance in FMCG markets, exploiting the large-scale and abrupt withdrawal of advertising by foreign brands in Russia following the 2022 sanctions. Using panel data from a major Russian e-commerce platform spanning 2021–2024, we analyze sales and market share dynamics across five product categories. Employing fixed-effects regressions and exponential decay models, we document economically meaningful declines in market share following advertising halts, with an average decrease of 1.37 percentage points.

The effects of going dark are highly heterogeneous across categories. High-churn categories, such as diapers, experience rapid and severe declines (e.g., Pampers: −62%), whereas more habitual, “sticky” categories, such as detergents and deodorants, exhibit substantially greater resilience. We further show that domestic and Asian brands capitalize on the exit of foreign advertisers, gaining market share, and that rebranding strategies partially mitigate losses for some affected brands.

We further document that some dominant brands, such as Rexona in deodorants, do not experience meaningful market share declines after going dark, suggesting that sustained advertising investment over long horizons can create durable brand equity that continues to support performance even in the absence of ongoing advertising.

4 - Collect Now, Consume Later: Modeling Consumer Collection Behavior on Digital Platforms

Liu Liu, University of Colorado Boulder, Boulder, CO, United States, Daria Dzyabura

Digital platforms increasingly allow consumers to save items for later use, adding movies to watchlists, songs to playlists, or recipes to digital boxes. We conceptualize this behavior as anticipatory collection: saving an item for potential future consumption before knowing which context will be realized. Unlike purchases, which maximize utility for a specific occasion, or consideration sets, which screen alternatives for a single imminent decision, anticipatory collection builds reusable sets of items that will be valuable in at least one future context.

We formalize this process with a max-over-contexts choice model, where each context has its own utility function and an item enters the collection if it performs well in any one of them. This structure introduces new estimation challenges because the utility function is non-linear and heterogeneity arises both in which contexts consumers anticipate and how they evaluate items within those contexts. We develop iterative estimation procedures, validate them in simulation, and apply the model to recipe collections from AllRecipes.com. The model significantly outperforms purchase-based benchmarks and uncovers latent contexts that explain how consumers collect for diverse future occasions. Our findings establish anticipatory collection as a distinct consumer decision process, advance methodological tools for modeling it, and open new research directions.

Keywords: Anticipatory collection, context-dependent preference, consideration set, digital platforms

FD16

B134

Policy and Well-Being

Contributed Session

Contributed

Chair: Sumeet Kumar, CMU, ISB Road, Gachibowli, Pittsburgh, PA, N/A, United States

1 - Identifying Individual-Level Well-Being Enhancement Behaviors Using Ice: a Customer-Dominant Logic Approach to Personalized Marketing Strategy Optimization

Michiko Tsubaki, Tokyo University of Science, School of Management, Department of Management, Tokyo, Japan, Shoma Takehira, Arata Moriishi

This study proposes a method for identifying the daily behavioral factors that enhance subjective well-being for each customer, with the aim of developing personalized optimization marketing strategies grounded in a customer-dominant logic perspective. Specifically, it introduces the use of Individual Conditional Expectation (ICE), an interpretable machine learning technique capable of capturing interaction effects, to enable analysis at the individual level. The analysis incorporates multivariate data—including personal attributes, daily behavioral factors, psychological variables, and cognitive biases—to determine which daily actions, and what levels of effort, increase well-being for each individual. This approach allows for the prediction and visualization of the factors that influence each customer's well-being. The results reveal that the daily behavioral variables associated with increased well-being differ depending on factors such as a customer's current well-being level (high, medium, or low), effort expenditure (high, medium, or low), and attributes including gender, customer type, and income level. These findings provide a method for gaining a deep understanding of how recommendation strategies should be adapted accordingly.

2 - Detachment Policies as Marketplace Signals

Elisa Solinas, IE University, Madrid, Spain, Eva Buechel

Work–life balance has emerged as a central topic across theory and practice, with organizations such as Unilever and Microsoft increasingly promoting formal work–life balance policies as corporate social responsibility strategies (WLB CSR). Prior research shows that consumers generally reward CSR initiatives with more favorable brand attitudes and purchase intentions (Bhattacharya & Sen, 2003; Mohr & Webb, 2005). Yet little is known about how WLB-related CSR shapes consumers' inferences about employee performance and product quality.

Building on research showing that psychological detachment improves well-being and performance (Buechel & Solinas, 2025; Sonnentag & Fritz, 2015), we examine how publicized WLB policies (e.g., four-day workweeks, unlimited PTO) influence perceived employee performance, product quality, and purchase likelihood. In pre-registered Study 1A (N=398; Lab) and Study 1B (N=401; online), participants infer that WLB policies increase employees' ability to perform during working hours (ps<.001), which in turn increases perceived product quality for both mentally demanding products (1A: p<.001; 1B: p<.001) and physically demanding products (1A: p<.001; 1B: p<.001). Study 2 (N=500) shows that these effects are unique to WLB-related CSRs and outperform other CSR strategies (e.g., philanthropy, sustainability, and diversity initiatives; ps<.001). Study 3 shows that these effects are stronger for WLB policies that allow greater psychological detachment (four-day workweek: p<.001; unlimited PTO: p=.025; email policy: p=.06), and Study 4 establishes downstream consequences for purchase likelihood (p<.001).

Together, these findings identify WLB-related CSR as a distinct signal of product quality, revealing a novel pathway through which CSR shapes consumer inference, evaluation, and choice.

3 - Curbing Promotions in Kids' Content? the Limits of Platform Policies

Sumeet Kumar, Indian School of Business, Hyderabad, India, Vasundhara Sharma, Ashish Agarwal

Advertising embedded in YouTube videos is a central component of the platform's monetization strategy. When such content targets children, it creates distinct governance challenges due to children's limited ability to recognize persuasive intent. In response, YouTube and similar platforms have introduced child-specific content policies that restrict commercial activity. In 2021, YouTube modified its policy to prohibit "overly commercial or promotional" material in children's videos distributed on YouTube Kids.

Using data from top children's channels and general-audience channels as a control group between July 2020 and December 2021, we study the causal impact of this policy. We quantify promotional intensity using large language models applied to video transcripts, detect sponsorship disclosures, and estimate treatment effects using a Synthetic Difference-in-Differences design.

We find no substantive decline in promotional activity on children's channels following the policy. Instead, promotional content becomes less transparent, as disclosure declines significantly after implementation. This pattern is driven by channels that promote proprietary or affiliated products, which show little change in promotional intensity but substantial reductions in disclosure, particularly among more popular creators. In contrast, channels without proprietary products exhibit partial compliance, reducing promotional content while maintaining disclosure.

These findings highlight a key limitation of platform governance in multi-sided ecosystems: when creators internalize downstream commercial benefits, content restrictions alter the visibility rather than the prevalence of persuasion. The study contributes to research on digital platforms and policy regulation by providing large-scale causal evidence on how incentive heterogeneity shapes creator responses to platform policy interventions.

FD17

B135

Healthy Choices

Contributed Session

Contributed

Chair: Jiang Qian, University of Sydney, Sydney, Australia

1 - How Do Business Cycles Shape (Un)Healthy Food Consumption?

Minxiong Huang, University of Groningen, Groningen, Netherlands, Maarten Gijsenberg, Barbara Deleersnyder

The impact of business cycles on food consumption has long been noticed. However, our understanding of how (un)healthy food consumption evolves systematically within and across business cycles remains limited. This study systematically investigates changes in purchases of non-alcoholic drinks in relation to economic conditions from multiple perspectives: how, to what extent, and how quickly consumers switch between more and less healthy drink alternatives, whether these shifts are temporary or permanent, and how categorical and regional heterogeneity exerts an impact. Insights are based on a unique dataset covering 18 years of UK purchase data and examined in a state-space framework. Preliminary results are consistent with the existing literature, indicating that consumption of healthy foods declines *temporarily* when the economy deteriorates, whereas consumption of unhealthy alternatives increases. A *permanent* effect appears to accumulate over time, possibly indicating that permanent increases outweigh permanent decreases. Further analyses are planned to investigate potential explanations and mechanisms. These insights should guide brand managers, retailers, and policymakers in adapting marketing strategies, adjusting assortments, and promoting healthy consumption in line with prevailing economic conditions.

2 - The Rise of Non-Alcoholic Beverages: Demand and Health Implications

Brendon Rhodes, INSEAD, Fontainebleau, France, Maria Ana Vitorino, Paulo Albuquerque

The market for non-alcoholic beers, wines, and spirits has expanded rapidly in the United States. This growth may reflect substitution away from traditional alcoholic beverages, complementarity with alcohol consumption,

or broader changes in beverage demand among consumers who do not drink alcohol. Distinguishing among these mechanisms is central to understanding competition, category evolution, and the welfare and health implications of non-alcoholic alternatives. Using consumer panel data that combine household-level beverage purchases with longitudinal health information, we study how consumers adjust alcohol and non-alcoholic beverage purchases over time. We exploit both temporal variation in the expansion of non-alcoholic offerings and geographic variation in alcohol availability, retail access, and product assortments across U.S. markets to quantify how market conditions shape cross-category demand responses. We further examine how changes in beverage consumption relate to changes in household health measures, providing evidence on how different patterns of adjustment across alcoholic and non-alcoholic beverages correspond to downstream health outcomes. Our findings quantify the demand and health consequences of the expanding availability of non-alcoholic alternatives.

3 - Got Chocolate Milk? the Effect of Flavored Milk Ban in Los Angeles on Retail Beverage Consumption

Dinesh Puranam, University of South Florida, Tampa, FL, United States, Simon Kim, TI Tongil Kim

This study examines how targeted school nutrition policies affect household purchasing behavior outside of school. Using the 2011 flavored milk ban in the Los Angeles Unified School District, the authors investigate whether restricting a sugar-sweetened beverage in schools leads to spillovers to beverage retail purchases. Using retail scanner data and a synthetic control design, the analysis shows that retail purchases of flavored milk declined by approximately 8% in affected areas, indicating that households did not compensate for the in-school restriction. The reduction is larger in markets with higher baseline flavored milk consumption and smaller in higher-income areas. The ban also induces short-run substitution toward juice boxes, while purchases of plain milk and soda remain largely unchanged, implying limited cross-category displacement and a net decline in protein intake. Additional analyses rule out retailer pricing or promotional responses and show that the initial demand reduction precedes school reopening, consistent with the policy functioning as an information shock amplified by negative publicity rather than solely by physical product displacement. This is corroborated by the subsequent policy repeal, which drew little consumer interest and therefore produced no retail spillovers. The findings demonstrate that school-based regulations can reshape retail demand through policy-induced publicity and heightened health awareness, highlighting the role of information environments in shaping consumer responses to public health policies.

4 - Soft Signals, Hard Choices: Multi-Modal Evidence on Provider Repositioning in Digital Health Markets

Jiang Qian, University of Sydney, Sydney, Australia, Jian Ni

Digital platforms increasingly mediate credence goods markets, where quality is difficult for consumers to evaluate and providers possess private information about their capabilities and strategic intentions. We study how service providers use observable, low-cost signals, text narratives, photographs, and video presentations, to position themselves in these markets, and whether such signals serve as leading indicators of higher-cost structural decisions including pricing changes and payer channel transitions. Combining data on therapist profiles from a major mental health platform with Medicare utilization records, we extract multi-modal signal features using natural language processing, computer vision, and audio analysis techniques, then link these platform-based measures to real economic outcomes unobservable on the platform itself. We document three main findings. First, signal upgrades, improvements in text specificity, image production quality, and audio clarity, systematically precede structural changes such as price increases and insurance network exits, consistent with signals functioning as low-cost market tests before higher-stakes repositioning. Second, therapists respond strategically to competitors' signal changes, with differentiation dominating in thick markets and matching dominating in thin markets. Third, signal investment and content systematically vary with payer mix: therapists with lighter Medicare caseloads exhibit higher signal quality and more competence-oriented framing, and therapists transitioning away from insurance dependence upgrade signals in advance of payer channel shifts. Our findings reveal that multi-modal platform signals encode strategic intent and competitive positioning in ways that precede observable structural outcomes, offering both analytic tools for researchers studying platform markets and managerial implications for platform designers seeking to understand provider behavior.

FD18

B136

Signaling and Labels

Contributed Session

Contributed

Chair: Yu Ma, McGill University, Montreal, QC, Canada

1 - The Demand and Dynamic Effects of Low-Availability Labels in Physical Retail

Lu Yan, Hong Kong Polytechnic University, Hong Kong, Hong Kong, Zhexi Zhang

Shoppers in mall-based brick-and-mortar stores often face uncertainty about whether desired items will be available, making stockouts and wasted search a persistent source of friction. Retailers are increasingly considering “low-availability item” (LAI) labels—such as shelf or rack signage indicating limited quantities—to guide shoppers. However, the demand implications of such disclosure are theoretically ambiguous: highlighting low availability may deter stockout-averse consumers, while simultaneously acting as a scarcity cue that heightens urgency and demand. We partner with a large mall-based retailer in China operating over 900 stores and conduct a large-scale field experiment that randomizes LAI labeling in-store and links label exposure to transaction records and repeat-visit behavior. We find that disclosing LAI labels increases purchases of labeled items, indicating that scarcity effects dominate on average in this setting. We further examine spillovers to broader shopping behavior, including basket composition, total spending, and return visits. Leveraging customers’ multi-visit trajectories, we decompose the treatment effect into immediate versus deferred purchasing across visits and assess whether the impact persists or attenuates over time. Together, the results provide causal evidence on how operational transparency and scarcity signaling interact in physical retail, informing when “limited availability” labeling enhances shopper decision-making and retailer performance rather than merely shifting demand over time.

2 - The Value of a Label: Willingness to Pay for Luck and The 'Superstition as Luxury' Effect

Limin Fang, University of British Columbia, Vancouver, BC, Canada, Mingduo Zhao

This paper investigates the capitalization of numerological superstition in the Hong Kong housing market. Distinct from reduced-form studies, we employ a structural discrete choice model to estimate Willingness to Pay (WTP) for auspicious floor numbers, addressing price endogeneity via an instrumental variable based on developers’ lagged pricing in prior projects. Our estimates reveal significant non-fundamental distortions: we find a sharp premium for floors ending in "8" and a penalty for "4," with the utility penalty for inauspicious floors markedly concentrated in the luxury segment. Stigmatized units also exhibit systematically slower liquidity. Counterfactual simulations quantify the economic value of these beliefs. First, evaluating revenue management, we find that "strategic labeling"—omitting unlucky numbers—raises total project revenue by approximately 1.8%. Second, a welfare analysis reveals a "rationality dividend": non-superstitious buyers purchasing stigmatized units capture a consumer surplus gain of 4.5%, effectively receiving a subsidy from the superstitious majority. These findings demonstrate that cultural heuristics function as distinct, frame-dependent product attributes. For managers, this implies that optimal pricing in culturally distinct markets requires integrating non-functional "framing" attributes to maximize revenue and efficiently segment consumers based on their sensitivity to cultural norms.

3 - Does This Label Make Me Look Fat? How Apparel Sizing Labels Affect Consumer Perceptions

Marjan Jalali, Iscte Business School, Lisboa, Portugal, Merav Weiss-Sidi, Yael Pedro

Apparel sizing systems are widely assumed to influence consumers’ self-perceptions and purchasing behaviour, yet their psychological implications remain underexplored. Practices such as vanity sizing (garments labelled with smaller numerical sizes to enhance appeal) reflect that size labels carry symbolic meaning beyond measurement. Notwithstanding, limited research has examined how different sizing formats function as psychological cues, and little is known about how the increasingly common use of the “One Size” label shapes consumer perceptions and responses.

This study examines the effects of apparel sizing labels on consumers' state body satisfaction, perceived brand inclusivity, brand attitudes, and purchase intentions. Using an online experiment, U.S. consumers aged 18-45 (target N = 300) are randomly assigned to view a gender-neutral garment labelled as One Size, letter-based (S-L), or numerical (0-16). Following exposure, participants complete validated measures of body satisfaction, perceived brand inclusivity, brand attitude, and purchase intention.

The study proposes that structured sizing formats (letter-based and numerical) yield more positive psychological and brand-related outcomes than the One Size label. In addition, perceived brand inclusivity and body satisfaction are expected to jointly mediate the relationship between sizing labels and brand attitudes and purchase intentions, with stronger negative effects of One Size among individuals who perceive their body size as larger than average.

By conceptualizing sizing labels as symbolic marketplace signals, this research contributes to discussions of consumer identity in fashion consumption. The findings aim to inform more inclusive branding practices and highlight the psychological consequences of sizing communication in an industry characterized by persistent inconsistency.

4 - The Paradox of Choice in Product Labeling: How Label Variety and Volume Shape Consumer Evaluation

Yu Ma, McGill University, Montreal, QC, Canada, Qiang Zhang, Jingyu Zhu , Yeyi Liu

Product labels are essential indicators of quality and benefit in both physical and digital marketplaces. Existing assumptions that maximizing information enhances value is under increasing scrutiny. Our research investigates the nonlinear impact of functional labeling on consumer behavior. We propose that both label quantity and typology (e.g., information-based vs. performance-based) influence product evaluations. Further, we argue that an overabundance of disparate labeling signals can trigger "label dilution", which will increase consumer skepticism and decrease their purchase intentions.

To test these hypotheses, we employ a multi-method research design. First, we categorize product labels into information-based and performance-based and analyze secondary data from an e-commerce platform to establish real-world correlations between label quantity, typology and sales performance. Then, we conduct a field experiment on the digital platform and a series of controlled laboratory experiments designed to clarify the underlying mechanisms. Furthermore, we explore critical moderators, such as product attributes (e.g., utilitarian vs. hedonic) and consumer ideology (conservatism vs. liberalism).

Our findings provide convergent evidence that the "optimal" number of labels is highly dependent on the label type, as certain combinations of claims may clash and reduce overall processing fluency. Moreover, this effect becomes more pronounced when the product is hedonic (vs. utilitarian) and when consumers are more liberal (vs. conventional). This research offers significant theoretical contributions to signaling theory and information overload literature. Practically, it provides actionable insights for marketers to optimize digital product presentations.

FD19

B137

David B. Montgomery Tribute

Invited Session

Special Session

Chair: Sridhar Narayanan, Stanford University, Stanford, CA, United States

1 - Reflections and Memories of David

Sridhar Narayanan, Stanford University, Stanford, CA, United States

There will be a few presenters, and then an open-mic session where people will be able to share their reflections and memories of David

Friday, June 12, 5:40 PM - 6:30 PM

FT-F1B

B127

Flash Session F1B

Contributed Session

Flash

1 - Lay Economic Reasoning

Amit Bhattacharjee, University of Colorado Boulder, Boulder, CO, United States, Jason Dana

People make marketplace judgments and decisions every day. Yet we know little about how they actually perceive these roles, or how they understand markets and economic activity more broadly. That is, we lack an understanding of the economic reasoning of non-expert consumers, how it departs from formal economic reasoning, and why. The current research addresses this gap. We provide an integrative review of research on lay economic reasoning that consistently reveals how differently lay consumers and economists think about markets. We then propose a unifying mental model to explain these divergences, and suggest why it is reinforced by what lay consumers observe (and do not observe) through firsthand marketplace experience. And finally, we highlight how understanding lay economic reasoning can not only help explain a wide array of marketplace phenomena, but also provide a novel lens to help advance, generate, and better integrate theory across many active marketing literatures. Without markets, there is no marketing, and there are no consumers. We therefore call for marketing scholars and consumer researchers to take ownership of the study of lay economic reasoning, and make markets more central to marketing scholarship.

2 - The Contingent Effect of AI Communication Quality on Patients' Trust in Medical AI Guidance Systems

Lin Ge, Hong Kong Metropolitan University, Kowloon, Hong Kong, Shuang Ma, Dahui Li, Ziyang Liu, Haoyue Wang

Medical artificial intelligence (AI) has faced resistance from patients, especially during the medical guidance stage, making it imperative to address this challenge. Based on trust theory, this study investigates the role of AI communication ability within medical AI guidance systems and examines the conditions under which such ability enhances patients’ trust in these systems. We conducted four human-subject experiments that simulated an authentic medical AI system. We find that higher levels of medical AI communication ability promote trust compared to lower levels (Study 1). Furthermore, patients with higher privacy concerns (Study 2) and a greater propensity to change (Study 3) show stronger trust in medical AI guidance when communication ability is high rather than low. However, perceived threat of AI does not show a significant moderating effect (Study 4). Our research contributes to mitigating patient resistance toward medical AI guidance and provides practical suggestions for designing and implementing effective AI among medical AI guidance systems.

3 - Regulatory Product Launches and Rival Firm Valuations: Evidence from the Glp-1 Drug Market

Meher Alam, University of Texas at Austin, Austin, TX, United States, Saim Kashmiri

Highly regulated industries such as healthcare face innovation constraints that extend beyond the innovating firm to its rivals. Lengthy and opaque approval processes and regulatory scrutiny limit rivals’ ability to respond to new product introductions, shaping investor reactions to innovation events. This study examines how an innovating firm’s product approval affects rival firm valuations. Using an event study of 302 biopharmaceutical firms, we show that FDA approval of Novo Nordisk’s Wegovy increased rivals’ abnormal returns by an average of 2.25%, equivalent to approximately an $11 million gain in market value for the median firm. This positive effect is moderated by rivals’ regulatory capabilities, conceptualized as regulatory competence and regulatory

compliance. We further identify firm size and product-market overlap as boundary conditions, with stronger effects for larger rivals and those with greater overlap with Novo Nordisk. We hence give investors a regulatory framework to assess rivals, replacing speculation in an otherwise hidden process.

4 - Repeat or Reveal: Platform Retargeting Under Consumer Search

Yixin Zhang, The Chinese University of Hong Kong, Hong Kong, Hong Kong

We study a sequential search environment in which consumers seek to purchase the best available product but face two frictions that are central in practice: limited information about the market's value distribution and imperfect recall of previously seen items. We develop a model of consumer search and platform design in which a platform dynamically chooses between introducing new products and retargeting previously shown ones within a search session. On the consumer side, we show that optimal search follows a cutoff rule resembling the classical secretary problem: consumers use an initial exploration phase to learn about the market and then purchase the first product that dominates all previously observed alternatives.

Our analysis characterizes the platform's optimal retargeting intensity under different informational environments. When consumers have no prior beliefs about the market, the platform strictly prefers aggressive retargeting. When consumers hold a prior belief that the best product lies within a top-ranked subset of the market, retargeting introduces a trade-off: while it continues to correct memory failures, excessive retargeting restricts exploration and reduces the likelihood that consumers encounter sufficiently good alternatives. In this case, the platform's optimal retargeting policy becomes interior and depends on the strength of the consumer's prior.

The model highlights a novel mechanism through which within-session retargeting affects search efficiency and purchase outcomes. While moderate retargeting can benefit both platforms and consumers, aggressive retargeting may generate an information cocoon that limits discovery and exacerbates inefficient exit.

5 - The Effect of Control Mechanisms on Consumers' Trust in C2C Platforms: The Mediating Role of Information Quality and The Moderating Role of Long-Term Orientation

Yeonjeong Song, SungKyunKwan University, Seoul, Korea, Republic of, Sungmin Ryu

As consumer-to-consumer (C2C) platforms continue to grow, trust remains a central challenge due to information asymmetry and uncertainty in peer-generated content. While prior research has emphasized either social network structures or institutional mechanisms as antecedents of trust, relatively little is known about how these mechanisms jointly operate through underlying informational processes. Addressing this gap, the present study examines how relational and institutional control mechanisms shape consumers' trust in C2C platforms through information quality.

Drawing on social network theory and institution-based trust perspectives, we propose an integrated model in which network density and platform control mechanisms indirectly influence platform trust via perceived information quality. Platform trust is conceptualized as competence-based trust, reflecting consumers' evaluations of the platform's ability to manage information and transactions effectively. In addition, we explore the role of consumers' long-term orientation as a potential boundary condition in the relationship between network density and information quality.

Using survey data from C2C platform users and structural equation modeling, the results show that both network density and platform control mechanisms positively influence perceived information quality, which in turn enhances trust in the platform. These findings identify information quality as a central mediating mechanism linking social and institutional structures to trust formation in C2C environments. Exploratory analyses suggest that this mechanism operates robustly across consumers, pointing to avenues for future research.

This study contributes to the literature by integrating relational and institutional perspectives on trust and highlights the importance of information environment design in fostering trust in C2C platforms.

FT-F2B

B128

Flash Session F2B

Flash Session

Flash

1 - Stabilizing Incrementality Estimates in Multi-Channel Marketing Mix Models Through Strategic Resource Allocation

Connor Campbell, Microsoft Office of the Chief Economist, Redmond, WA, United States

Marketing managers allocating advertising budgets across multiple channels often see estimates of channel incrementality swing dramatically when minor changes are made to either the data or the Marketing Mix Model, even when overall model fit remains largely unchanged. This instability makes it difficult to plan long-term marketing investments or to know which advertising strategies truly drive sales or other KPIs. Because historical observational data alone are often insufficient to identify marginal channel effects, managers face an inherent tradeoff between stabilizing estimates and relying on short-term performance metrics. We develop a framework that allows managers to gradually invest resources to stabilize channel-level incrementality estimates, rather than committing fully to a single learning intervention and quantifies the financial cost of doing so. Using an empirical application to a well-known Microsoft product, we show that the proposed approach substantially reduces volatility in incremental effect estimates and yields a clear, quantitative measure of the economic value of learning. As a result, managers can make more confident long-term allocation decisions despite previously unstable channel estimates.

2 - Strength of Tie with Virtual Friends: The Role of Emotional and Cognitive Intelligence

Elham Yazdani, University of Georgia, Athens, GA, United States

This project explores how perceived emotional and cognitive intelligence in virtual conversational agents shapes users' sense of relationship strength—the extent to which a user experiences a virtual friend as emotionally close, trustworthy, or socially supportive. While prior work on chatbots and social robots has shown that empathy and reasoning each enhance user satisfaction, little is known about how different blends of emotional versus cognitive intelligence jointly influence tie strength, particularly among young adults accustomed to AI-mediated communication. Understanding this distinction matters for both human–AI interaction theory and for commercial applications such as sales chatbots, brand companions, and AI customer service agents, where building relational trust is critical to conversion and retention. We will run a within-subjects study on a secure web platform. Each participant is deterministically assigned to three conversational agents that vary in pre-set levels of EI and CI. After each brief chat, the participant completes a post-chat survey capturing perceived EI/CI, trust, tie strength, and willingness to follow recommendations; chat transcripts and metadata (message counts, duration) are stored under coded IDs. We expect perceived EI and CI to predict relational outcomes depending on lay beliefs and task context. Participants who believe virtual agents can have emotional intelligence should exhibit higher tie strength, trust, and recommendation adoption after high-EI interactions, whereas those who endorse agent cognitive competence should be more influenced by high-CI agents (especially in informational/problem-solving contexts). We further anticipate mediation via trust (perceived EI/CI → trust → tie strength/recommendation adoption) and moderation by beliefs and context.

3 - The Untapped Power of Wishlists: A Field Experiment on Funnel-Based Coupon Targeting

Seoungwoo Lee, Yonsei University, Seoul, Korea, Republic of, Miyeon Jung, Daegon Cho, Shiny Ahn

Wishlists capture shoppers' evolving interests without necessarily signaling imminent purchase intent, yet they remain underexamined in coupon-targeting research that has largely emphasized cart activity. Partnering with a fashion platform, we conducted a randomized field experiment to test discount coupons across the purchase funnel, explicitly incorporating wishlist behavior into targeting design. While the cart targeting also offers efficiency in our study, wishlist targeting activates a larger pool of latent intent: Coupons accelerated funnel progression and improved conversion among users in the pre-offer wishlist segment, suggesting that wishlisters are a high-value target segment for funnel expansion. Even low-value offers significantly encouraged transitions to cart and purchase, whereas comparable incentives had negligible or negative effects among mere browsers. A

Heckman selection model revealed that while coupons increased conversion rates, average checkout values (net of discounts) did not significantly change conditional on purchase. Pooled causal forests reveal substantial heterogeneity and show that, for low-value coupons, being in the pre-offer wishlist state is a particularly informative signal of responsiveness. Counterfactual simulations further show that incorporating wishlist activity improves targeting efficiency relative to strategies that ignore wishlist data, underscoring the untapped potential of wishlist-based personalization.

4 - The Imperative Effect: The Interplay of Power Distance Belief and Appeal Framing on Fundraising Performance

Jingjing Ma, National School of Development at Peking University, Beijing, China, People's Republic of, Haiyang Yang

Digital fundraising provides a major source of support for prosocial initiatives and entrepreneurial endeavors. How can organizations increase the effectiveness of their fundraising appeals? This research shows that individuals' power distance belief (PDB) and fundraising appeal framing (imperative vs. non-imperative) can interact to influence fundraising outcome. Specifically, Study 1 analyzes 61,892 real-life campaigns from two of the world's largest fundraising platforms (GoFundMe and Tencent Charity) and shows that fundraising appeals with an imperative (vs. non-imperative) framing tends to be less effective in a country characterized by low PDB (e.g., the US), but the opposite pattern tends to occur in a high PDB country (e.g., China). Studies 2–5 causally demonstrate the interaction pattern by measuring participants' dispositional PDB as well as by experimentally manipulating PDB. These studies also show that trust is a mediator of the interaction pattern. Study 6 analyzes 27,682 real-life campaigns on two major crowdfunding platforms (Kickstarter and iZhongChou) and demonstrates that the imperative effect can be generalized to entrepreneurial fundraising contexts. These results add to the theoretical literature and offer actionable managerial insights on how to increase fundraising performance.

FT-F3B

B129

Flash Session F3B

Flash Session

1 - Investigation of the Relationships Between Age, Status-Attainment Routes, and Status Consumption

Ga-Eun Grace Oh, Lingnan University, Hong Kong, Hong Kong, Feng Bai, J. Christine Kim

Although older consumers are typically more financially capable of affording luxury goods and services, prior research suggests that age is negatively associated with status consumption. Yet, little is known about *why* status consumption declines with age. Drawing on a three-route framework of status attainment—dominance, competence, and virtue—we propose that aging influences the relative importance consumers place on these routes, which in turn reshapes their consumption of status-related goods. Across a review of existing findings and our empirical investigations, we observe a negative overall relationship between age and status consumption. Moreover, as predicted, age systematically affects reliance on the three status-attainment routes, which mediates this relationship. This research advances understanding of age-related differences in status motives and extends theories of status attainment and luxury consumption by introducing a multi-pathway framework. Managerial implications are discussed for developing age-tailored marketing strategies based on how consumers of different ages pursue social status.

2 - From Social Comparison to Willingness to Pay: Aspirational Learning under FOMO and Mindful Consumption from a Social Learning Theory Perspective in Masstige Markets

Dieu Linh Quach, School of Business Administration, Kyungpook National University, Daegu, Korea, Republic of, Go Sarang

Digital and influencer-mediated markets expose consumers to pervasive aspirational cues; however, such exposure does not consistently translate into a willingness to pay. This paradox is particularly salient in masstige markets, where luxury symbolism is overt while economic participation remains discretionary. Drawing on

Social Learning Theory, this research examines how social comparison shapes aspirational learning and how such learning is motivationally resolved into enactment or restraint. Data were collected through three time-separated survey studies (N = 326) and analyzed using PLS-SEM. The findings show that Social Comparison Orientation increases aspirational learning through Aspirational Imitation but does not directly predict willingness to pay. Instead, aspirational learning gives rise to two divergent motivational resolutions: Fear of Missing Out (FOMO) and Joy of Missing Out (JOMO), of which only FOMO translates aspiration into a higher willingness to pay. Theoretically, this research refines Social Learning Theory by identifying motivation as the critical boundary between learning and enactment and demonstrating that aspirational learning can produce asymmetric motivational outcomes. Managerially, the findings support a motivation-sensitive approach to masstige and influencer strategy, showing how brands can enhance willingness to pay by activating urgency while preserving consumer autonomy through balanced scarcity-based and autonomy-supportive engagement.

3 - Redefining Market Potential: Definitions, Dimensions, and Index

Alina Fonseca Flores, Universidade Federal do Rio Grande do Sul, Porto Alegre, Brazil, Jaiany Rocha Trindade, Carla Freitas Silveira Netto, Vinicius Brei

Market potential is a core construct in marketing theory and practice, guiding decisions related to demand concentration and market expansion. As a classical construct, market potential serves as a practical mechanism for identifying localized business opportunities. Despite its importance, it remains conceptually fragmented and frequently confused with sales and demand forecasting, limiting its theoretical clarity and empirical usefulness. This research solves this problem by offering two contributions. First, it addresses the conceptual fragmentation and confusion through a systematic literature review that synthesizes prior conceptualizations of market potential and advances an integrative, theoretically grounded definition. The RSL showed that there are four core dimensions of market potential (demography, economy, market characteristics, and geography), which guided us in representing their components through a conceptual framework. Second, we develop and empirically validate a multidimensional Market Potential Index (MPI), providing a standardized, theoretically consistent, and methodologically generalizable approach that supports cross-regional and cross-sectoral comparisons to assess market potential. This approach advances traditional market potential models by providing a structured, versatile tool for identifying regions particularly favorable to determined business types. The MPI can serve as a tool for identifying unmet demand, evaluating market opportunities, and optimizing location strategies across regions within desired time frames. This work advances marketing theory and practice by clarifying a foundational construct and outlining a research agenda to test and apply MPI across various contexts.

4 - The Impacts of Product Novelty on Cultural Product Sales: A Study of The Chinese Movie Market

Xiuli Zhong, Shanghai University of Finance and Economics, Shanghai, China, People's Republic of, Qi Sun, Fang Wu

This study examines the effect of product novelty on the sales of cultural products. Based on the Chinese movie market, this study addresses two important decisions that affect the success of a new movie: the effect of the novelty of a movie on consumer preferences and exhibitors' movie allocation decisions. We further investigate the joint effect of these decisions on movies' box office performances. Using a movie novelty measure constructed from consumer-revealed preferences and an item-based collaborative filtering algorithm, we found that increased movie novelty adversely affects consumer demand and theater scheduling. Further causal mediation analysis revealed that the negative impacts of high-novelty movies on box office revenues could be attributed to supply side decisions, i.e., through reduced theater scheduling. We found reduced negative impacts of movie novelty on consumer demand when the movie is a sequel; and that the negative impacts on theater scheduling reduce as the movie gains popularity in theaters. This moderation analysis suggests that movie exhibitors' reduced adoption of high-novelty movies may be attributed to sales uncertainty, while consumers' disfavor of high-novelty movies may be due to uncertainty about the quality of the content.

5 - Search Efficiency in E-Commerce: Evidence from Clickstream Data

Zhuomin Chen, Chinese University of Hong Kong, Hong Kong, Hong Kong, Zhesheng Qiu, Te Ke

This paper evaluates consumer search efficiency on e-commerce platforms and quantifies its welfare implications, offering valuable insights for policymaking. Search efficiency—the rate at which shopping time translates into expenditure—is critical for understanding the contribution of e-commerce to macro-economy, yet

it is challenging to measure due to the endogeneity of match quality between consumers and products. Leveraging clickstream data from ComScore, which tracks individual-level online shopping time and spending, we develop a theoretical model to identify the elasticity of shopping time with respect to search efficiency. Our model demonstrates that this elasticity can be recovered as the sum of the elasticities of shopping time with respect to total expenditure and total online time, even when match quality is unobservable. Empirically, we estimate the elasticity of shopping time to search efficiency to be approximately −0.281. Quantitative analyses further highlight the key channels through which enhanced search efficiency boosts consumer welfare.

FT-F4B

B130

Flash Session F4B

Flash Session

Flash

1 - Not a Devoted Fan, Just a Flex: Investigating Conspicuous Consumption in Concert Attendance

Xin-Rou Wu, National Chiayi University, Chiayi City, Taiwan, Cheng-Hsun Hsieh

This study investigates conspicuous consumption and identity construction among non-core fans attending concerts. Grounded in social comparison theory, signaling theory, and conspicuous consumption literature, this research proposes that non-core fans are primarily driven by upward social comparison triggered by social media exposure, which generates envy and perceived status threats. This motivates compensatory conspicuous consumption and strategic identity signaling through concert participation and social media exhibition. Using a qualitative approach with multiple-case holistic design and semi-structured in-depth interviews, the study explores how non-core fans, lacking intrinsic emotional attachment to artists, transform ostensibly irrational high-cost consumption into socially meaningful status display under peer pressure and identity affiliation needs. The research addresses three core questions: (1) the mechanisms through which upward social comparison and benign envy drive concert consumption; (2) how social media visibility shapes experience value assessment and ticket purchase decisions; (3) the psychological pathways and social exhibition logic in identity signaling. Preliminary propositions suggest that status anxiety stemming from upward social comparison and peer pressure function as primary motivators, with social media serving as both catalyst for social comparison and exhibition platform. This research extends conspicuous consumption theory from material goods to experiential contexts, identifying non-core fans as a distinct market segment with unique decision-making pathways. The findings provide concert promoters and ticketing platforms with strategic insights for engaging the emerging flex economy audience beyond traditional fandom.

2 - Deconstructing the Roles of Brand, Design, and Consistency in Consumer Choice with Generative AI

Jungeun Lim, University of Wisconsin-Madison, Madison, WI, United States, Remi Daviet, Tanishka Jain

At the point of purchase, consumers rely heavily on brand and packaging to evaluate products. However, because strong brands typically invest in superior design, managers face uncertainty in attributing sales outcomes to brand equity versus visual designs. This study develops a unified framework to disentangle three critical components of consumer evaluation: the design effect, the brand equity effect, and the brand–design inconsistency penalty. We examine these across aesthetic, functional, and symbolic perceptions, recognizing that different consumer segments prioritize different perceptual attributes.

To operationalize this framework, we used generative AI to create a corpus of 5,582 shampoo product images, including existing market designs, systematically modified features, and entirely new AI-generated concepts. Each design was evaluated in two versions: paired with an established brand (branded) and a fictitious brand (unbranded). Design effects were estimated using a brand-agnostic AI model, while brand effects were identified by comparing matched versions of identical designs and modeled as a function of visual consistency.

Our framework contributes by separately identifying brand, design, and inconsistency effects while estimating segment-level preferences for multiple attributes. This allows us to score existing and new designs and predict sales responses to targeted perception changes. Results show that brands act as credibility shortcuts for

functional attributes, while design effectively communicates aesthetic and symbolic meaning. Visual consistency reinforces functional credibility, whereas deviation can assist symbolic repositioning. Together, these findings provide a diagnostic tool for forecasting the impact of packaging changes and advance research on the intersection of branding and visual marketing.

3 - Dynamic Effects of First-Person Pronouns on Content Engagement

Jared Watson, New York University, New York, NY, United States, Ted Matherly, Kalinda Ukanwa

With increased competition in the attention economy, content creators need sustainable strategies for cultivating consumer engagement. One common strategy is to develop relationships with audiences, and prior research has shown that use of first-person singular pronouns (FPP), such as "I" or "me," can be used to build relationships and increase engagement in the short-term. However, we argue that the effects of FPP are dynamic, changing as a relationship evolves. Through a unique panel data set of content creator and audience dyads on Twitter, we replicate earlier findings that FPP is associated with increased engagement initially, while also observing that this effect is underestimated almost nine-fold when relationship duration is not considered. Crucially, we find this initial positive effect of FPP attenuates over time, eventually yielding negative effects on engagement. We propose that this occurs because the continued use of FPP suggests self-focus to the audience, rather than the relationship-building motivations initially inferred. We show converging evidence through moderation tests, exploration of boundary conditions and additional experiments. Our results suggest that content creators must consider the stage of their relationships with their audience members and the mix of recent versus long-term followers when using FPP to generate engagement.

4 - Short-Term Lift, Long-Term Drift: the Dynamic Effects of Nudging in E-Commerce

Niklas Oberwegner, Technical University of Munich, Munich, Germany, Nina Samek, Thilo Pfrang, Moritz von Zahn

Online retailers increasingly use digital nudging to steer consumers toward desired outcomes, such as making a purchase. While digital nudging has shown considerable potential to increase retailer profits in the short term, its long-term effects on consumer behavior and retailer profitability remain unclear. In this study, we conduct a series of large-scale field experiments spanning several years and millions of customers at three distinct online retailers in the fashion industry that introduce nudging interventions in their shops. We confirm that digital nudging indeed delivers promising effects initially, increasing sales while leaving product returns largely unchanged. Over time, however, digital nudging incurs significant downsides. Shop visits decline substantially across all three retailers, and for one shop, these dynamics ultimately lead to a net negative effect on revenue. Moreover, product returns increase across all retailers in the long run. Taken together, our results demonstrate that short-term trials can be substantially misleading when evaluating digital nudging. Longitudinal effects may erode or even overturn early gains, which highlights the importance of evaluating behavioral interventions over extended time horizons in e-commerce.

5 - Role of Incentives in Abandoned Shopping Cart Recovery Process

Yoonju Han, Ewha Womans University, Seoul, Korea, Republic of, Sandeep Chandukala, Srinivas Reddy, Yong Chin Tan

Cart abandonment - customers adding items to their carts but not purchasing - is a major challenge in online retail. To recover lost sales, retailers often offer incentives. We examine how such incentives affect revisiting the retailer, completing a purchase, and returning items, and how these effects interact with customer and cart characteristics. Using a randomized field experiment with a leading online fashion retailer and Bayesian regression, we show that incentives speed up revisits and increase purchases but also raise product returns. Coupon-prone customers are especially responsive, showing faster revisits and higher conversion with incentives. However, when abandoned carts contain more private-label items, incentives increase returns. Thus, incentives boost recovery metrics yet reduce the net value of recovered sales due to increased returns. Our results guide retailers in evaluating if recovery incentives fit goals such as more revisits, higher conversions, or fewer returns.

Saturday, June 13, 8:30 AM - 10:00 AM

SA01

B002

Causal Inference and Endogeneity-robust Estimation: Gaussian Copulas and Beyond

Invited Session

Special Session

Chair: Rouven Haschka, RPTU Kaiserslautern, Kaiserslautern, Germany

1 - The Gaussian Copula Control Function Method Does Not Help Against Traditional Omitted Variable Bias

Florian Dost, Brandenburg University of Technology / Alliance Manchester Business School, Cottbus, Germany, Rouven Haschka

Gaussian-copula control-function (GCCF) estimators promise instrument-free correction of endogeneity, yet their validity rests on an often-unstated premise: the endogenous regressor must be a strictly monotone, differentiable transform of the latent error component that also affects the outcome. We prove this latent-transform condition is both necessary and sufficient for unbiasedness in GCCF. When endogeneity instead stems from classical additive omitted-variable bias-by far the most common scenario in published GCCF applications-copula correction cannot eliminate bias, which we also prove. Monte-Carlo simulations illustrate the severity of this failure and show that GCCF typically underperform ordinary least squares in classical additive omittedvariable bias scenarios. Building on these insights, we offer a practical diagnostic workflow but also list linguistic and modelling cues-such as reliance on controls, fixed effects, or "partialing out" language-that betray implicit additive assumptions incompatible with copula identification. Finally, we outline future directions, including formal tests of bijectivity. By clarifying when GCCF works-and when it worsens bias-we equip empirical researchers and reviewers with an improved tool kit for causal inference.

2 - Ica at the Cocktail Party: Casting Instrument-Free Omitted Variable Bias Correction as a Blind Source Separation Problem

Rouven Haschka, Technical University of Kaiserslautern-Landau, Kaiserslautern, Germany, Florian Dost

Endogeneity due to omitted variables poses a persistent challenge in empirical research, particularly in marketing contexts where valid instruments are difficult to find. While instrument-free approaches such as the Gaussian copula control function (GCCF) have gained popularity, recent evidence shows that GCCF fails in the traditional omitted variable bias case, often producing more biased estimates than OLS. This paper proposes a novel instrument-free method tailored to this prevalent form of endogeneity. Building on minimal assumptions (the sum of omitted variables is normally distributed and affects the endogenous regressor additively, and the existence of non-normal exogenous noise in the endogenous regressor) our approach uses Independent Component Analysis (ICA) to disentangle the unobserved normal confounder from the exogenous, non-normal variation in the regressor. The recovered confounder is then incorporated as a control function, enabling consistent estimation of causal effects without external instruments. We prove formal identification under the proposed data-generating process and demonstrate through simulations that the method delivers unbiased estimates bias. An R code implementation is provided.

SA02

B003

New Frontiers in Sales and Organizations

Invited Session

Special Session

Co-Chair: Keyan Li, University of Notre Dame, Notre Dame, IN, United States

Co-Chair: Khai Chiong, University of Texas at Dallas, Richardson, TX, United States

1 - Spoken the Unspoken: Need-Aware LLM for Customer Service Automation

Keyan Li, University of Notre Dame, Notre Dame, IN, United States, Yuxin Guo, Yuting Zhu

Customer service is a large and costly function that is difficult to scale, making large language models (LLMs) a promising alternative. Using customer-service data from one of the world's largest open-source software providers, we document that LLM service agents underperform human agents, and this gap is substantially wider when customer needs are unspoken or ambiguous than when they are explicit. This asymmetric gap arises partly from differences in training processes: human agents are incentivized to look beyond the current response, and inferring unspoken needs helps move the conversation forward, whereas LLMs receive no explicit training reward for doing so. Motivated by this, we propose Need-Aware LLM, an LLM agent that leverages established marketing research on needs. The algorithm comprises two stages: one that distills customer-need-related insights from the marketing literature, and another that optimally searches and incorporates these insights into an LLM-based need-prediction task, which in turn regularizes the agent's response generation. Our approach does not predefine a reasoning model; instead, it harnesses the process only with literature-derived data and the accompanying need-prediction component. Across multiple validation exercises - including human evaluations and prediction-powered inference (PPI)-calibrated LLM-as-a-judge assessments based on human labels - Need-Aware LLM significantly narrows the performance gap between LLM and human agents, especially in cases involving unspoken customer needs. The method is readily adaptable to a wide range of online customer-service and personal-selling applications.

2 - Turning Service into Profits: Cross-Selling Synergies and Organizational Design

Fei Teng, National University of Singapore, Singapore, Singapore, K. Sudhir, Guofang Huang

We study whether firms should integrate cross-selling with customer service. Indiscriminate cross-selling can irritate customers and reduce satisfaction, but service agents may use information from interactions to target receptive customers. However, disentangling these effects is challenging, as the cross-selling decision is endogenous to the unobservable customer satisfaction with the service interaction. Using data on over 20 million inbound calls from a credit-card issuer and a quasi-experiment that lowered customer service agents' cost of cross-selling, we find cross-selling, if unsuccessful, generally lowers satisfaction. However, leveraging service insights, agents may selectively offer to receptive customers, so that cross-selling, if done right, can improve customer satisfaction. Therefore, while cross-selling risks customer satisfaction, in-service information allows more effective targeting and improves satisfaction.

3 - Targets, Timing, and Managerial Talent: Retail Evidence on Sales Productivity and Goal Attainment

Ingrid Koch, University of North Carolina at Chapel Hill, Chapel Hill, NC, United States, Noah Lim, Diego Salazar

Managers play a central role in retail performance, yet their contribution is difficult to disentangle from worker quality and store characteristics, and the mechanisms through which they affect store- and worker-level productivity remain poorly understood. Using rich daily sales and personnel data from a large retail chain in Indonesia, we provide a novel three-way decomposition of store productivity into manager ability, worker ability, and store attributes. We show that managerial ability explains a substantial share of productivity variation: roughly half as much as store characteristics and three times as much as worker quality, despite accounting for a small fraction of total operating costs. Managers’ direct sales contributions are modest, and their impact operates primarily through indirect effects on frontline sellers. High-ability managers significantly increase workers’ daily sales, with effects concentrated among junior employees and smaller stores. Moreover, high-ability managers significantly increase individual- and store-level sales target attainment, particularly in the final days of the month, indicating an important motivational channel tied to incentive deadlines. Exploiting quasi-random managerial reassignments, we provide evidence consistent with teaching-by-doing and dynamic motivation as key drivers of managerial effectiveness. Together, the results highlight managers as a first-order input in retail productivity and clarify when and how managerial skill translates into higher sales performance.

4 - Revealed Consideration Sets and Buyer Heterogeneity in B2B Software Markets

Khai Chiong, University of Texas at Dallas, Richardson, TX, United States

Defining the boundaries of competition in SaaS markets is difficult due to overlapping feature bundles and rapid innovation. Traditional classification systems often fail to capture the dynamic substitutability of software

products. This paper proposes a new method for defining competitive sets using "revealed consideration data" extracted from a large-scale dataset of B2B software reviews. Unlike consumer reviews, B2B reviews frequently contain explicit fields detailing "Alternatives Considered" and "Switched From" decisions, offering a direct window into the buyer's search process.

We construct a directed network of product substitutability to analyze how competitive sets vary by buyer profile. Leveraging granular reviewer covariates, specifically industry, job level, and usage duration, we document substantial buyer heterogeneity in substitution patterns. We find that distinct buyer segments construct fundamentally different consideration sets: sophisticated technical users emphasize vertical differentiation (reliability, security) and narrow competitive sets, while business-outcome focused users evaluate broader, horizontal feature bundles. Finally, we examine how usage duration moderates these sets, distinguishing between the active comparison shopping of new users and the entrenched preferences of long-term adopters. These findings provide a data-driven methodology for defining local markets in the software economy and offer empirical evidence on how professional buyers navigate technology adoption.

SA03

B004

Brand Authenticity and Trust

Contributed Session

Contributed

Chair: Alicja Grzadziel, WU Vienna, Vienna, Austria

1 - When Imitation Backfires: How Iconic Packaging Imitation Undermines Authenticity and Trust in Established Brands

Pascal Bruno, Worms University of Applied Sciences, Worms, Germany, Martin Ohlwein

The imitation of packaging by private labels is a widespread practice. Even established brands with strong brand identities consider imitating competitors‘ distinctive packaging features. Drawing on a real-world case, the legal dispute between the chocolate brands Milka and Ritter Sport over the iconic square chocolate bar, this research investigates how consumers respond when an established brand imitates a competitor's iconic packaging feature.

Across four experimental studies, the findings show that imitation by an established brand leads to a significant decline in attitude toward the imitator. Reduced perceptions of brand trust and authenticity drive this detrimental effect. Study 1 confirms that the Ritter Sport's square bar shape is an iconic design feature that is uniquely linked to the brand. Studies 2 and 3 demonstrate that negative consumer reactions arise exclusively when an iconic (rather than non-iconic) design element is imitated. Study 4 further shows that the effect occurs only when the imitator is a well-established (rather than lesser-known) brand; imitation harms well-established brands but does not negatively affect lesser-known brands without strong iconic associations.

Categorization theory and cognitive dissonance help explain the results. When an established brand imitates a rival's iconic design, consumers recategorize it from originator to imitator. This creates inconsistency with existing brand schemas, which undermines perceived authenticity, erodes trust, and ultimately reduces brand attitude. The findings imply that established brands have more to lose than to gain from imitation tactics, in contrast to private labels. Rather, they ought to invest in strengthening their own unique design cues.

2 - Facets of Brand Functions and Their Impact on Brand Relevance in Category in the Digital Age

Charlotte Weber, University of Hamburg, Hamburg, Germany

The overall role that brands play in consumer decision-making in a specific category—i.e., brand relevance in category (BRiC; Fischer, Völckner, and Sattler 2010)—is crucial for every brand investment decision. A multitude of brand functions (BFs) have been discussed in the literature as drivers of BRiC, such as risk

reduction and social demonstrance, and constructs reflecting subdimensions of basic BFs (e.g., quality assurance and reducing cognitive load as subdimensions of risk reduction). Since prior studies have analyzed small subgroups from the large number of BFs separately, our understanding of how these BFs jointly drive BRiC is limited. Drawing on cue utilization theory, we develop a theory-driven classification of the multitude of BFs into a "brand function map," thereby offering a nuanced understanding of the universe of BFs and their impact on BRiC. In addition, we formulate a set of propositions on how digital transformation (DT) is changing the impact of BFs on BRiC. While traditionally considered relatively stable over time, BRiC and BFs are likely to evolve due to DT. For example, reducing cognitive load should become more important, as informational overload in digital spaces increases the importance of brands as a means of reducing cognitive load for consumers. Our findings have important implications for managing brand investments, helping managers to tailor branding strategies to specific products/segments and to exploit opportunities for diversifying brand meaning in increasingly digitalized environments.

3 - When Names Hurt: Brand Naming Strategies and Consumer Responses to Failure

Robin Bhalla, IIM Amritsar, Amritsar, India, Gurbir Singh

Consumers' recognition of a brand name marks the crucial initial phase in building brand awareness. While many brand names start out as seemingly meaningless and only gain significance once a strong brand image or brand equity is established, suggestive brand names are distinct. A suggestive brand name can be defined as one that communicates relevant attributes or benefit information within a specific product context (e.g. Duracell, TripAdvisor). The present research looks at how negative consumer reactions are amplified during service or product failures when a brand name is suggestive compared to when it is non-suggestive. Therefore, drawing from the expectancy-disconfirmation theory, we propose that consumers will react with higher brand avoidance when brands use a suggestive name. We further aim to understand the underlying mechanism behind this by exploring the mediating role of brand betrayal. Lastly, we test the moderating role of regulatory focus on the overall relationship. We plan to test these hypotheses using a series of 3 experiments. Findings from study 1 and 2 highlights that during failure, suggestive brand name leads to higher brand avoidance and brand betrayal. We also find that brand betrayal acts as a mediator in this relationship. The present research will offer important theoretical and managerial insights. We will contribute to the literature on brand names by highlighting how suggestive brands names can backfire during failures. For managers, we will highlight how they should be extremely cautious while choosing suggestive brand names if a product or service is more susceptible to failures.

4 - Shoe-Sound Effects on Perceived Competence, Status, and Persuasiveness

Timothy Heath, University of South Florida, Tampa, FL, United States, Zhihao Yu, Raushan Ospanaliyeva

Four studies (one field; N = 836) tested if the sounds of hard-soled shoes on hard floors alter a walker's perceived competence, status, or persuasiveness. Study 1's background assessmentfound that shoe sounds can send both positive (e.g., confidence) and negative (e.g., ggressiveness) signals, and that consumers vary their shoe-sound choices accordingly across ituations (friend visit, first date, job interview). Consistent with such signals, Study 2's field experiment participants chose to send their survey information to a shoe-sound-producing researcher significantly more often than to a non-shoe-sound-producing researcher (specific shoe-sound-producing researcher counterbalanced). Study 3 tested shoe-sound effects more broadly and found a shoe-sound by gender-incongruity interaction: Shoe-sounds had no effect in same-gender cases (e.g., females observing a female walker), but improved the walker's perceived competence and status in mixed-gender cases (e.g., males observing a female walker;
mediation: shoe-sounds → perceived-competence → perceived-status). Study 4 then assessed shoe-sound-effects on consumer willingness to accept a salesperson's counter-offer within a car buying scenario. To test for processes that may have contributed to Study 3's gender-incongruity moderation, Study 4 measured each consumer's level of physical attraction to others and general level of competitiveness. The results replicated Study 3's shoe-sound by gender-incongruity interaction while supporting two underlying processes: mixed-gender attraction, and same-gender competition. In mixed-gender cases, the consumer's interpersonal attraction increased positive shoe-sound effects on offer acceptance, whereas in same-gender cases, the consumer's competitiveness reduced (and reversed) shoe-sound-effect positivity: Among less competitive consumers, shoe sounds increased offer acceptance, but among more-competitive consumers, shoe sounds reduced offer acceptance

5 - Breaking Bad: the Persistence of Reputational Damage from Corporate Scandals

Alicja Grzadziel, WU Vienna, Vienna, Austria

Corporate scandals can destroy years of brand-building in days, yet we know surprisingly little about how long reputational damage persists or what determines recovery speed. This project measures how major corporate scandals change brand reputation and how long the damage lasts, focusing on high-salience shocks such as emissions fraud, factory disasters, and labor or environmental violations.

Prior work shows that negative events reduce consumer trust and purchase intentions, and that media coverage amplifies these effects. However, most studies rely on cross-sectional data or focus on stock market reactions rather than direct measures of consumer perception over time. Evidence on whether and how digital attention shapes the duration of reputational harm remains limited.

We assemble a dataset linking scandal events from RavenPack to YouGov's longitudinal brand perception measures and Meta Content Library data tracking crisis-related attention. This shows when scandals break and how consumer beliefs move in the weeks and months that follow.

We use difference-in-differences event-study models comparing perception changes for scandal-exposed brands to matched controls that experience no scandal in the same period, complemented by synthetic control analyses that build counterfactual reputation paths for each affected brand. Main outcomes are the immediate effects on brand perceptions, persistence of damage, and pace of recovery. We test boundary conditions that make reputational harm more or less severe, including scandal type, pre-scandal brand strength, and the intensity and duration of public attention. The results inform crisis response strategies by identifying which factors accelerate or delay reputational recovery.

SA04

B005

Large Language Models I

Contributed Session

Contributed

Chair: Isabelle Engeler, IESE Business School, Barcelona, Spain

1 - Generative Embeddings for Marketing Text Refinement and Validation

Finn Honer, Erasmus University Rotterdam, Rotterdam, Netherlands, Bas Donkers, Dennis Fok

The creation of short marketing texts, such as product claims or text message nudges, follows steps similar to new product innovation: ideation, refinement, and validation. With the rise of generative AI, marketing text ideation has become cheaper and less labor intensive. However, systematic refinement and rigorous validation remain challenging, especially when incorporating prior market research insights in a controlled and interpretable manner. The authors introduce the Generative Embedder, a method that enables AI-supported refinement and validation of marketing texts. The Generative Embedder allows marketers to refine texts based on prior market research insights in a deterministic and reproducible way. For idea validation, the method enables more efficient design and analysis of market research studies, similar to conjoint analysis, by representing texts as linear combinations of learned semantic attributes. The Generative Embedder estimates low-dimensional generative embeddings that capture key dimensions of variation. By manipulating these dimensions, marketers can systematically extrapolate beyond observed texts to generate refined variants with improved predicted marketing outcomes. Unlike prompting, the Generative Embedder provides parametric control over semantic attributes in generation. The authors validate the approach using product claims from a market research agency and vaccination nudges from Milkman et al. (2022), refining existing nudges to generate new variants predicted to be highly effective, making them promising candidates for future field testing. The authors outline a general framework for ideating, refining, and validating marketing texts in the age of generative AI, with the Generative Embedder as a bridge between generative models and established market research methods.

2 - Unlocking Customer Diversity: a Novel Approach to More Accurately Capture Customer Heterogeneity in Synthetic Market Insights

Alexander Junod, University of Lausanne, Lausanne, Switzerland, Isabelle Engeler, Cristian Besliu

Large Language Models (LLMs) show immense promise for "silicon sampling" in market research. However, while recent studies confirm LLMs potential to accurately replicate average consumer responses, they consistently fail to capture customer heterogeneity, a phenomenon known as "mode collapse." This limitation renders synthetic data inadequate for strategic marketing tasks reliant on the dispersion of data, such as segmentation, targeting, and positioning.

This work introduces Distributional Sampling, a novel prompting method designed to recover customer diversity without sacrificing mean accuracy. By combining Verbalized Sampling (prompting the model to externalize latent uncertainty via probability distributions) with Batch Prompting (providing contextual anchoring via simultaneous persona generation), our method effectively helps in simulating the "tails" of consumer preference distributions.

We validate this approach using large-scale corporate identity surveys for two major European companies across two industries (Transportation and Telecommunications), benchmarking synthetic outputs against a representative human sample (N =1,000 each). Results demonstrate that Distributional Sampling occupies a Pareto-optimal zone: it improves distributional fidelity (measured via Wasserstein Distance) by up to >40% compared to standard sequential or batch prompting, while maintaining high accuracy regarding sample means.

Our findings refute the assumption that LLMs are inherently limited to central tendency. Instead, we show that mode collapse can an artifact of deterministic prompting. By shifting synthetic data generation from simple estimation to probabilistic simulation, Distributional Sampling provides a robust foundation for next-generation market research, taking a step in the direction of enabling managers to accurately model the complex heterogeneity of real-world markets.

3 - Conversing with the Future: How LLMs Fuel Marketing&Rsquo;S Evolution in the Age of AI

Sanghak Lee, Arizona State University, Tempe, AZ, United States, Martin Mende, Juneha Baek, Donghyuk Shin, Maura Scott, Amy Ostrom

Extending prior work on co-occurrence networks-based knowledge discovery, this research introduces an LLM-augmented framework to identify and predict the impact of marketing research ideas that have never been published. The proposed four-step framework outperforms other methods for concept extraction such as author-provided keywords, frequency-based algorithms such as RAKE, and topic modeling techniques such as LDA. The authors also systematically evaluate the proposed research ideas through a Discovery Matrix, which reveals four distinct types of evolutionary trajectories for marketing scholarship. The authors further enrich their findings by using additional filtering criteria in their analyses, specifically, (i) different levels of citation impact (≥10, ≥ 50 citations), (ii) different time spans (5-, 10-, 20 years), and (iii) a portfolio of cross-disciplinary journals (from management, MIS, and accounting). Contributing to marketing knowledge, this research does not aim to merely develop a superior prediction model. Rather, it introduces a comprehensive process that encompasses the formulation of useful network data, the prediction of future conceptual links, and the extraction of meaningful insights.

4 - How Well Do LLMs Predict the Effect of Discounts? Benchmarking Synthetic Predictions Against Actual Field Behavior and Market Research Predictions

Isabelle Engeler, University of Lausanne, Lausanne, Switzerland, Cristian Besliu, Alexander Junod, Andrea Bernardino, Mariel Gandarillas Calderon

Large Language Models (LLMs) have emerged as promising new tools for generating customer insights. Recent research has shown their potential in simulating consumer brand perceptions, willingness-to-pay, or product attitudes. To assess their accuracy, prior research has typically benchmarked synthetic predictions against human survey responses. However, decades of research highlight that self-reports are prone to systematic biases (e.g., intention-action gap). Focusing on price discounts, a central marketing tactic, our research is the first to

benchmark synthetic predictions (N = 48,400) against both real purchase behavior from two company field experiments (N = 1,342) and consumers' self-reported purchase intentions from market research (N = 1,342). While the synthetic data accurately predicted actual purchase behavior in the no-discount condition, both synthetic and survey predictions substantially overestimated actual purchase behavior in the discount condition. Crucially, we identified three prompting strategies, contextual grounding, probability elicitation, and balanced wording—that proved effective in enhancing prediction accuracy. We test robustness across different data generation methods (e.g., zero-shot, few-shot, and digital twins), models and model parameters. Our findings shed light on the mechanisms that foster accuracy of synthetic data in estimating discount effects, offer practical guidance for managers seeking to use synthetic data to support decision-making, and will hopefully spur a discussion on appropriate benchmarks for evaluating the validity of synthetic data.

SA05

B008

Shaping Digital Expression: Language, Identity, and Platform Design in Consumer-Generated Content

Invited Session

Special Session

Chair: Shun-Yang Lee, Northeastern University, Boston, MA, United States

Co-Chair: Amy Pei, Northeastern University, Boston, MA, United States

1 - Why Do Consumers use "Outgroup Language" with AI Assistants - and Why Does It Matter?

Shun-Yang Lee, Northeastern University, Boston, MA, United States, Ann Kronrod, Amir Grinstein

AI algorithms are increasingly integrated into service and customer support, and research has started exploring consumer reaction to the way AI assistants converse. By contrast, the current research investigates what language *consumers* use when interacting with AI assistants, and the possible consequences of the training AI assistants to mimic consumer language. We suggest that AI assistants are seen as outgroup members, which leads consumers to use what we term '*outgroup language*,' characterized by four linguistic features we derive from the literature, two arising from cognitive processes (language simplicity and language abstractness) and two evoked by affective processes (de-personalized language and impoliteness). We develop an automatic measure of outgroup language and demonstrate that consumers use more outgroup language with AI assistants than with human agents, and that since AI assistants are often trained to mimic human language, they also use outgroup language in interactions with consumers; this, in turn, can be detrimental to consumer experience. We apply a multi-method empirical investigation, reporting a series of nine studies including a survey, a natural quasi-experiment, and controlled lab and online experiments that involve hypothetical and real-conversational AI assistants, as well as hypothetical and real behaviors. Our findings challenge the practice of training AI assistants to imitate consumer language. We discuss practical suggestions to address this issue and theoretical considerations about the language of AI assistants.

2 - The Impact of Review-Length Requirements on Online Ratings and Content

Jinhee Huh, University of Calgary, Calgary, AB, Canada, Amy Pei, David Godes

Minimum review-length requirements are a widely used platform design choice intended to improve the quality of user-generated content. However, the consequences of such constraints for review participation, evaluative signals, and content characteristics remain theoretically unclear. This project studies the causal effects of review-length requirements using multiple policy changes on IMDb that substantially increased the minimum character threshold for submitting movie reviews. Using review-level and reviewer-level data collected before and after these interventions, we examine how length requirements affect rating distributions, review volume, and textual properties of reviews. Specifically, we distinguish between selection effects - changes in which reviewers choose to contribute - and behavioral adjustment - changes in how remaining reviewers write their reviews. Our empirical design exploits the timing of policy changes in a difference-in-differences framework and explores heterogeneity across reviewer types and content characteristics. This research contributes to the literature on

user-generated content and platform governance by clarifying when effort-based quality controls improve informational content versus when they inadvertently degrade it.

3 - When Social Influence Outperforms Monetary Discounts in Influencer Marketing: Evidence from a Large-Scale Field Experiment

Jerry Han, SKK University, Seoul, Korea, Republic of, Angela Choi, Inyoung Chae

Despite the growth of social media influencer marketing, brands and influencers often rely on traditional monetary discounts. Building on the literature on social influence (Cialdini & Goldstein, 2004; Hollebeek et al. 2021), we predicted that social influence–based promotional tactics, when used by social media influencers, would lead to higher conversion rates than simple monetary discounts.

We conducted a large-scale field experiment, in which various social media influencers randomly sent out one of seven different promotional messages to their followers: one control, three social influence-based (conformity, compliance, and persuasion), and three monetary discounts (10%, 20%, 30%).

The results supported our predictions, where conformity- and compliance-based promotions were most effective (more than 30% discount). Persuasion-based promotion effectiveness was similar to 20% discount.

Importantly, we found two moderating effects.

First, the effectiveness of the conformity message was significantly stronger for influencers who had more followers. In other words, the effectiveness of the conformity message was driven by the social proof given by the number of people following the influencer.

Second, consumers who had previously made purchases from the influencer were significantly more likely to make a purchase in response to the compliance and persuasion messages. That is, the superior conversion rate of the compliance and persuasion messages (vs. discounts) could be traced to the pre-existing trust and connection between the influencer and follower.

The findings contribute to the influencer marketing literature and offer tailored guidelines for influencers seeking cost-effective promotional strategies that leverage their relational ties with followers.

4 - The Confidence &Ndash; Quality Mismatch: Assertive Language Signals Lower-Quality News

Akshina Banerjee, University of Michigan - Ross School of Business, Ann Arbor, MI, United States, Zhina Aghamohammadi, Matthew Rocklage, David Rand, Mohsen Mosleh

Misinformation on social media threatens democracy, public health, and civic discourse. In fast-paced feeds, users often rely on quick cues when deciding what to attend to, believe, and share. One particularly consequential linguistic cue is confidence—widely treated as a signal of knowledge and credibility. Yet, we show that in social media news contexts, confidence is counterintuitively anti-diagnostic: it signals lower-quality information while also predicting greater diffusion. Using computational linguistics and machine learning, we analyze over 20 million posts across eight major online platforms. Posts expressed with greater confidence are more likely to link to lower-quality, more misinformative news domains, even controlling for user baselines, toxicity, and political lean. At the same time, confident posts also receive more engagement. Together, these findings show that confidence—often treated as a cue to knowledge—acts as an anti-diagnostic signal of information quality while simultaneously predicting the diffusion of misinformation.

SA06

B009

Shifting Consumer Motives: Relational and Economic Pathways to Prosocial Behavior

Invited Session

Special Session

Chair: Pascal Güntürkün, Welthandelsplatz 1, 1020

Co-Chair: Katherine White, UBC Sauder School of Business, Vancouver, BC, Canada

1 - When and Why Does Advance Gratitude Increase Prosocial Actions?

Katherine White, UBC Sauder School of Business, Vancouver, BC, Canada, Leandro Galli, Piotr Winkielman

This research offers a simple, yet effective tool for policymakers, marketers, and individuals to encourage prosocial actions such as donating money or time. Across 8 studies, we show that simple expressions of advance gratitude (e.g., 'Thank you in advance…') can boost prosocial intentions and behaviors. Studies 1a-1c demonstrate that the effect holds across both written and nonverbal expressions. Studies 2a and 2b identify a novel underlying mechanism: advance gratitude activates a communal mindset that drives prosocial action. Studies 3 and 4 support this mechanism and further reveal that the effect is dampened when communal norms are already strong but amplified under exchange norms—indicating that advance gratitude is most effective precisely where it is most needed, in contexts otherwise marked by self-interest and limited generosity. These findings illuminate when and why advance gratitude can effectively prompt prosocial behaviors.

2 - When Good Deeds Pay off: Investigating the Impact of Prosocial Influencer Behavior

Zining Wang, Boston College, Chestnut Hill, MA, United States, Mi Zhou, Rishad Habib

Influencers straddle the line between individuals and brands, where acts presented as altruistic may simultaneously serve as instruments for increasing audience engagement and monetization. This study investigates how prosocial influencer behavior affects audience engagement and followers' subsequent prosocial acts. Drawing on 264,133 posts from 1,691 top influencers on a major social media platform, the study shows that 22% of influencers have posted about their prosocial behavior. These influencers tend to be more commercially active, suggesting potential strategic motives. The results demonstrate that posts displaying prosocial influencer behavior significantly increase user likes. The largest gains stem from monetary donations, though even low-cost symbolic acts boost likes. In contrast, prosocial posts dampen shares, which require followers to stake their own social capital and reputation within their social circles, particularly when influencers exhibit more commercial activities. Such influencers also receive less praise. A randomized experiment further reveals that these patterns are driven by lower credibility. Taken together, these findings shed light on how influencers' prosocial acts can both enhance and undermine their impression management in the creator economy.

3 - Your Impact Wrapped: Encouraging Blood Donations at the Beginning of the New Year with Personalized End-of-Year Impact Recaps

Stephan Fally, Vienna University of Economics and Business, Vienna, Austria, Pascal Güntürkün, Nils Wlömert, Martin Schreier

While motivating donors to give at the beginning of the year is a challenge for many NGOs, drops in giving are especially difficult for blood collection agencies, as a stable blood supply is needed to secure a well-functioning health care system. We assess the efficacy of a novel intervention stimulated by Spotify's Wrapped campaign in which Spotify provides individuals with a yearly summary of their listening habits. Will the provision of related end-of-year information to donors increase their willingness to donate at the beginning of the next year? We test this notion in a randomized large-scale field experiment conducted with the blood donation unit of a national chapter of the Red Cross. The provision of personalized end-of-year impact recaps (compared to a standard "thank-you"-control mailing) increases donations at the beginning of the new year. Moreover, building on goal-setting literature, we benchmark our backward-looking impact recap intervention against two that are forward-looking (i.e., setting a new year's donation goal resolution). We find no significant uplift of the goal-setting

intervention compared to the baseline message. Finally, we show that personalized end-of-year impact recaps are similarly effective across various donor segments. Our findings extend theories of impact philanthropy, moral self-regulation, and behavioral change at the beginning of the year and offer valuable insights for blood collection agencies who strive to increase donations early in the year.

4 - The Importance of Financial Incentives for Prosocial Behavior in Markets that Already Remunerate Donors: An Empirical Analyses of Financial Compensation on Plasma Donation Behavior

Michel Clement, University of Hamburg, Hamburg, Germany, Antonio Leiße, Kerstin Mayer, Phillip Kluge

Prosocial behavior is essential for sustaining health systems and society; however, participation rates often fall short. Although introducing monetary incentives increases participation, little is known about the role of financial incentives in markets that already remunerate donors. In three studies, we examine how changes in compensation affect participation in already remunerated donation markets. We examine this issue in the context of plasma donation in Germany, where donor remuneration is legal. Study 1 uses an on-site list experiment to reduce social desirability bias and demonstrates that financial motivation is a key factor in current donor behavior. Study 2 investigates how perceived costs affect willingness to donate and desired compensation, as well as whether allowing donors to allocate part of their compensation to charity (i.e., double altruism) versus keeping the financial compensation for themselves influences their willingness to donate. We find that higher perceived costs increase desired compensation and reduce willingness to donate in both conditions. Study 3, a quasi-natural field experiment, demonstrates that increasing compensation by 20% and offering a referral bonus meaningfully increases donation and new donor counts and reduces dropout. The findings inform policymakers and managers in established remunerated donation markets on how to increase donor participation.

SA07

B010

AI in B2B

Invited Session

Special Session

Chair: Xiaolin Li, The Hong Kong Polytechnic University, Hong Kong, Hong Kong

Co-Chair: Yixing Chen, University of Notre Dame, Notre Dame, IN, United States

1 - Supplier Response to Recommendations: Evidence from a Business-to-Business Electronic Commerce Platform

Yixing Chen, University of Notre Dame, South Bend, IN, United States, Yi Chen, Ziwei Cong, Liwen Hou

Business-to-business electronic commerce (B2B e-commerce) platforms increasingly use personalized recommendations to connect suppliers with potential business opportunities, yet little is known about the effectiveness of these recommendations. Using data from a B2B e-commerce platform that recommends requests for quotation (RFQs) to suppliers in the construction sector, we find that receiving a recommendation increases the probability of bidding on the recommended RFQ by 1.5 percentage points (direct effect) and the probability of bidding on non-recommended RFQs by 0.8 percentage points (spillover effect). The positive spillover effect emerges because recommendations prompted suppliers to explore the platform and bid on additional non-recommended RFQs. However, the increased spillover bidding does not effectively translate into higher winning probabilities, because the spillover exploration often attends to popular yet less relevant RFQs. Finally, we show that lower probabilities of winning are associated with higher churn risk. Collectively, these results suggest that the conventional engagement-driven recommendations may not deliver desirable outcomes in B2B, requiring a systematic rethinking of platform design in B2B.

2 - Monetizing Predictive Insights: Artificial Intelligence in B2B Service Selling

Navid Mojir, UNC Chapel Hill, Kenan-Flagler Business School, Chapel Hill, NC, United States

Advances in digital technologies have substantially improved business-to-business (B2B) sellers' access to detailed product usage data, particularly through Internet of Things (IoT)-enabled sensors and connected products. As a result, sellers increasingly employ artificial intelligence (AI) and predictive modeling to generate

value for both customers and themselves. A growing application of these technologies is predictive maintenance, where sellers remotely collect product-level data from sold products to anticipate imminent failures. These predictions are subsequently integrated into the seller's customer relationship management systems, generating targeted leads that enable sales representatives to proactively offer maintenance services. Using proprietary data from a large construction equipment seller, this study empirically examines the value created by predictive analytics for both customers and sellers. We assess how predictive insights influence maintenance outcomes, customer benefits, and sales performance, thereby shedding light on the economic and relational implications of AI-powered service strategies in B2B markets.

3 - Fairness Aware Targeted Advertising Framework

Vamsi Kanuri, University of Notre Dame, Notre Dame, IN, United States, Krishna Pothugunta, Shrihari Sridhar, Sriram Somanchi

Programmatic advertising now powers the majority of the global digital economy; yet its reliance on automated cost optimization has been known to create bias by excluding certain demographics. Specifically, current algorithms on B2B programmatic ad delivery platforms are designed to minimize ad-delivery costs for advertisers, which unintentionally leads them to systematically ignore "expensive" demographic groups (i.e., groups that are more expensive to reach or in high demand for other advertisers), thereby driving up costs. This effectively creates digital redlining even when advertisers intend to be inclusive. In this research, we propose a responsible targeted advertising framework to resolve this dilemma. We develop a bias-monitoring and correction algorithm that sits on top of existing ad platforms, using advanced subset-scanning methods to detect hidden pockets of underexposure in real time. Once a disparity is detected, we apply a tunable "equity-efficiency" control to dynamically reallocate ad delivery, ensuring fairness while aligning with the campaign's return-on-investment objective. We essentially leverage machine learning to align the technical performance of ad-delivery algorithms with equitable outcomes. Ultimately, we intend to deliver implementable algorithms and policy standards, empowering the multi-billion-dollar B2B Ad Industry to implement a fairness-aware targeted advertising delivery framework.

4 - AI-Human Collaboration in Sequential Sales Funnels: Evidence from A Large-Scale Field Experiment

Xiaolin Li, The Hong Kong Polytechnic University, Hong Kong, Hong Kong, Qing Li, Danny Wang, Flora Gu

Artificial intelligence is rapidly entering sales and service, yet firms lack evidence on how to deploy AI within **multi-stage acquisition processes** where early assessments shape downstream human effort. We study AI–human collaboration in **SME lending** at a large commercial bank. In a randomized field experiment (N=78,169 prospects), a conversational AI system made the first outbound call and produced an intention tag (high/medium/low) that guided subsequent human follow-up; control prospects were contacted by humans throughout. Assignment to the AI-initiated workflow increases the odds of a loan application, and the gains appear **only after human follow-up**, consistent with AI improving the information that humans use rather than replacing human selling. Mechanism analyses show that AI improves early-stage client assessment: independent coding of call recordings indicates lower misclassification than human tagging, consistent with humans exhibiting central-tendency bias that under-identifies high-intent prospects. Follow-up agents also align more with AI-provided scores than with scores from other humans, especially among lower-performing agents. The results suggest that the highest returns to AI come from workflow designs that place AI in **early screening and information capture** while keeping humans in charge of persuasion and relationship building—offering timely guidance for AI adoption in sequential sales funnels.

5 - Supplier Response to Recommendations: Evidence from a Business-to-Business Electronic Commerce Platform

SA08

B011

Large Language Models in Marketing Science: New Methods and Applications for Measurement, Inference, and Decision-Making (Applications)

Invited Session

Special Session

Chair: Tong Guo, Duke University, Durham, NC, United States

Co-Chair: Tong Wang, Yale University, New Haven, CT, United States

1 - AI Persuasion and Misinformation Prevention

Tong Guo, Duke University, Durham, NC, United States, Xiuyuan Cheng

Misinformation generates harmful influence through key persuasive strategies that shape trust, emotion, and judgment. This project aims to study these mechanisms at scale and explore how they can be countered through proactive inoculation. Using a large-scale, multi-topic, multilingual dataset of real-world misinformation drawn from organically occurring news events between 2019 and 2024, we develop a theory-guided generative framework to produce realistic yet controlled examples of persuasive misinformation commonly observed in online and social media contexts. Central to the approach is the explicit representation of persuasion strategies derived from behavioral theory within the generation process, enabling synthetic content that preserves key persuasive characteristics while mitigating potential harm. The resulting generated content is comparable to human-generated misinformation in perceived realism and persuasive appeal, as evaluated by independent human raters. Human evaluations of the model-generated content reveal structured heterogeneity in trust and judgment responses to different persuasion strategies, highlighting the potential for tailored misinformation inoculation. Finally, we will examine how theory-aligned generative models can serve as inoculation agents, enabling prebunking through controlled exposure to improve human discernment of persuasive misinformation.

2 - Personalizing Language Models for Targeted Content Generation

Mingzhang Yin, University of Florida, Gainesville, FL, United States, Ruijiang Gao, Ziwei Cong

Firms increasingly rely on generative AI to engage consumers, yet most large language models produce generic content that overlooks heterogeneity in individual preferences. This talk introduces GPT², a framework that personalizes text generation by integrating language modeling with preference learning. GPT² is a latent-variable model that infers user preferences from textual content and large-scale non-textual interaction data such as upvotes and clicks. User representations learned from historical feedback are injected into a language model as soft prompts, enabling targeted and preference-aligned generation without human annotations. Applied to a large digital news platform and a Q&A platform, GPT² produces responses that better match users' stylistic and content preferences and outperforms generic and personalized LLM benchmarks. The results highlight how generative targeting can complement traditional recommendation systems and help firms address cold-start and content scarcity challenges.

3 - What Makes a Dating Profile Attractive? Interpretable Generative AI with Heterogeneous Multimodal Preferences

Seung Yoon Lee, The Chinese University of Hong Kong, Hong Kong, Hong Kong, Kosuke Uetake, Tong Wang

Online platforms increasingly rely on AI-assisted content generation to drive user engagement. We study conditional text generation within the context of online dating, where the goal is to produce personalized profile descriptions that maximize "likes." Optimizing text in this setting is challenging because engagement signals are primarily driven by visual and structural features, and these modalities are deeply coupled. Furthermore, receiver preferences are highly heterogeneous; optimizing for a single aggregate reward often results in generic, "mode-collapsed" text. To address these challenges, we utilize prompt-based learning via textual gradient to evolve interpretable LLM prompts that generate text conditioned on a profile's specific visual and structural attributes. Our framework incorporates a multimodal engagement scorer that jointly models visual, structural, and textual features, enabling the estimation of text's incremental contribution. To account for unobserved receiver heterogeneity, we estimate a latent class choice model using data from a major dating platform to develop

segment-specific engagement scorers. The resulting receiver-type-specific prompts reveal the textual content preferred by different segments and can generate personalized descriptions targeting either the full population or a sender-specified segment. We further assess the value of cross-modal interactions and latent receiver modalities to understand how visual and textual information interact across different segments. While we focus on text generation, this framework generalizes to other controllable modalities, such as image selection or structured attribute optimization, providing a robust approach for personalized, multimodal content generation.

4 - Love, Actually? a Randomized Experiment on AI Companion use and Real-Life Romantic Relationships

Jiaming Jiang, Carnegie Mellon University, Pittsburgh, PA, United States, Zoey Jiang, George Loewenstein, Zijun Shi, Kannan Srinivasan

Artificial-intelligence (AI) companions have quickly become a new category of consumer technology, attracting significant public attention and regulatory scrutiny. Advocates highlight their potential to offer emotional support and build social confidence, while critics warn of isolation, dependence, and risks to vulnerable groups. Despite the intensity of this debate, empirical evidence on their real-world effects remains limited. This paper presents causal evidence from a six-week randomized encouragement experiment conducted in collaboration with a major AI-companion company and involving adults with no prior AI-companion experience. Leveraging granular behavioral usage logs and weekly relationship status surveys, we examine three questions: whether virtual romantic interactions function as substitutes for, or complements to, real-life romantic relationships; how gender differences shape usage intensity and relational risk factors in AI-user interactions; and how users switch between virtual partners in ways that reveal underlying variety-seeking dynamics. By approaching these questions through an economic and behavioral lens, the study offers policy-relevant insights into the interpersonal implications of AI companionship and provides guidance for responsible platform design.

SA09

B127

Advertising and Public Policy

Contributed Session

Contributed

Chair: Bella (Yeolim) Yoon, University of Minnesota, MN, MN, United States

1 - Curbing Digital Overconsumption: Strategic Implications of Screen Time Limits

Mushegh Harutyunyan, Imperial College London, London, United Kingdom, Tengfei Guo

Excessive screen time poses significant risks to consumer health and well-being, prompting many to adopt screen time limits as a means of exercising better self-control. In this paper, we study an ad-supported digital platform’s response to consumer adoption of screen time limits and the strategic implications of such limits for platform profitability and consumer welfare. Our analysis reveals that the platform responds to screen time limits by increasing advertising intensity. Consequently, while consumers are able to reduce their digital consumption, they are exposed to a higher proportion of advertisements relative to content. Increased advertising has an adverse effect on consumer welfare, and when their self-control problem is not so severe, the net effect of screen time limits is negative, making consumers worse off than without limits. From the platform’s perspective, we find that screen time limits can give consumers more incentives to use the platform, which can lead to, counterintuitively, higher aggregate platform usage and increased profits than without limits.

In practice, platforms could use data on individual consumers’ screen time limits to customize advertising intensity. We show that such customization dramatically decreases the usefulness of time limits, making consumers better off by not setting a screen time limit even when facing a severe lack of self-control. Interestingly, the platform may benefit by committing not to customize advertising intensity in order to encourage adoption of screen time limits. Our findings have important implications in the context of parental control for children and public policy regulations on advertising frequency.

2 - Keeping Children Safe Online: The Implications of Content Filtering

Yunlong Peng, University of Warwick, Coventry, United Kingdom, Yue Wu

Governments worldwide are strengthening regulations to protect children from harmful online content. Policies such as the UK Online Safety Act and the proposed U.S. Kids Online Safety and Privacy Act mandate digital platforms to implement age verification and to filter age-inappropriate content for child users. However, the effectiveness of these measures is challenged by the fact that some child users are able to bypass age verification systems. This paper develops an analytical model to study the interplay between content filtering, age verification, and strategic user behavior. We find that increasing the power of content filtering can backfire, leading to an increase in children's aggregate exposure to harmful content. Furthermore, while improving the quality of filtering algorithms effectively reduces harmful exposure, we show that platforms may lack the economic incentive to invest in such technology without regulatory intervention. These findings highlight the unintended consequences of age-based content filtering and offer implications for designing effective online safety regulations.

3 - The Intended and Unintended Consequences of Privacy Protection in Social Media: a Large-Scale Field Experiment and Structural Analysis

Guangying Chen, University of Southern California, Los Angeles, CA, United States, Tat Chan, Dennis Zhang

Privacy concerns are escalating as the collection and use of personal information increase. Regulators have responded by pushing companies toward greater transparency and stronger protection measures. Yet how these policies affect user behavior and welfare remains unclear. We investigate this through a large-scale field experiment on a social media platform. Treated users were offered an option to disable (opt out of) the "People You May Know" recommender algorithm, which displays their content to users predicted to be friends outside the platform. Control users were neither informed about nor allowed to disable this function. Interestingly, this additional option reduced treated users' platform usage time by 0.78% relative to controls. However, those who opted out increased usage time by 14.62% compared with similar control users. These results suggest two opposing consequences: the option raises users' concerns by reminding them of the platform's use of their personal information, unintentionally reducing engagement, but also allows them to disable such use, eliminating concerns and increasing engagement as intended. To evaluate the welfare impact of different privacy measures, we estimate a structural model of users' opt-out and usage decisions and conduct counterfactuals. We find lowering opt-out cost is key to improving both consumer and platform welfare.

4 - When Joint Effort Pays: Mitigating Customer Churn Through Sales Collaboration in B2B Markets

Bella (Yeolim) Yoon, University of Minnesota, Minneapolis, MN, United States, George John, Brett Josephson, Irene Nahm

Firms in business-to-business markets rely heavily on sales agents to originate and manage customer relationships, making customer retention particularly vulnerable to sales agent turnover. While sales collaboration can create relational redundancy that protects customers when an agent exits, collaboration is costly for individual agents: it requires sharing commissions and investing time in joint decision-making, thereby reducing immediate earnings. At the same time, collaboration can generate important relational benefits by enabling specialization, facilitating knowledge exchange, and building internal reciprocity. This tension gives rise to a central managerial puzzle: practices that enhance firm-level stability may conflict with agents' short-term financial incentives. Using ten years of transaction-level data from a North American commodity trading firm, this study examines whether and when sales collaboration mitigates customer churn following agent turnover, as well as the organizational and relational conditions under which agents voluntarily choose to collaborate. From a managerial perspective, the results highlight the importance of designing sales structures that balance shared responsibility with clear relational ownership, offering guidance on how firms can strategically deploy collaboration to mitigate customer churn in agent-driven B2B environments.

SA10

B128

B2B

Contributed Session

Contributed

Chair: Ralph Kauffman, University of Houston-Downtown, Frisco, TX, United States

1 - Pricing Strategy of B2B Search Advertising

Kehua Lin, Beihang University, Beijing, China, People's Republic of, Lin Liu, Chu Zhang

This article investigates the pricing strategies for search advertising on Business-to-Business (B2B) platforms, addressing the unique challenges posed by high-value transactions and low conversion rates compared to Business-to-Consumer (B2C) environments. The study develops a game-theoretic model where two manufacturers with different production costs compete in a generalized second-price (GSP) auction for a prominent advertising position. The model incorporates two types of retailers: position-sensitive retailers, who buy only from the top position, and price-sensitive retailers, who seek the lowest price.

The analysis centers on three main questions. First, it compares the platform's profitability under Cost-Per-Click (CPC) and Cost-Per-Action (CPA) pricing metrics, finding that CPA can be more profitable under moderate "position effects" (the strength of retailer preference for the top ad spot). Second, it explores how these pricing metrics influence manufacturers' bidding strategies and profitability, revealing that winning the auction can sometimes reduce a manufacturer's profit. Third, it examines how retailer behavior impacts manufacturers' wholesale pricing, showing that the losing manufacturer strategically lowers its price to counteract the position effect.

A key finding is that a high-cost manufacturer can win the auction, especially under the CPA model, which asymmetrically increases its bidding incentive. The article concludes by characterizing the platform's equilibrium strategy: opting for the CPC model under moderate-to-low position effects and the CPA model under moderate-to-high effects to maximize its profits, with implications for overall social welfare.

2 - When Revenue Sharing Backfires: Risk Screening in B2B Innovation Platforms

Yuxi ZHOU, Shanghai University of Finance and Economics, Shanghai, China, People's Republic of, Jiaping Xie, Jiqing Xie

Abstract: In B2B innovation ecosystems, typified by S&T Innovation Platforms, resource transactions are characterized by significant heterogeneity and high technology commercialization risks. Existing literature often overestimates the coordinating power of two-part tariffs, overlooking a critical dynamic where the commission mechanism actually exacerbates the double marginalization effect when resource providers possess endogenous pricing power, causing revenue sharing to backfire. This paper develops a Stackelberg game model incorporating commercialization risk to systematically compare three pricing strategies: uniform fixed-fee, tiered fixed-fee, and two-part tariff. Our results indicate that: (1) In transitional markets characterized by high commercialization risks or moderate user heterogeneity, the tiered fixed-fee strategy emerges as the optimal equilibrium. It not only outperforms the uniform fixed-fee strategy due to its superior screening capability but also dominates the two-part tariff strategy, which otherwise induces resource providers to inflate service prices. (2) This counter-intuitive result stems from the trade-off between rent extraction power and non-distortionary screening efficiency. While the commission component of the two-part tariff exacerbates pricing distortions, the tiered fixed-fee strategy effectively screens for high-quality providers without distorting marginal pricing decisions. (3) Platforms should adopt the tiered fixed-fee strategy during the high-risk nascent stage to lower entry barriers, transitioning to a two-part tariff only when risks decline significantly or user preferences become polarized.

Keywords: B2B Innovation Platform; Revenue Sharing Backfire; Double Marginalization; Risk Screening

3 - The Temporal Dynamics of Inside&Ndash;Outside Sales Dyads: Team Tenure, Knowledge Redundancy, and Performance

Carla Ramos, Insper, São paulo, Brazil, Gabriel Gonzalez, Danny Claro

Sales organizations increasingly rely on dyadic Inside Sales–Outside Sales (IS/OS) teams, yet limited research examines how their effectiveness evolves over time. Prior sales teams research has largely adopted static perspectives, overlooking the dynamic consequences of prolonged collaboration and natural discontinuities in team relationships. Drawing on team cognition, work and organizational psychology theories, this study investigates how collective team tenure shapes IS/OS performance trajectories and how breaks in collaboration alter these dynamics. We analyze 38 months of archival data from a B2B industrial firm, comprising 134 IS/OS dyads and 2,290 monthly team-level observations. To capture continuous and discontinuous change, we employ discontinuous growth modeling within a three-level cross-nested mixed-effects framework, estimating linear and quadratic tenure effects and performance shifts associated with breaks. Results reveal an inverted-U relationship between team tenure and performance. Performance improves during early collaboration as shared cognition and coordination develop, but declines after approximately 21 months, as knowledge redundancy and informational closure increases. Importantly, breaks in collaboration reshape learning trajectories due to gained task mastery and psychological distance from work. Team members who reunite after a break increase performance relative to pre-break levels, reflecting diminishing fatigue and integration of newly acquired external knowledge with retained shared mental models. However, post-break collaborations reach peak performance quicker and exhibit steeper subsequent declines, indicating shorter optimal collaboration cycles following reunions. We advance a temporal view of sales team effectiveness demonstrating that collaboration generates cumulative benefits and dynamic constraints. Breaks are a theoretically meaningful mechanism that interrupts knowledge redundancy, reconfiguring performance trajectories.

4 - B2B Buyer-Seller Relationship Value: What Have We Learned in 60-Plus Years of Research?

Ralph Kauffman, University of Houston-Downtown, Frisco, TX, United States

Purpose: Identify core categories of relationship value in B2B buyer-seller relationships.

Methodology/Approach: Review literature produced over the past 60+ years to identify factors that create or add value to B2B relationships. Analyze the factors to identify value concepts and core categories of value that could be operationally useful by marketing managers to improve the value of their relationships with buyers. Because of the wide variety of methods and approaches used in the reviewed studies, statistical meta-analysis was not possible. Therefore qualitative research methods are used.

Originality: Past research into B2B relationship value has been fragmented. Most studies included only one or a few industries or buying-selling situations and identified or focused on very limited numbers of value factors. Studies included seller, buyer, and joint perspectives. This study attempts to provide the results of B2B relationship value research in a more succinct and managerially appliable manner than heretofore available.

Findings: Ninety value-adding factors were found in 51 studies across the three perspectives (buyer, seller, joint). Sixty-seven studies were single-perspective, 23 studies included two or three perspectives. Study methodologies included 35 empirical and 16 conceptual. Coding and analyzing the studies revealed 15 value concepts. Additional analysis and concept integration resulted in the identity of five core categories of factors that contribute value to B2B buyer-seller relationships: product value, economic value, interaction value, information value, and capability value.

SA11

B129

Digital Advertising

Contributed Session

Contributed

Chair: Yunfei Yao, the Chinese University of Hong Kong, Hong Kong

1 - Advertising Experiments in Adaptive Allocation Environments

Min Tian, Ohio State University, Columbus, OH, United States, Neeraj Arora

Field experiments are widely used to measure the causal impact of advertising. In modern advertising environments, traditional media coexist with digital advertising systems that allocate exposure based on consumer behavior and often operate under budget or capacity constraints. While advertising synergies across channels may exist, this paper studies a distinct identification challenge that arises when traditional advertising endogenously influences the allocation of subsequent, behavior-based digital advertising, leading standard experiments to overestimate advertising effectiveness.

The mechanism operates through a treatment-induced reallocation effect, rather than interaction in consumer response. Traditional advertising affects consumer behavior that determines eligibility and allocation in digital advertising systems, reallocating downstream advertising toward treated consumers and away from control consumers and leaving the two groups in non-comparable advertising environments.

To investigate this problem empirically, we leverage an additional field experiment conducted within the firm's digital advertising system. Although the combined traditional and digital advertising experiments may appear to form a two-by-two design, the four cells are not comparable because eligibility for the digital advertising experiment is endogenously affected by exposure to traditional advertising. We document the magnitude of this treatment-induced reallocation effect and propose a practical correction that isolates the true causal impact of traditional advertising. Our findings highlight a fundamental challenge for advertising experimentation in environments with adaptive, behavior-based allocation systems.

2 - When Do Emotional Surveys Work? A Diagnostic Framework for Non-Verbal Measurement in Advertising

Enav Friedmann, Ben Gurion University, Be'er Sheva, Israel, Lior Avieli-Weizman, Merav Weiss-Sidi, Sharon Shavit

Emotional surveys are widely used to evaluate advertising effectiveness, yet it remains unclear when self-reported emotions correspond with consumers' non-verbal emotional responses. Using a multilevel meta-analytic framework across six laboratory studies (N = 35,704 observations; n = 846 participants), this research examines correspondence between self-reported emotions and non-verbal emotional responses captured via facial expression analysis during advertising exposure. Results reveal a highly asymmetric pattern of correspondence. Positive correspondence emerges only for advertisements featuring female models who conform to gendered beauty standards typical in media representations. When female models deviate from these standards, correspondence reverses, whereas advertisements featuring male models show little to no correspondence regardless of representational typicality. Put differently, emotional surveys are diagnostic when female advertising conforms to established norms—and systematically misleading when it does not.

These findings demonstrate that non-verbal–self-report correspondence is context dependent rather than a general property of emotional measurement, extend Social Role Theory to correspondence between expressive non-verbal and self-reported emotional responses, and provide diagnostic guidance for the use of emotional surveys in advertising evaluation.

3 - When Ads GO Native in Short-Form Video: The Dual Effects of Advertising Integration on Audience Engagement and Content Quality

Runhua Huang, The Chinese University of Hong Kong, Shenzhen, Shenzhen, China, People's Republic of, Jianmin Jia

This study investigates the causal impact of native advertising on audience engagement in short-form videos, addressing the critical tension between monetization and user experience. Overcoming the misclassification challenges of prior observational research, we leverage a unique proprietary dataset of 379,023 videos from Douyin (TikTok China) containing internal, platform-verified commercial tags. This granular "ground truth" data enables the precise, large-scale distinction between customized brand promotions, embedded sales ads, and integrated hybrids, avoiding the measurement errors common in observational studies. To address endogeneity, we employ a novel cross-platform natural experiment using "twin videos" reposted on Bilibili without ads—leaving ad presence as the sole differentiating factor—augmented by Double Machine Learning (DML) to control for high-dimensional confounders.

Our results reveal a sharp divergence: while hard-sell embedded ads significantly suppress engagement (approximately -54%), well-integrated customized promotions unexpectedly increase likes (approximately +15%) relative to organic content. We demonstrate that sponsorship resources often drive a content-quality uplift that effectively counteracts baseline advertising aversion—a mechanism we further validate via LLM-based semantic analysis of over 46,000 user comments. Furthermore, we identify meaningful heterogeneity: engagement benefits are pronounced in utilitarian genres but diminish in emotional categories, and we observe a concave, inverted-U relationship suggesting an optimal sponsorship intensity of 60–70%. These findings provide the first large-scale causal evidence that native ad effectiveness hinges on execution and content-ad congruence.

4 - The Ripple Effects of Tariffs on Digital Advertising: Evidence from The 2025 U.S. Trade Policy Changes

Işın Acun, WU Vienna, Wien, Austria, Maximilian Kaiser, Jura Liaukonyte, Nadia Abou Nabout

Trade policy interventions are typically designed to affect production costs, prices, and trade flows, yet their consequences may extend well beyond those. In particular, sudden increases in trade costs may alter firms' discretionary investments, such as advertising, amplifying the economic effects of trade barriers. However, empirical evidence on how trade policy shocks affect firms' digital advertising investments remains limited.

We study the impact of the 2025 U.S. tariff changes on digital advertising markets, exploiting two policy events as natural experiments: the April 2, 2025 tariff announcement and the subsequent tariff implementation on August 7, 2025. Using weekly advertising spend data from a major digital advertising platform, combined with firm-level geographic and industry characteristics, we examine how tariff-induced cost shocks affect firms' advertising expenditures.

Our identification strategy leverages variation in firms' exposure to U.S. tariffs. We apply difference-in-differences and triple-difference designs, comparing changes in advertising spend for U.S.-based advertisers relative to international advertisers before and after the policy events, with prior-year observations serving as placebo tests. Our sample consists of approximately 2,850 U.S. domains and 9,800 international domains after filtering.

We further investigate heterogeneous effects by industry exposure using an LLM-based classification of firm tariff vulnerability across dimensions, including import intensity, China-sourcing. This enables analysis of whether firms with greater supply chain exposure to tariffed goods exhibit larger advertising reductions.

Our findings provide novel evidence on how trade policy shocks propagate into digital advertising markets, highlighting an important but understudied adjustment with implications for platform revenues and advertising market dynamics.

5 - Invitation to Search or Purchase? Optimal Multi-Attribute Advertising

Yunfei Yao, The Chinese University of Hong Kong, Hong Kong, China, People's Republic of

When considering whether or not to buy a product, consumers often evaluate different attributes of it. This learning process requires both time and effort, which incurs costs for the consumer. To encourage consumers to either purchase the product or continue seeking information instead of abandoning their search, firms may provide information through advertising. This paper studies the firm's optimal choice of advertising content and the role of advertising for a two-attribute product. If the firm advertises one attribute, the consumer faces a one-dimensional search problem because she is uncertain about only the other attribute. If the firm does not advertise, the consumer faces a two-dimensional search problem because she is uncertain about both attributes. Given the consumer's search strategy under different advertising strategies, we characterize the optimal advertising strategy. The firm does not advertise if the consumer's prior beliefs about both attributes are extreme. No advertising serves as an invitation to search when the belief is high and as an invitation to purchase when the belief is very high. Otherwise, it advertises the better attribute if the consumer is optimistic enough about the worse attribute, and advertises the worse attribute if the consumer is less optimistic about it. In such cases, the role of advertising is non-monotonic in the belief due to different binding incentives of the firm in different belief regions.

SA12

B130

The ISMS Fellows Awards

Invited Session

Special Session

Chair: Bart Bronnenberg, Tilburg University, Tilburg, Netherlands

1 - Rotman Chair in Artificial Intelligence and Healthcare

Avi Goldfarb, University of Toronto, Toronto, ON, Canada

Each of this year's three recipients will share insights from their current research, discuss their perspectives on future directions for the field, and reflect on their approach to research.

2 - Founders Professor and Professor of Marketing in the Naveen Jindal School

Ram Rao, University of Texas- Dallas, Richardson, TX, United States

Each of this year's three recipients will share insights from their current research, discuss their perspectives on future directions for the field, and reflect on their approach to research

3 - Scientia Professor

John Roberts, University of New South Wales, Kirribilli, Australia

Each of this year's three recipients will share insights from their current research, discuss their perspectives on future directions for the field, and reflect on their approach to research

SA13

B131

Meta Analysis

Contributed Session

Contributed

Chair: Erik Kriukov, 27 rue Simone Veil, 93400

1 - Statistical Association, Impact, and Relevance of Effect-Size Measures in Meta-Analyses

Sonke Albers, Kuehne Logistics University, Kiel, Germany

Correlation coefficients are the most applied effect size measure in meta-analyses. However, they only express the strength of the association between variables, but do not provide the impact (effectiveness) of one variable on another. If marketing researchers aim to understand the effectiveness of marketing actions on performance outcomes, effect size measures should be used that make the regression coefficient comparable through relativization, as is the case for elasticities. A review of meta-analyses published in top marketing journals reveals that researchers are mostly not concerned with the applicability of their effect size metrics. It is shown that correlation coefficients may differ substantially from elasticities, and when this is the case. However, calculating elasticities requires ratio-scaled variables, such as sales, while variables found in marketing studies are mostly interval-scaled constructs. Therefore, new effect-size measures are suggested that use non-dispersion-based information, using relativization and normalization. Ultimately, these measures must be translated into economic value to derive actionable managerial insights.

2 - Issues with Weighting of Individual Study Results in Marketing Meta-Analysis

Murali Mantrala, University of Kansas, Lawrence, Lawrence, KS, United States, Soenke Albers

Prior meta-analyses in marketing that have employed elasticities as effect size measures are criticized by Korkames et al. (2025) for failing to correct for misspecification, aggregation, and publication selection bias, leading to inflated aggregated elasticity estimates. By applying better methods, in their opinion, they show that the smallest meta-analytic own-brand short-term elasticity estimate reported in the marketing literature, 0.09

(Henningsen et al., 2011), reduces to 0.0008. This appears implausible, given that companies spend approximately 2.8% of sales on advertising, corresponding to an elasticity of 7% under close-to-optimal behavior. A closer investigation of this dramatic discrepancy reveals that it is not so much the method of correcting biases that has produced the implausibly small values for the mean elasticity, but rather the conventional meta-analytic practice of weighting individual study effect sizes by the inverse of the squared standard error of the estimated elasticity. However, the standard errors are highly correlated with the elasticity levels, so only 14 observations account for 80% of the total weight, and these values are very small, which explains the different outcomes. In addition, Korkames et al. (2025) corrected for potential publication bias by including the standard errors of the elasticities as an additional independent variable, which, in a weighted regression, drives the constant (the mean elasticity) to even smaller values. Our overall conclusion is that the conventional weighting in meta-analyses might work for correlations but not for elasticities as effect sizes.

3 - Consumer Reactions to Automation Levels in Service: a Meta-Analysis

Erik Kriukov, ESCP Business School, Paris, France, Michael Haenlein, Francesca Sotgiu

Research on service automation (i.e., introduction of automation technologies on the frontline) documents mixed and often contradictory consumer responses, with automation alternately portrayed as efficiency-enhancing or experience-damaging. While prior systematic reviews have mainly focused on comparing the effectiveness of service providers (e.g., human agents vs. automated agents), this meta-analysis takes a more granular view by considering how different levels of service automation impact consumer responses on different stages of interaction. In particular, we build on a large dataset of 448 effect sizes (165 studies) to compare non-automated (delivered by a human agent), quasi-automated (delivered by a customer through self-service technology), and fully automated (delivered by an automated agent) services in terms of consumer preferences (pre-interaction reactions) and actual effectiveness (post-interaction reactions). To provide actionable guidance, we zoom in on what to automate (service job), how to automate (service design), and when to automate (service context). Our findings enrich consumer research on service automation by systematizing diverging automation levels findings. They also contribute to the literature on consumer empowerment and control by showing how consumers gain and lose power in being served (full service by HA or AA) and underserved (self-service via SST). Practice-wise, our findings aid senior operations and customer experience managers in their joint decisions on service automation, and particularly in their strategic choice between distinct levels of service automation.

SA14

B132

Promotion and Media Marketing

Contributed Session

Contributed

Chair: Anil Gürbüz, Burgplatz 2, 56179

1 - From Binge to Rewatch: Reframing Media Reconsumption Beyond Pathology

Clarice Zhao, McGill University, Montréal, QC, Canada, Sarah Moore, Niusha Safarpour

Digital content streaming platforms have made binge and repeat watching a cultural norm. Despite the ubiquity of both consumption format (binge- versus spaced viewing) and reconsumption, the literature offers only a limited exploration of each behavior and no systematic insight into their interaction. In this paper, we rely on Netflix dataset. Together, the multi-method evidence demonstrates that consumption format is a consequential, genre-contingent driver of reconsumption. The findings advance theories of narrative engagement and offer actionable guidance for content scheduling, recommendation algorithms, and marketing communication aimed at maximizing lifetime viewership. Leveraging two proprietary Netflix data sets encompassing 175 million viewing sessions for the platform’s 100 most-watched shows, we find that (1) spaced viewing is the modal pattern (60.9 of sessions), yet (2) binge sessions are positively linked to subsequent rewatching. Propensity-score matching on individual viewing histories strengthens this association, and genre moderates it: sitcoms and documentaries preserve the positive binge–rewatch link, whereas narrative-dense genres such as romance reverse the effect. To delve deeper into the underlying mechanism and complement the field analysis, we conducted four online experiments (N = 1,246).

2 - Sales Effects of Launch Timing and Promotion Strategies

Ian Kim, New York University, New York City, NY, United States

This paper studies firms' joint decisions on product launch timing and advertising, which are typically analyzed separately despite being closely intertwined in practice. I develop and estimate a unified structural model of release timing and advertising competition in the U.S. motion picture industry, focusing on blockbuster films where demand is highly front-loaded and strategic decisions are particularly consequential.

On the demand side, I model moviegoers' theater attendance and movie choice using a latent-class nested logit framework that allows for heterogeneity in advertising responsiveness and seasonal demand composition. On the supply side, studios play a two-stage game. In the first stage, each studio decides whether to release its film during peak holiday weeks. In the second stage, conditional on the release schedule, studios choose advertising expenditures in an oligopolistic competition. Release timing internalize continuation payoffs from advertising competition.

Bringing this framework to the data raises identification challenges. To address endogenous selection into peak release windows, I implement a flexible control-function correction that accounts for quality-based entry without imposing strong informational assumptions. To capture product differentiation, I construct content-based film characteristics using embeddings of movie synopses.

Using the estimated model, I conduct counterfactual analyses that quantify the relative importance of release timing and advertising, evaluate platform-style coordination of scheduling and promotion—akin to strategies used by integrated streaming platforms such as Netflix—and assess the competitive effects of studio consolidation. The results highlight strong strategic interactions between timing and advertising, with managerial and policy implications for industries with short product life cycles.

3 - Exploring the Effects of Variety-Seeking Behavior on User Engagement and Satisfaction in Mobile Apps

Masaki Ishida, Kansai University, Osaka, Japan, Rei Tada

In today's digital society, mobile applications play a central role in shaping consumers' experiential choices, making it crucial to understand factors that drive user engagement and satisfaction. This study investigates how store-level variety-seeking behavior within a mobile app influences users' engagement with the app and their satisfaction with app-based experiences. Variety seeking, rooted in marketing and psychology, refers to the diversity of items or experiences chosen by users and is often motivated by curiosity or the desire to alleviate boredom. Although research on variety-seeking behavior has progressed from multiple perspectives, most prior studies rely on laboratory experiments in controlled settings, yielding mixed evidence on its effects on marketing outcomes. Moreover, variety-seeking behavior unfolds over medium- to long-term consumption processes, highlighting the need for field-based investigations using real behavioral data. Accordingly, this study empirically examines the effects of variety-seeking behavior within mobile apps on user engagement and satisfaction. We analyze behavioral data from a restaurant review mobile app covering 15,700 users between January 2024 and June 2025. The app records users' restaurant visits, review submissions, and satisfaction ratings, which are used to measure variety-seeking behavior, engagement, and satisfaction. The results indicate that store-level variety seeking exhibits an inverted U-shaped relationship with app engagement, whereas satisfaction with app-based experiences follows a U-shaped pattern. These findings provide a new perspective on previously inconsistent results in the variety-seeking literature and highlight the importance of field-based behavioral data in understanding how exploratory consumer behavior shapes engagement and satisfaction in digital platforms.

4 - Who Should Pay for the Internet? Consumer Acceptance of Cost-Sharing

Anil Gürbüz, WHU - Otto Beisheim School of Management, Vallendar, RI, Germany, Christian Schlereth, Lukas Wiewiorra

The growth of data-intensive digital services has substantially increased global Internet traffic, placing mounting pressure on Internet service providers' (ISPs') network investments. Under existing net neutrality regulations,

digital service providers (DSPs) cannot be charged for content delivery; however, recent regulatory developments increasingly call for financial contributions from DSPs to help fund network infrastructure. While prior research has examined this debate primarily from legal and economic perspectives, little is known about how consumers evaluate alternative cost-sharing arrangements, even though such costs are ultimately passed on to end customers. Our study examines consumer acceptance of concrete pricing mechanisms under potential cost-sharing regimes. We conduct a between-subjects manipulated and price anchor-extended version of the best–worst scaling (case 1) method in which consumers evaluate trade-offs between seven data-intensive digital service categories and explicit compensation elements. Through the between-subjects design, we compare three compensation mechanisms: pay-to-use fees, opt-out rewards, and ad-for-access. Based on a demographically representative UK sample (N = 357), the results show that consumer acceptance is context-dependent. Streaming and messaging services are most valued at the aggregate level, while substantial heterogeneity emerges across identified customer segments. Consumers are more willing to accept attention-based compensation than monetary charges, and valuations are significantly higher when costs are framed as potential losses rather than additional payments. Our findings provide a valuation map that informs the design of viable cost-sharing schemes.

SA15

B133

Visual Analysis

Contributed Session

Contributed

Chair: M. Deniz Dalman, N/A

1 - Keep It Simple -or Not? The Role of Visual Complexity in New Product Success

Sajeev Nair, University of Kansas, Kansas City, MO, United States, Majedeh Esmizadeh, Deepa Chandrasekaran, Larisa Kovalenko

Packaging is central to attracting consumer attention and influencing product choice, especially in crowded consumer packaged goods categories where visual cues often serve as the first point of interaction. Although prior research has examined visual complexity, less is known about how distinct dimensions of complexity captured directly from real-world packaging relate to new product performance. This study investigates how two specific dimensions – shape complexity and color complexity – affect sales of new products. Using computer vision techniques, the authors derive objective measures of shape and color complexity from packaging images of 332 U.S. product launches, which are then linked to retail sales data across more than 40,000 stores. The results indicate that only specific forms of complexity are associated with new product sales, highlighting the value of treating visual complexity as a multi-dimensional construct. While elements of complexity are beneficial on their own, their interaction harms sales. The study advances understanding of visual complexity as a strategic design lever, shows the value of machine learning-based measurement in field settings, and clarifies when different forms of complexity enhance or undermine new product success.

2 - Picture Perfect: the Role of Visual Cues in Resale Listings

Sophie Berghueser, LMU Munich School of Management, Munich, Germany, Martin Spann

Online resale markets are growing rapidly but are characterized by pronounced information asymmetries due to substantial product and seller heterogeneity. While existing research focuses on seller-level interventions, such as ratings and reviews, product-level interventions have received limited attention. This omission is notable, as listings include multimodal product descriptions that can convey critical information to prospective buyers. Drawing on signaling theory, our research investigates the effects of different visual and evaluative cues in product descriptions on buyers' purchase intent in resale markets. We extract visual cues in real-world listing data using a customized vision transformer model and find substantial variation in both their presence and composition across listings. In a two-stage regression, product-unrelated visual cues, such as purchase receipts, influence sellers’ asking prices, which, in turn, serve as evaluative cues to buyers. Further, we find a substantive

but varying influence of different visual cue types on buyers' purchase intent. While explicit cues, such as production batch numbers, positively affect purchase intent, implicit cues linked to craftsmanship only have a substantive effect when products are in good condition. When aggregating all visual cues at the listing level, we observe a positive but nonlinear relationship between the number of cues and purchase intent. Contributing to the literature on information asymmetries, these findings offer actionable insights for potential buyers of used products and inform sellers, platforms, and brand strategists about product-level interventions to improve the transaction efficiency in online resale markets.

3 - Learning Preferences for Visually Complex Products Through Interpretable Queries: a Framework for Adaptive Survey Design

Weixin He, The Wharton School, Philadelphia, PA, United States, Eric Bradlow

We present an interpretable and adaptive onboarding survey framework that addresses the cold start problem for visually complex products by learning user preferences over high dimensional, fine grained, and human interpretable attribute levels. Our approach follows a two stage pipeline. In the first stage, we construct a high quality, fine grained, and interpretable attribute set directly from product images using a state of the art multimodal generative model, thereby avoiding reliance on manually defined or coarse attributes. In the second stage, we adapt and extend the Variational Information Pursuit (V-IP) algorithm to enable real time adaptive querying. This strategy selects the most informative attribute levels, defined as those whose user responses most effectively reduce uncertainty in preference estimation, in order to elicit user preferences efficiently. During onboarding, users are queried about their preferences for a subset of these attribute levels, and their responses are used to predict product preferences and generate recommendations. By adaptively selecting which attributes to query, the model achieves accurate preference estimation with a limited number of questions. In simulations on fashion products, the adaptive querying strategy consistently outperforms fixed question baselines, while the interpretable model achieves accuracy comparable to black box alternatives. These results demonstrate that fine grained visual attributes capture nuanced product characteristics and that adaptive querying efficiently learns user preferences. Overall, our framework provides a practical and transparent solution for onboarding survey design, improving recommendation quality while offering actionable insights into customer preferences.

4 - Aligning Anthropomorphic Product Visuals and Text Descriptions when Advertising to Control-Oriented Consumers

M. Deniz Dalman, EM Lyon Business School, Lyon, France, Subimal Chatterjee, Debjit Gupta, Satadruta Mookherjee

This research investigates how the congruence between anthropomorphic visuals and textual descriptions in advertising affects the decisions of consumers who have high need for control (NFC) for their purchases. Using Schema Congruity Theory, we manipulate congruence by matching anthropomorphic, or human-like, product imagery with either a first-person (congruent) or a third-person (incongruent) textual description. An eye-tracking study shows that presenting a humanized brand described in the first person makes participants fixate more frequently and longer on the human-looking features of the focal brand (e.g., the "eyes" of the brand) compared to describing the brand in the third person. Further studies demonstrate that this congruence significantly influences brand evaluations of consumers with higher NFC as they evaluate human-like brands more positively when described in the first person rather than the third person. Process evidence indicates that the visual/description congruence gives higher NFC consumers the order and structure that they seek in their purchases, and the latter leads to higher purchase intentions. These findings suggest that advertisers can optimize consumer attention and engagement and improve ad effectiveness by strategically aligning anthropomorphic visuals with first-person descriptions for target segments with a high need for control.

SA16

B134

Social Media

Contributed Session

Contributed

Chair: Purvendu Sharma, Rau Pithampur Road, N/A

1 - When Humans Lead and AI Supports:Task Allocation and Performance in Entrepreneurial Social Media Engagement

Adrien Audoin, University of Palermo, Palermo, Italy, Nan Jia, Paolo Roma

Entrepreneurial firms often lack the resources to sustain creative social media engagement, yet social media visibility is vital for growth. Advances in generative AI offer new opportunities for these firms to produce professional-quality video and image content. However, integrating AI into creative, customer-facing work poses organizational challenges: success depends not only on using AI but on how it is embedded into the production process. We address this question through a randomized field experiment with an Italian entrepreneurial firm specializing in lighting products. The experiment manipulates the division of creative labor between humans and AI in producing images and videos for the firm's Facebook and Instagram accounts, distinguishing between core tasks (strategic meaning and emotional connection) and peripheral tasks (editing and formatting). We analyze both performance (visibility and engagement on social media) and process (iterations and feedback in production). Preliminary findings show that combining human input for core components with AI assistance for peripheral ones enhances visibility by expanding audience reach among both followers and non-followers, but without increasing audience engagement. This configuration also improves efficiency in developing core content but requires more minor refinements of peripheral elements. The study advances understanding of how off-the-shelf AI tools assist resource-constrained entrepreneurs in visual media production.

2 - Show Me Some Effort! the Effect of Likes Versus Comments and Their Presentation Format on User-Generated Content

Min Zhao, Boston College, Chestnut Hill, MA, United States, Yue Wang, Ying Zhao

Motivated by the challenge of content under-provision on the User-Generated Content (UGC) platforms, the current work draws on research on reciprocation and unpacking to examine the differential effects of likes versus comments on creators' content-generation behavior. Field data from NetEase Cloud Music (NCM) provide preliminary evidence that comments from viewers are more effective than likes in eliciting subsequent content generation. While this effect may be driven by the greater amount of information conveyed in comments relative to likes, content creators may also process individual comments one by one in an unpacked manner (the default presentation format on most platforms), whereas likes are typically viewed in an aggregated format.

To understand the mechanism underlying the greater effectiveness of comments over likes, we conducted three follow-up experiments examining the effects of likes and comments presented in either a packed (i.e., aggregated) or unpacked (i.e., separate individual feedback) format. The results demonstrate that simply presenting viewers' likes or comments in an unpacked format increases creators' subsequent content generation. In addition, the experiments identify perceived effort as the underlying process by measuring effort and testing its mediating role (Experiments 1 and 2), or by manipulating the effort involved in commenting and showing an attenuated unpacking effect for lower-effort comments (Experiment 3).

Adopting a multi-method approach, this research provides insights into the motivations underlying UGC creation and offers managerial implications for designing effective feedback mechanisms to foster more engaged content generation on UGC platforms.

3 - Replying in Public: Firm-to-One Communication, Congruence, and Engagement on Social Media

Ceren Kolsarici, Queen's University, Kingston, ON, Canada, Sae Hoon Chang, Selin Atalay

Firms communicate on social media by broadcasting posts to broad audiences (firm-to-many, FTM) or replying publicly to individual customers (firm-to-one, FTO). We develop and test a congruence account of engagement. Observers infer relational intent from communication style, and messages that feel congruent with their form are perceived as more authentic, spontaneous, and approachable, increasing engagement.

We test this framework using 127,616 tweets from six Canadian financial institutions on X from July 2018 to September 2024 and a set of online experiments. Congruence is measured by combining LLM-coded ratings of authenticity, spontaneity, and approachability into a factor-based composite. Field analyses show that congruence

is systematically higher in public replies than in broadcasts, and it robustly predicts engagement. Causal mediation results indicate that congruence is a key pathway through which communication form shapes engagement. Moderated mediation reveals content–form asymmetries. Informational content is better received in FTO replies, where it increases congruence and engagement, but it is discounted in FTM broadcasts. Emotional intensity shows the opposite pattern. Emotional cues tend to strengthen congruence and engagement more in FTM than in FTO, consistent with different observer inferences across forms. We control for response time and semantic similarity and use control-function terms to mitigate endogeneity in content and style.

Across experiments, manipulating form and style causes shifts in perceived congruence and downstream engagement intentions, supporting the proposed mechanism. Together, the results provide actionable guidance on when firms should emphasize informational versus emotional content in public replies versus broadcast posts.

4 - More Words, More Persuasion? How Lexical Diversity (Dis)Improves Persuasion

Ling Peng, Lingnan University, Hong Kong, China, People's Republic of, Geng Cui, Yuho Chung, Juanjuan Ou

An expansive vocabulary is a key indicator of authors' linguistic sophistication and serves as a differentiating factor for effective persuasion. Yet the effect of vocabulary richness is inconsistent and poorly understood. Drawing from the processing mode framework, we examine the effect of vocabulary richness (i.e., lexical diversity) on persuasion in marketing. Study one uses a data set of 83,459 promotion pitches from the crowdfunding platform Kickstarter. We adopt automatic scoring using Coh-Metrix to assess the linguistic features and lexical diversity of project descriptions. Contrary to the "simple is best" proposition, the results indicate that lexical diversity has an inverted-U effect on campaign success and a negative effect on readability and coherence. Robustness checks using alternative measures confirm these results. Moreover, text length and topic familiarity moderate the effect of vocabulary richness. The results of a controlled experiment using short product descriptions suggest that vocabulary richness enhances consumer involvement and perceived fluency, which in turn improves product attitude and purchase intention. The findings provide meaningful implications for understanding the role of vocabulary richness in persuasion and for generating high-impact marketing content.

5 - Comparative Study for Influencers Through Mixed Method Approaches

Purvendu Sharma, Indian Institute of Managements Indore, Indore, India, Ashish Sadh, Aditya Billore, Manoj Motiani

The present work highlights the nuanced understanding of influencer marketing. In further note, it aims to detail a comparative analysis of influencer-based promotions for a luxury versus a sustainable fashion brand. To do so, we seek to use a mixed-methods study approach. The first study aims to deploy a qualitative approach, conducting in-depth interviews to identify the key marketing constructs and influencers needed to promote a luxury or sustainable brand. The work plan proposes to collect data from different segments of followers based on their preferences for the mentioned categories. Upon identifying these key constructs, a conceptual framework is prepared for validation and evaluation using a PLS-SEM approach. The study is a rare attempt to first highlight and address existing research streams in influencer marketing, especially through comparative analysis. To make interesting contributions to the field of influencer marketing, we also aim to examine interactions between influencer types (micro, macro, nano vs. celebrity endorsements) and brand type. With this note, we offer more specifics on the evaluation of different influencer marketing contexts. Further, the work aims to identify and highlight the essential traits of influencers across different segments, such as luxury and sustainable brands. Second, and importantly, we aim to use a mixed-methods approach to detail and provide a comprehensive understanding of the facets of these influencers. Practically, managers can learn the key characteristics of influencer marketing approaches, especially for luxury and sustainable brand followers. Further notable insights to strategize marketing plans for luxury and sustainable brands are offered.

SA17

B135

Scientometrics and the Science of Science

Contributed Session

Contributed

Chair: Carine Marette, Kritik Education

1 - Institutional Consequences of Research Misconduct

Aukje Wijnen, Tilburg University, Tilburg, Netherlands, Samuel Staebler

Over the past decade, academic paper retractions have increased more than fivefold. Many of these retractions stem from research misconduct, including fabrication, falsification, plagiarism, and more recently, the production of fraudulent papers using AI tools. Existing research has primarily examined the consequences of research misconduct for individual authors, showing post-retraction declines in funding, research output, and citations. However, the broader institutional consequences of such misconduct remain underexplored. We address this gap by examining spillover effects of research misconduct on affiliated institutions. Across five studies, we analyze the institutional-level consequences of retractions for universities (Studies 1a–1c) and for firms involved in retracted university–industry collaborations (Studies 2a–2b). Study 1a uses a difference-in-differences design to examine whether research misconduct at a university reduces media mentions of unaffected papers from the same institution. Studies 1b–1c use experiments to assess how such misconduct shapes student perceptions of university quality and public perceptions of scientific legitimacy. Study 2a employs an event study to examine investor responses to firms implicated in research misconduct, and Study 2b uses an error-correction model to assess changes in consumer perceptions following firms' involvement. Together, the findings broaden our understanding of research misconduct by revealing its institutional-level consequences for both universities and firms.

2 - Why Do Authors Cite An Article? An Analysis of Citation Behavior in Top Marketing Journals

Rajagopalan Sethuraman, Southern Methodist University, Dallas, TX, United States

Citations have long been recognized as an indicator of an academic work's impact. This research investigates what factors influence citation behavior in top marketing journals by answering the following questions: (i) Why do authors cite a publication? Is it because of recency, topic relevance, author reputation, journal reputation, or other factors? (ii) What is the journal stickiness coefficient – propensity to cite publications from the same journal? What is the extent of cross-journal citation (citing work from another journal)? (iii) What is the extent of self-citation – citing one's own work? Preliminary model-free analysis based on over 31,000 citations in eight top marketing journals for two years (2023 & 2024) revealed interesting findings on recency effect, journal stickiness coefficient, cross-journal citations, and self-citation counts. Other findings, insights, implications, and avenues for future research are discussed.

3 - Two-Tier Collaboration Network Effects on High-Level Scholars' Research Performance in the Field of Quantum Information Science

Baohuan Zhou, University of Science and Technology of China, Hefei, China, People's Republic of, Xiaoli Hu, Hanbing Xue, Pingfan Wang, Liang Liang

Quantum information science (QIS) is an interdisciplinary field with substantial entry barriers, and sustained advances rely on collaboration. This study examines how collaboration structures relate to the research performance of high-level scholars in QIS. We develop a two-tier framework that links egocentric and team networks and distinguishes between research performance quantity and quality. Using 202,614 Web of Science records from 2000 to 2020 and a structured name disambiguation procedure, we identify 6,587 high-level scholars under a rolling five-year, quality-oriented rule. For each year from 2005 to 2017, we reconstruct collaboration networks over years t-4 to t and measure outcomes in t+1 to t+3. We estimate a negative binomial model for total publications, linear regression for fractional publications and citations per paper, and apply the Infomap algorithm for community detection. The results reveal two linked patterns. At the egocentric level, betweenness centrality and efficiency are positively associated with research performance. At the team level, effects are nonlinear and asymmetric. Research performance quantity follows a U-shaped relationship with team

size and increases with team distance. Research performance quality follows an inverted U-shaped relationship with team size and declines as team distance increases. These findings suggest that large teams whose members occupy more distant positions in the collaboration network are effective at scaling output, whereas moderately sized, more cohesive teams are better positioned to produce high-impact work. The two-tier framework clarifies how different network drivers can raise productivity while shaping scholarly influence, and it offers actionable guidance for collaboration strategy and research policy.

4 - Beyond the Ivory Tower: How Transmission Media Increase the Societal Impact of Academic Research

Samuel Stäbler, Tilburg University, Tilburg, Netherlands, XIAONING LIANG, Michael Haenlein

This research examines how publishing managerial summaries of academic research in transmission media—such as managerial journals and blogs—can enhance the societal and managerial impact of scholarly work. Although practitioner-oriented transmission media have long been advocated as a bridge between academia and practice, systematic evidence of their effectiveness remains limited. Across three studies, we examine whether and why managerial summaries increase the impact of academic research and how to maximize such impact.

Study 1 analyzes archival data from 15,900 academic articles and shows that the presence of managerial summaries in transmission journals significantly increases multiple impact metrics, including Altmetric attention, media citations, and policy mentions. These effects are particularly strong for articles focusing on consumer behavior, published in top-tier journals, and authored by researchers from North American institutions. Study 2 employs a large-scale online experiment with 1,389 business professionals and demonstrates that generative artificial intelligence (GenAI)–generated blog summaries, compared with academic articles, significantly enhance the perceived managerial impact of academic research. This effect is especially pronounced among individuals who are less educated, older, and lower in belief in science. Study 3, an experiment with 177 respondents, further reveals that these effects are driven by greater ease of understanding and perceived relevance to practice.

Together, the findings provide robust evidence that transmission media—and GenAI-assisted translation in particular—play a critical role in extending the reach, relevance, and real-world influence of academic research.

5 - Learning by Evaluating: Evidence from Large-Scale Peer Feedback Data

Carine Marette, Kritik Education, Toronto, ON, Canada, Ying Yang, Siyu Wang, Pradeep Chintagunta

In modern service ecosystems, value co-creation increasingly depends on the critical thinking and evaluative judgment of participants. These cognitive capabilities are essential for integrating complex information, yet scaling their development remains a significant challenge across professional and educational sectors. We investigate structured peer feedback as a data-rich, user-generated service process that serves as a primary mechanism for developing these skills. Using a large longitudinal dataset from a digital assessment platform implemented across North American higher education institutions, we examine the reciprocal exchange of evaluative services. The platform structures interaction through repeated cycles of content submission, rubric-based evaluation, and recipient ratings, generating detailed behavioral and textual data. Our research identifies empirical evidence of critical thinking by analyzing both numeric performance metrics and granular text data. By applying longitudinal behavioral analysis, we examine how participation in evaluation activities relates to subsequent performance, extending beyond the conventional focus on receiving feedback. Our results reveal systematic performance changes over time and a strong positive association between the quality of feedback individuals provide and their subsequent performance. Ongoing work combines econometric models with machine learning–based text analysis to characterize feedback along dimensions such as tone, specificity, and alignment. We also explore how perceptions of fairness and reciprocity influence engagement in this co-created environment. By framing peer feedback as a technology-enabled service process, this study contributes to interdisciplinary research on digital platforms, service design, and user-generated evaluation. The results highlight the value of large-scale behavioral and textual data for understanding performance dynamics in AI-augmented service.

SA18

B136

Salesforce Incentives and Capabilities

Contributed Session

Contributed

Chair: Zoran Latinovic, emlyon business school, N/A, France

1 - Sales Incentives for Competing Products

Sumitro Banerjee, Grenoble Ecole de Management, Grenoble, France

Firms frequently rely on sales incentives to promote products that differ in quality, positioning, and strategic importance. Accordingly, incentive schemes may vary across products, and firms often concentrate incentives on flagship offerings while weakly incentivizing—or passively selling—lower-quality products. This paper examines optimal salesforce compensation when products compete, demand is noisy and correlated across products, and salespeople are risk-averse.

We analyze monopoly and duopoly environments with vertical and horizontal product differentiation, allowing firms to choose prices, incentive intensity, and salesforce structure. Across all settings, we show that incentive provision is endogenously tilted toward high-quality products and firms. A monopolist may optimally sell the low-quality product without incentives or exclude it altogether when differentiation is limited or risk-sharing costs are high. When salespeople compete, rank-order tournaments arise only if demand shocks are sufficiently correlated, and the optimal prize spread responds non-monotonically to product differentiation. In competitive markets, high-quality firms charge higher prices, offer stronger incentives, and generate higher expected compensation for their salespeople.

Overall, the model provides a demand- and risk-based explanation for selective incentive provision, asymmetric compensation, and the strategic focus on premium products observed in many real-world sales organizations.

2 - Understanding Salesperson Turnover: a Joint Decision-Making Model of Salesperson and Firm Dynamics

Jeongseung Park, Washington University, St. Louis, MO, United States, Jingcun Cao, Tat Chan

Managing salesperson turnover is a critical challenge for sales-driven organizations. Premature departures can result in substantial financial losses, while retaining underperformers creates inefficiency. Yet despite the inherently interdependent nature of employment relationships—where both the firm and the employee must agree to continue—most work in marketing and economics models turnover as a unilateral decision made by the employee. This paper addresses this gap by developing a dynamic model of turnover as a joint decision-making process between the salesperson and the firm, capturing the tension between individual career incentives and organizational objectives. Using a unique dataset containing both salesperson income and salesperson-level profit contributions to the firm, we estimate the model and conduct rich counterfactual analyses. These include evaluating how changes in compensation structure, learning speed and initial uncertainty affect turnover dynamics. By explicitly modeling the strategic and evolving nature of employment relationships, this study provides actionable insights for reducing costly mismatches and improving retention policies.

3 - Human Capital Formation in Professional Sales: a Longitudinal Analysis of Business Acumen and Curiosity

Howard Dover, University of Texas at Dallas, Richardson, TX, United States

As artificial intelligence (AI) increasingly automates information processing, the sales field faces renewed questions about the formation and measurement of uniquely human capabilities. This study examines whether business acumen and curiosity—key latent constructs in selling and boundary-spanning roles—can be systematically developed and empirically tracked over time. Participants conducted six to ten structured interviews with senior executives using a fixed protocol. Interview transcripts were analyzed as unstructured text using non-parametric time-series methods, enabling the construction of longitudinal measures of business

acumen and curiosity at the individual level. Results show monotonic increases in both constructs, with most participants exhibiting detectable growth by the third or fourth interview and significant gains by the end of the sequence. The findings contribute a scalable approach to measuring human capital development from longitudinal unstructured data and suggest avenues for linking these constructs to sales interactions and performance outcomes.

4 - Rising from the Ashes: Salesforce Effectiveness Post Super Bowl Loss

Kissan Joseph, University of Kansas, Lawrence, KS, United States, James Reeder

When customers' attention swings around major events, are sales reps able to capitalize on this to enhance their selling effectiveness? Does the modality of visit moderate this effect? We use four years of weekly client-level data from a B2B medical-products firm to estimate how the Super Bowl shifts visit effectiveness for outside (face-to-face) versus inside (phone) representatives to answer these questions. We focus on clients in the designated market areas (DMAs) of the two competing teams and estimate effects in the two-week pre- and post-game windows, separately for winning- and losing-team regions. To address endogenous visit allocation, we employ a control-function design that instruments visit incidence using reps' stated quarterly call targets interacted with within-quarter timing partitions. The results reveal sharp modality asymmetries. Outside reps ramp up pre-game visits and realize large gains in effectiveness pre-game and post-game in losing-team DMAs. Inside reps experience a significant pre-game decline in effectiveness despite only modest additional calling, along with post-game weakening in core-line effectiveness in winning-team DMAs. Revenue decompositions show impacts are concentrated in non-core product sales. Overall, major events materially reshape salesforce productivity, disproportionately rewarding relationship-rich, locally embedded selling.

5 - A Complementary Mechanism of Intrinsic and Extrinsic Interpersonal Emotion Regulation in Enhancing the Effects of Intrapersonal Emotion Regulation on Outcomes in Key Account Management

Zoran Latinovic, Emlyon Business School , Lyon, France, Nektarios Tzempelikos

Key Account Management (KAM) is a systematic process for managing long-term relationships with business-to-business (B2B) customers that are strategically important to the supplier (key accounts). Moreover, KAM relationships are often complex, long-term, and emotionally demanding, thus requiring key account managers (KAMs) to manage not only tasks and deliverables but also expectations, tensions, and interpersonal dynamics across multiple stakeholders. Despite this, the emotional dimension of KAM remains underexplored. This paper addresses that gap by examining emotion regulation in KAM. We distinguish between *intrapersonal emotion regulation (ER)*—how individuals manage their own emotions—and *interpersonal emotion regulation (IER)*—how they manage others' emotions. We introduce a conceptual framework linking ER and IER to three outcome levels: individual (e.g., well-being, resilience), relational (e.g., trust, collaboration), and collective (e.g., team cohesion, cross-functional alignment). Importantly, we explore the dual mechanisms underlying IER: intrinsic (regulating one's own emotions during interactions with others) and extrinsic (regulating others' emotions during the interactions). Both shape how KAMs navigate ambiguity, resolve conflict, and co-create value. Accordingly, our model proposes that ER and/or intrinsic IER enhance individual outcomes for KAMs, while extrinsic IER enables emotionally intelligent, trust-based relationships and enhances both relational and collective outcomes in KAM. Together, these processes contribute to more collaborative work environments in KAM. By integrating ER and IER theory into the KAM context, this paper expands the conversation around emotional competence in B2B relationships, highlighting it as a critical yet often overlooked dimension of KAM effectiveness.

SA19

B137

Algorithms

Contributed Session

Contributed

Chair: Yansong Hu, Coventry, CA, United Kingdom

1 - Algorithmic Proximity: Large-Scale Experimental Evidence of Assortment Spillovers in Sponsored Products Ads

Andrei Meshcheriakov, Zalando Partner Marketing Services GmbH, Berlin, Germany, Daniel Guhl

E-commerce search and sponsored product listings present consumers with an ordered set of items on the "digital shelf." While position effects are well documented, less is known about spillovers: whether and why the attributes of an adjacent item affect demand for the focal item.

We run a large-scale field experiment using Ghost Ads that randomizes the neighbor: we suppress the ad auction winner in position 2 and replace it with the next-best eligible candidate, generating exogenous variation in the adjacent item while holding the focal item's position fixed. Across 2,500+ contexts, a two-stage Bayesian hierarchical meta-analysis shows a positive spillover from the adjacent item: replacing the position-2 winner with the next-best candidate reduces the position-1 item's click-through rate (CTR), indicating that the original position-2 item supports demand for the focal item.

We then conduct a series of causal mediation analyses (under sequential ignorability) to decompose this spillover into indirect effects operating through (i) brand power (using multiple brand strength proxies) or (ii) item relevance (model-predicted CTR). We find no systematic indirect effect attributable to brand power, robust across definitions and supported by mediation sensitivity analyses. In contrast, the spillover is partially mediated by item relevance: high predicted relevance of the adjacent item increases the focal item's CTR. These results suggest that adjacent-item spillovers are primarily governed by relevance-driven evaluation, with implications for platform ranking and auction design that emphasize relevance density over reputation clustering.

2 - Decision-Aware Segmentation

Ke Li, INSEAD, Fontainebleau, France, Sandeep Chandukala, Ernst Osinga, Spyros Zoumpoulis

Customer segmentation is central to targeting and personalization. The dominant approach is to learn segments to describe the customer base (e.g., by clustering customers with similar characteristics) and then apply a segment-level action rule. However, these segments are not chosen to optimize the downstream decision and can therefore induce suboptimal targeting. At the same time, individual-level approaches used for uplift modeling aim to estimate heterogeneous treatment effects (HTE), but often rely on noisy individual-level estimates, resulting in policies highly sensitive to estimation error, especially in sparse data environments.

We propose **Decision-Aware Segmentation** (DAS), a unified framework that learns customer segments explicitly to maximize expected profit from targeting decisions. DAS consists of two components. The first, Decision-Aware Segmentation Tree (DAST), constructs a segmentation by maximizing estimated counterfactual profits, given a prespecified number of segments. The second, Decision-Aware Model Selection (DAMS), selects the number of segments by maximizing out-of-sample policy performance. DAMS is algorithm-agnostic and can be applied to any segmentation method that treats the number of segments as a tuning parameter, providing a principled, decision-aware method to choose the number of segments.

Across extensive simulations and several real-world datasets, DAS delivers substantial profit improvements over both mainstream segmentation approaches and HTE estimation methods from causal inference. Furthermore, our framework exhibits particular advantage in settings with sparse outcome data and limited sample sizes. Overall, our results highlight the value of embedding decision objectives directly into the segmentation process.

3 - When Algorithms Fail: Governance, Accountability, and Transparency in Data-Driven Markets

Yansong Hu, University of Warwick, Coventry, United Kingdom, Damien McLoughlin

Artificial intelligence (AI) increasingly shapes how firms interact with consumers, automate decisions, and communicate in digital markets. Yet failures in AI design and deployment continue to generate severe and often underreported harms—from biased recommendation systems to unsafe automation and deceptive content. This paper develops and tests a theory of responsible AI governance to explain the organizational mechanisms linking ethical harm and visibility across these settings. We conceptualize responsible AI governance as a multidimensional system of structural, relational, and procedural practices that translate ethical principles into operational routines.

Using a large-scale dataset of AI-related failures spanning consumer, platform, and autonomous technologies, we

test a model linking governance design to two ethical outcomes: the severity of harm and the level of public reporting. Results show that centralized accountability structures and transparent coordination processes significantly reduce harm severity and increase disclosure likelihood. These findings advance research on marketing ethics, algorithmic accountability, and organizational governance, demonstrating that the architecture of responsibility within AI-intensive firms influences not only the magnitude of harm but also its visibility to stakeholders. The study offers actionable insights for designing AI systems and governance structures that reduce ethical risk, enhance transparency, and sustain trust in data-driven markets.

Saturday, June 13, 10:30 AM - 12:00 PM

SB01

B002

Behavioral Economics in Marketing

Contributed Session

Contributed

Chair: Yuanyuan Zhang, KU Leuven, Antwerp, Belgium

1 - Failures Loom Larger than Delights: Asymmetric Touchpoint Effects Across the Customer Journey

Hsiu-Wen Liu, Soochow University, Taipei, Taiwan

Do satisfied and dissatisfied customers evaluate service experiences in the same way? Prior research on online reviews typically models topic mentions as predictors of satisfaction, estimating a single set of parameters across all customers. This study explores the possibility of asymmetric evaluation patterns across satisfaction segments. To address this question, this study develops a sentence-level semantic classification methodology that extracts journey structure from unstructured review text, enabling comparison of effect magnitude and attention allocation across customer segments. The methodology addresses three questions: (1) whether factors associated with dissatisfaction and satisfaction exhibit equivalent association strength, (2) whether satisfied and dissatisfied customers attend to the same touchpoints, and (3) how identical service encounters generate distinct experiential realities across customer segments. Analyzing 1,554 reviews from a casual dining restaurant, Study 1 reveals pronounced asymmetry in both effect magnitude and attention allocation. Association rules for dissatisfaction exhibit substantially higher lift values (1.59-3.67) than those for satisfaction (1.01-1.53) or high satisfaction (1.00-1.28). Mention rate analysis provides convergent evidence: dissatisfied customers mention certain touchpoints far more frequently than satisfied customers, while other touchpoints show relatively symmetric rates across segments. Study 2 validates classification quality and uncovers intriguing phenomena: identical service failures trigger contrasting interpretations across segments, and certain operational policies may initiate cascading service failures across multiple touchpoints. These patterns suggest that service failures carry disproportionate weight in customer evaluation, opening avenues for future research on customer experience heterogeneity.

Acknowledgements: This research is supported by the National Science and Technology Council, Taiwan (NSTC 114-2410-H-031-065).

2 - Responses to Missed Opportunities: the Effects of Phantom Decoys and Inaction Inertia on Consumer Choice

Grace Zhang, University of Chicago Booth School of Business, Chicago, IL, United States, Oleg Urminsky

Two literatures have separately investigated how missed opportunities impact product choice: one focuses on the influence of “phantom decoy” options that are unavailable at the time of the purchase decision (i.e., stock-outs), and the other examines the “inaction inertia” effect after missing a discounted price on an option in a choice set. We reconcile competing predictions from the phantom decoy and inaction inertia literatures in three large-scale comprehensive studies with repeated choices, by employing both phantom decoys and missed discounts on choice sets to examine whether and when unavailable options increase or decrease consumers’ relative

preferences and purchasing and identify moderators. Our findings suggest that two different psychological processes underlie the effects of unavailable options on decisions of whether to purchase and which option to buy, identified by systematically varying decoy type, including our novel use of target-identical decoys, and separately examining relative preference and the decision to purchase. Whether an unavailable option has a positive or negative effect on the purchase of a target option depends on how the phantom decoy effect on relative preference and the inaction inertia effect on whether to purchase net out in a given context. Missing out on a dominating offer more similar to an available target can increase the target's sales, because missed deals increase preference over an alternative option. However, missing out on dominating offers that are much better and less similar can decrease the target's sales, since missed deals reduce purchasing overall even if the relative preference increased.

3 - Shaken off the Shelf: Branded Product Recalls, Category Demand, and the Rise of Private Labels

Dinara Akchurina, University of Toronto, Rotman School of Management, Toronto, ON, Canada, Ali Goli, Kristen Duke

We study the long-run effects of large-scale branded product recalls on category demand and the competitive position of private-label products. Using the Tylenol recalls of 2009–2012 as a natural experiment, we analyze weekly store-level scanner data covering over 26,000 U.S. retail establishments from 2008 to 2020. A simple cross-molecule comparison of acetaminophen and ibuprofen sales reveals a large persistent post-recall decline in the acetaminophen category, but conflates the recall with any concurrent shock to acetaminophen as a molecule. To isolate the recall's causal effect, we use cross-sectional variation in each store's pre-recall Tylenol brand dependence: stores where Tylenol commanded a larger share of acetaminophen sales before November 2009 faced a greater recall-induced disruption. Comparing high- to low-exposure stores within the same retail chain, we find that the recall caused a persistent and statistically significant reduction in total acetaminophen category demand—even in a market where functionally equivalent private-label substitutes were freely available throughout. We further document a large and permanent shift toward private-label acetaminophen in high-exposure stores, consistent with a forced-trial mechanism in which disrupted brand-loyal consumers sample store-brand alternatives and do not revert

4 - Categorical Thinking and Firm Responses

Andreas Kraft, Chicago Booth, Chicago, IL, United States

When consumers exhibit discontinuous responses to numerical thresholds, are they failing to process digits or following a deliberate decision rule? I examine this question within the used car market, where consumers systematically distinguish between vehicles above and below focal mileage values. Applying large language models to two million online forum posts, I measure consumer categorical thresholds for vehicle mileage. The extracted rules reveal systematic heterogeneity across make-threshold combinations that inattention to digits alone cannot predict, and many reference 5,000-mile multiples like 75,000 or 125,000, where discontinuities are significantly larger than at neighboring thresholds like 74,000 or 76,000. Merging these measures with millions of used vehicle transactions, I find that the frequency of stated rules predicts price discontinuities: make-mileage combinations mentioned more frequently in consumer discussions exhibit larger price drops at the cutoff. Turning to firm behavior, dealers largely calibrate to this heterogeneity, with listing price differentials capturing the majority of transaction price differentials. The remaining gap closes through longer time on lot and larger negotiated discounts for high-intensity thresholds. These findings suggest that threshold effects reflect deliberate consumer decision rules operating alongside perceptual bias, and that firms respond substantially, though not perfectly, to segment-level variation in consumer sensitivity.

5 - Consumer Reactions to Non-Integrated Versus Integrated Price Reductions

Yuanyuan Zhang, KU Leuven, Antwerp, Belgium, Marco Kotschedoff, Kathleen Cleeren

Price reductions can be implemented in store in two different ways: an integrated mode, where shelf prices are reduced, or a non-integrated mode, where shelf prices are unchanged and a price reduction is given at checkout. This paper explores the effect of the price reduction mode on consumer purchase behavior by studying a tax policy-induced price reduction in Germany in 2020. Specifically, two similar retailers, Aldi North and Aldi South, used different modes for the same price reduction. Using household panel data and a difference-in-differences (DiD) approach, this study finds that the non-integrated mode reduces weekly consumer spending by

3\% compared to the integrated mode. Consumers purchase fewer units and spend a higher share on private labels. Consequently, the non-integrated mode reduces retail revenue. Moreover, it only influences low-income and non-loyal consumers, and affects spending in high share-of-wallet (SOW), expensive, hedonic, and impulse categories. These findings suggest that retailers should consider the substantial difference in revenue when choosing price reduction modes. While the non-integrated mode saves on the costs of changing prices, it leads to lower sales. Policymakers may consider regulating the implementation of tax cuts to improve policy effectiveness.

SB02

B003

Targeting

Contributed Session

Contributed

Chair: Vartan Bal, UNSW, 109/8 Sonny Leonard Street, Zetland, 2017, Australia

1 - Not so Timely: Temporal Precision in Behavioral Targeting

Xinlong Li, Nanyang Technological University, Singapore, Singapore, Xuhang Fan, Sihan Li, Zemin (Zachary) Zhong

The availability of granular user data allows digital platforms to time interventions with unprecedented precision. However, does synchronizing message delivery exactly with user activity truly maximize consumer response? This paper investigates the impact of micro-timing in mobile communication on user engagement. We leverage a novel dataset from a leading push notification provider in China that captures the precise interval between notification delivery and mobile device usage. We exploit a quasi-experiment where the timing of a user's screen activation is random relative to the push request, creating exogenous variation in delivery timing. Regression discontinuity estimates reveal that, contrary to industry wisdom, immediate screen-on delivery backfires, significantly reducing same-day app logins. To isolate the effect of delivery lag, we instrument the realized delay using granular variations in screen-on timing. We find a non-monotonic pattern: users receiving notifications with a modest delay (1–6 minutes) after a screen-on event exhibit peak engagement, surpassing both instant delivery and longer lags. Heterogeneity analyses show that this penalty for immediate interruption is most pronounced during high-stakes periods, such as weekday mornings. These findings challenge the race for immediacy, suggesting that a modest delay mitigates intrusiveness while preserving relevance, making it a variable to optimize rather than an inefficiency to eliminate.

2 - When Does Targeted Advertising Backfire?

Xin Jiao, University College London, London, United Kingdom, Zhuoqiong Chen, Yongdong Liu

It is commonly assumed that platform and advertisers benefit from higher targeting accuracy. Yet we show that improving accuracy can reduce revenue and welfare even when we abstract away from external forces such as privacy concerns, advertising fatigue, product-market and auction competition, or targeting costs. We study a one-shot model where a platform sells ad slot through auctions and advertisers bid based on the predicted type assigned to each consumer. Higher accuracy changes not only how many consumers are correctly classified, but also how misclassified consumers are distributed across types. When this reallocation makes labelled groups more balanced, it lowers the dispersion of advertisers' valuations, reduces the likelihood of high bids, and can cut auction revenue—even though targeting is more accurate. Objectives that focus solely on accuracy, such as cross-entropy loss, may expose platforms to avoidable losses; we argue they should track within-label heterogeneity, for example via Gini impurity.

3 - Beyond the Funnel: a Dynamic Systems View of Multichannel Influence in High-Involvement Goods Markets

Siqi Pei, Michigan State University, Ann Arbor, MI, United States, Yifan Pan, Shasha Cao

Understanding how digital channels jointly influence consumer decisions remains challenging in high-involvement markets where purchases unfold over extended periods. The dominant linear funnel framework evaluates channels by marginal conversion effects, yet this perspective is increasingly inconsistent with durable

goods markets characterized by prolonged search, repeated channel revisits, and dynamic preference updating. Using a rich dataset from a leading automobile manufacturer that links consumers' multichannel online engagement to final offline purchases, we document a counterintuitive pattern: highly targeted online channels can exhibit lower conversion rates and slower sales despite precise consumer reach. We show that this pattern arises because channel effects operate primarily through dynamic feedback and cross-channel interactions rather than immediate conversions. We model multichannel marketing as a dynamic decision system and estimate a panel vector autoregression to trace how shocks to awareness, diagnostic, and commitment channels propagate over time via changes in decision tempo and platform responses. The results reveal substantial and asymmetric spillover effects across channels, indicating that consumers move non-monotonically across platforms rather than progressing through a fixed sequence of stages. Monte Carlo simulations demonstrate that static conversion-based models systematically mispredict both the scale and timing of sales by ignoring intertemporal feedback. In contrast, the dynamic system model produces realistic performance predictions and materially different budget allocation recommendations. In our setting, allocations optimized under the dynamic model improve steady-state sales by over 2% relative to the firm's current strategy. Overall, channel value in durable goods markets is a system-level, path-dependent outcome rather than a marginal conversion effect.

4 - Urban Attributes and Consumer Information Responsiveness: A Cross-Regional Analysis of Latent Purchase Patterns

Shinichiro Hata, Keio University graduate school, Tokyo, Japan, Akira Shimizu

This study examines regional differences in consumer behavior by moving beyond a simple urban–rural dichotomy and focusing on how urban attributes, such as population density and retail concentration, structure consumers' purchasing environments and shape the composition of purchase patterns.

Using cross-format receipt data, we apply probabilistic latent semantic analysis (pLSA) at the basket level to extract latent purchase patterns. By aggregating these patterns to the individual level, we estimate soft segment structures that capture heterogeneity in consumers' purchasing tendencies.

Furthermore, these behavioral indicators are integrated with attitudinal data, including consumers' information responsiveness, as well as objective urban attributes. This integrated framework allows us to examine the relative roles of environmental and psychological factors in activating latent purchase patterns.

By jointly analyzing observed purchasing behavior and latent consumer orientations across urban and regional contexts, this study provides a nuanced understanding of how urban structure and information-related consumer characteristics interact to shape purchasing behavior. The findings demonstrate that regional differences in purchase patterns arise not merely from locational factors, but from the interaction between urban environments and consumers' information responsiveness, thereby contributing to the literature on consumer heterogeneity and urban consumption.

5 - Cause You are Hot Then You are Cold: How Extreme Weather Events Affects Experiential Consumption

Vartan Bal, UNSW, Sydney, Sydney, Australia, Valentyna Melnyk, Daniel Winkler

Extreme weather events are becoming more frequent, prolonged, and intense, with direct effects on consumers. Although prior literature addressed the impact of extreme weather from a government and company perspective, it is consumers who are directly and immediately affected by heat- and coldstress. Yet, little is known about how consumers cope with extreme weather beyond the obvious products. We aim to understand whether and how consumers use experiential consumption (music) to cope with extreme weather.

Adopting a multi-method approach, we investigate how extreme weather shape music consumption and address underlying mechanisms. Across a large-scale field-study and three pre-registered experiments, the results reveal that consumers change their music consumption in response to extreme weather events.

While consumers believe that in a heatwave, they would prefer music that has positive valence and high arousal, their actual behavior and choice differ. A large-scale analysis combining Top200 charts across 67 countries and the Universal-Thermal-Climate-Index, revealed that consumers' demand for music consumption increases in heatstress, with demand being significantly stronger for more positive and happier songs and lower for songs with fast tempo. Similarly, offering the choice between slow and fast music showed that consumers are more likely to choose the slow song when primed with heat. We also find that not only consumers' demand for music but also their liking of music increases during heatwaves. This relationship is mediated by consumers' desire for positivity. Our results have implications for artists, labels, platforms, and advertisers that enhance the value of their music during extreme weather.

SB03

B004

Brands: Activism, Advocacy, Authenticity, and Purpose

Contributed Session

Contributed

Chair: Xiaoyi (Sylvia) Gao, The University of Auckland

1 - Brand Advocacy and Reputation in TIMES of Controversial Events

Işıl Büdeyri Turan, Sabancı University, Istanbul, Turkey, Tolga Akcura

We examine how brand advocacy and crisis responses shape brand reputation in retail banking. Using monthly data for a top-tier bank (2019–2025), we build a two-dimensional reputation measure that combines a stock-market index (cognitive) with social-media sentiment (affective) and employ a vector autoregression model. The results show that advocacy strongly improves affective reputation but is negatively associated with the market-based indicator, suggesting that advocacy often intensifies when financial confidence is under stress. Crisis events influence advocacy negatively: both accommodative strategies (apology, corrective action) and defensive strategies (denial, minimization) harm advocacy, with defensive strategy worsening it further. We conclude that managers should treat advocacy as both a driver and early warning signal of reputation, and that timely, accommodative communication should be preferred over merely defending the brand in the event of system failures

2 - Who Leads and Who Follows in Brand Activism: Temporal Patterns Between Brands and Consumers

Francesco Bologni, Bocconi University, Milan, Italy, Gaia Rubera, Kai Zhu

In brand activism, who leads and who follows—consumers engaging with contentious sociopolitical issues leading brands to take activist positions, or brands taking activist positions then taken up by consumers? To address this question, we analyze activism-related messages on the social media platform X (formerly Twitter), focusing on four issue domains that vary in controversy: racial justice, LGBTQ+ rights, women's rights, and environmental sustainability.

We construct two datasets tracking tweets posted between 2015 and 2021 by 196,603 U.S. consumers (50,176,256 messages) and 437 brands from the S&P 500 (1,210,972 messages). Consumers and brands are further classified by their political orientation. To study temporal ordering, we estimate vector autoregression (VAR) models and conduct Granger causality tests on brand–consumer time series across political orientations.

The results show that brand activism does not follow a single temporal pattern. On average, increases in consumer engagement with activist issues precede increases in brand activism, consistent with a consumer-led process. However, this pattern varies across issues and across the political orientation of consumers and brands. For racial justice and LGBTQ+ rights, brand activism and consumer engagement exhibit largely bidirectional dynamics, particularly among liberal consumers and liberal brands. In contrast, discourse around women's rights appears relatively independent across brands and consumers. Environmental sustainability represents a boundary case, exhibiting predominantly bidirectional dynamics and, in some instances, brand activism preceding consumer engagement with the issue, particularly among conservative consumers.

Interpreting these patterns across issues and political orientations clarifies how activist issues move between consumers and brands over time.

3 - The Cost of Selling Out: Demand Reactions to Authenticity Violations

Maximilian Matthe, Kelley School of Business, Indiana University Bloomington, Bloomington, IN, United States, Christian Schaefer, Matthias Eggenschwiler, Marc Linzmajer, Jonne Guyt

Many brands leverage authenticity to connect with consumers by embodying values that resonate with them, fostering a sense of shared purpose. Yet, despite its advantages, such a values-based positioning might entail substantial risks for demand. We argue that when consumer-brand relationships are premised on a brand's consistent commitment to its values, demand-side authenticity beliefs carry a binding liability. If a brand action disrupts these beliefs, it may cause non-compensatory consumer reactance. To document the possible impact of such an authenticity violation on consumer demand, we leverage a recent brand acquisition in a mainstream consumer goods category (spices). Using difference-in-difference and synthetic control methods, we estimate that the acquisition-widely perceived as an authenticity violation-led to a 22.74% decline in brick-and-mortar sales and a 32.02% demand decline online. Content analysis of social media records confirms that this decline was indeed driven by a loss of consumers' beliefs in brand authenticity. We further suggest that the violation's impact was transmitted through the brand's reliance on influencers: many influencers publicly withdrew their support following the acquisition. Our findings demonstrate how authenticity, while a valuable marketing asset, can also expose brands to severe demand risks when violated.

4 - Product Innovation Under Piracy: the Strategic Role of Intra-Brand Competition

Xiaoyi (Sylvia) Gao, The University of Auckland, Auckland, New Zealand, Vidyanand Choudhary, Mingdi Xin, Vibhanshu Abhishek

Counterfeits on online marketplaces has been a substantial problem. The main criticism of counterfeiting is the discouraging effect on manufacturers' product innovation. Existing studies suggest that counterfeiting may enhance profitability by reinforcing network effects, establishing price commitment, and alleviating double marginalization in the supply chain. Nevertheless, its implications for product innovation remain underexplored. This paper adds to the literature by considering the moderating effect of intra-brand competition. Many manufacturers on online marketplaces such as Taobao, Shopee, and eBay authorize third-party sellers to list and sell their products on separate pages, often alongside the manufacturer’s flagship store. We focus on an extreme case where authorized sellers fully replicate the flagship store’s pricing and product information, creating intense intra-brand competition within the same platform. We examine whether such intra-brand competition can mitigate the adverse impact of counterfeiting on product innovation. We find that the presence of a strategic counterfeiter leads the authentic manufacturer to choose a lower product quality. However, the extreme intra-brand competition we study can reduce this negative effect. Furthermore, in the presence of counterfeits, this extreme intra-brand competition can benefit all parties, including the manufacturer, the counterfeiter, consumers and the marketplace. To be specific, this happens when the degree of imitation is sufficiently high, and the commission rate is sufficiently low. The findings indicate that, theoretically, intra-brand competition improves the manufacturer’s product-innovation incentives in the presence of counterfeiting.

SB04

B005

Live Streaming Commerce

Contributed Session

Contributed

Chair: Keyi Jiang, One Western Avenue, BEIJING, 02163

1 - Bargaining with Online Celebrity in Live Streaming Commerce

Lin Liu, Beihang University, Beijing, China, People's Republic of

Live-streaming commerce is an immersive shopping format with unique features. We explore how a brand seller collaborates with an online celebrity over multiple live-streaming shows. In each show, the celebrity partners

with the seller to negotiate a revenue-sharing contract, while consumers decide whether to make purchases and follow the celebrity, influenced by their stickiness to the celebrity and the selling price. We develop a bargaining game to analyze this setting, and our model captures a critical feature of live-streaming commerce: the celebrity's bargaining power, which is tied to her follower count, is determined endogenously. The findings reveal that a celebrity with high consumer-stickiness can maximize total profit while securing a substantial portion of the shared revenue (i.e., obtaining a large slice from a large pie). Conversely, a celebrity with low consumer-stickiness faces a trade-off: either maximize total profit (a large pie) or secure a greater share of the revenue (a large slice), but not both, depending on the degree of consumer-stickiness. The relationship between consumer-stickiness and the equilibrium price/profit is non-monotonic, suggesting that partnering with a celebrity who has higher consumer-stickiness does not always benefit the seller.

2 - What and When to Sell in Live Streaming? A Structural Analysis of Dynamic Decision-Making

Shaohui Wu, Harbin Institute of Technology, Harbin, China, People's Republic of, Jingwen Zhang, Yong Tan

Livestream selling has emerged as a prominent e-commerce format, yet limited research exists on hosts' sales patterns in this dynamic environment. This study investigates the learning and decision-making processes of livestream hosts, focusing on their product selection and presentation timing behaviors. Utilizing a livestream sales dataset from one of China's largest video platforms, we propose a novel structural modeling approach that combines online learning frameworks and survival analysis to characterize hosts' strategic decisions. Especially, we leverage several customized Multi-Armed Bandit (MAB) algorithms, including ϵ-Greedy and Thompson Sampling variants, to empirically model the hosts' exploration and exploitation behaviors in product selection. Our analysis demonstrates how hosts dynamically learn audience demand in real time and offers insights into their exploration patterns in product selection during livestreaming. The exploration pattern is significantly influenced by several key host characteristics: platform activity levels, social network characteristics, previous livestreaming experience, and demographic characteristics. Furthermore, we investigate hosts' product presentation timing decisions using a stratified Cox proportional hazards model. Our findings indicate that product set characteristics and livestream environment features significantly influence hosts' timing decisions. Building on these empirical findings, we conduct extensive simulation experiments to evaluate alternative product selection strategies and provide heuristic approaches to improve sales. Our findings provide valuable insights into the learning and decision-making processes of hosts in livestream selling and offer actionable implications for platforms and hosts.

3 - Beyond Live: The Dual Role of Archival Content in Live Streaming

Youshin Kwak, Emory University, Atlanta, GA, United States, Wooyong Jo, Michael Lewis

Archival content such as past-broadcast VODs and highlight clips has become a core feature of live streaming platforms, offering viewers on-demand access beyond live streams. While archival content is widely believed to expand user reach and strengthen brand equity, little is known about its actual impact on live streaming outcomes. This study examines how archival content shapes both the demand and supply sides of live streaming. We identify the causal effects of archival content availability by exploiting an exogenous Twitch policy shock that restricted user access to archival content in South Korea in December 2022, using a quasi-experimental research design with novel stream-level data. We find that restricting archival content reduces new user acquisition by 16% while increasing view duration by 9.1%, resulting in no significant change in overall viewership. User engagement increases by 17.7%, driven by higher participation intensity in commenting rather than by changes in the number of active commenters. On the supply side, creators respond to reduced asynchronous accessibility by increasing live airtime by 16.3%. Heterogeneity analyses further show that these effects vary systematically with creators' broadcasting schedules, audience composition, and content types. Together, the findings highlight the dual role of archival content in facilitating user discovery while substituting for real-time consumption. These results offer actionable implications for creators' content strategies and platforms' archival content policies, particularly in balancing audience expansion against the exclusivity value of live interactions.

4 - Language use and Audience Engagement in Live Streaming

Qiaofei Wang, Lingnan University, Hong Kong, Hong Kong, Ling Peng, Yuho Chung, Geng Cui

Previous research suggests that the strategic use of profanity can elicit stronger and more positive audience reactions. This study explores whether this effect persists in real-time interactive environments, where streamers face greater social visibility and pressure. Using a dataset of 727 YouTube live sessions, we conduct a comprehensive analysis of streamer profanity and its immediate and cumulative impact on audience engagement and behavior. Our findings indicate that moderate profanity use can increase viewer engagement and monetary contributions, particularly in gaming and sports streams. However, this effect is less pronounced in e-commerce streams, where social norms are more stringent. Additionally, the speaker's positive facial expressions amplify the beneficial impact of profanity, underscoring the importance of nonverbal cues in live interactions. These results highlight the nuanced role of spontaneous profanity in boosting viewer engagement in live streaming contexts, offering valuable insights for content creators and platforms aiming to optimize user interaction.

5 - Understanding and Steering Impulsive Purchases in Live Commerce:Predictive and Prescriptive Insights from Large Language Models

Keyi Jiang, Peking University, Beijing, China, People's Republic of, Yingjie Zhang, Shunyuan Zhang

Large language models (LLMs) have demonstrated strong performance in capturing rational decision-making. However, their capacity to understand irrational consumer behavior has received relatively limited systematic examination. Irrational choices are sparsely documented in training data, often appear as idiosyncratic deviations from aggregate patterns, and are driven by latent psychological and contextual factors that are difficult to encode. Yet, accurately modeling such behavior is critical for both firms that seek realistic “silicon samples” for large-scale experimentation and marketing optimization, and consumers, as LLM-based agents increasingly mediate purchasing decisions. This study investigates LLMs’ ability to predict, diagnose, and inform interventions for irrational consumer behavior in the context of TikTok (Douyin) live-stream commerce, where rapid, socially mediated interactions generate high-frequency impulsive purchases. We first compare baseline LLM models with traditional models optimized via hyperparameter tuning. Our results show that traditional models outperform baseline LLMs. However, an XGBoost-enhanced LLM, in which XGBoost predictions and their corresponding confidence intervals are incorporated into the prompt, significantly outperforms all standalone models. We further examine the mechanisms underlying this improvement. Attention map visualizations reveals that the performance gains arise not from overriding the LLM’s reasoning, but from recalibrating its allocation of attention: increasing focus on textual product cues while reducing reliance on influencer-level signals. Finally, we demonstrate an iterative LLM-based refinement procedure that proposes adjustments to product titles, reducing the likelihood of impulse-driven, high-return outcomes for high-risk products. Together, our findings clarify how LLMs can be systematically augmented to better capture irrational consumer behavior and inform actionable intervention design.

SB05

B008

Generative AI for Marketing Measurement, Experimentation, and Design I

Invited Session

Special Session

Chair: Lan Luo, Columbia Business School, New York, NY, United States

Co-Chair: Jia Liu, HKUST, Hong Kong

1 - How Visual Designs Drive Success: Interpretable Generative AI for Data-Driven Design

Lan Luo, Columbia Business School, New York, NY, United States

Visual designs are often used in marketing (e.g., packaging, ads, media covers) to achieve a variety of business outcomes. Since designs are complex, unstructured data, it is difficult to determine what features drive their success in a way that is interpretable and managerially actionable. To address this challenge, I develop a novel methodological framework to automatically discover what interpretable features make visual designs in a given domain successful. I first leverage a deep generative text-to-image AI model that adopts the role of designer and

enables visual designs to be described by low-dimensional design representations. Then, I apply a novel adaptation of cutting-edge "mechanistic interpretability" methods to scalably discover a taxonomy of interpretable and managerially relevant features predictive of success. Finally, I generate image redesigns by manipulating features of interest to help managers scalably pilot data-driven design changes. I apply this framework to discover how book cover redesigns predict sales on Amazon.com using a unique dataset I collected of over 160,000 books. I discover a diverse set of interpretable features related to illustration, typography, composition, and layout. In a holdout analysis with a rich set of control variables, including just 30 of these discovered features (out of 9,728) improves variation explained in sales by nearly as much as prices and by more than reviews. In a lab study, I find causal evidence that the proposed methodological framework can redesign covers to significantly improve consumer preferences, and that generative AI can help level the playing field in the publishing industry.

2 - Toward a Manipulable Taxonomy of Product-Specific Aesthetic Dimensions

Jeffrey Dotson, Ohio State University, Columbus, OH, United States

Text-to-image generation systems have the potential to revolutionize the process of product design by enabling rapid exploration of both functional and aesthetic design spaces. In the case of aesthetic manipulation this requires a systematic understanding of which linguistic descriptors facilitate precise control over generated outputs. This paper develops a methodology for constructing product-specific taxonomies of aesthetic descriptors grounded in three fundamental constructs: applicability - whether a descriptor modifies visual characteristics when applied to a product category; prototypicality - the degree to which the descriptor is already embedded in the category's base representation; and orthogonality - whether dimensions can be independently manipulated without confounding effects. We measure these constructs through CLIP embedding shifts and validate them via systematic image generation experiments. An analysis of the resulting output reveals that aesthetic descriptors organize into higher-order dimensions, with only a subset providing the potential for orthogonal manipulability essential for design optimization. This framework enables designers to construct product-specific aesthetic taxonomies that support both efficient exploration of design alternatives and effective optimization of consumer appeal.

3 - The Creator&Rsquo;S Paradox: Visual Framing as a Reputation Recovery Mechanism via Interpretable ML and Generative Field Experiments

Guofeng Xiao, Bocconi University, Milan, Italy, Gaia Rubera

Influencers monetize authenticity, yet sponsorship disclosures often trigger “reputation burning,” eroding the very communal trust they rely on. We propose a “Visual Repletion” mechanism, positing that recovery requires visual strategies that precisely fill specific reputational deficits (Warmth vs. Competence) rather than universal aesthetic enhancements. Methodologically, we introduce an end-to-end “Abductive Discovery” pipeline for unstructured data. First, Measurement: We construct interpretable visual proxies from 16 million posts on Instagram using a hybrid architecture that combines Sparse β-VAE for unsupervised disentanglement and BLIP-2 for semantic grounding. Second, Discovery: We employ a probabilistic interaction engine to identify heterogeneous effects, using parametric bootstrapping to correct for measurement error in high-dimensional regressors strictly. Third, Validation: To establish causality, we overcome the identification challenge in visual experiments by deploying a Generative AI Landing Page RCT. Leveraging Stable Diffusion XL, ControlNet, and IP-Adapter, we exogenously manipulate visual framing while mathematically preserving influencer identity and scene composition. Our findings confirm that visual signaling is compensatory: “Warmth” strategies drive engagement recovery only for influencers with baseline warmth deficits. This research bridges deep learning and causal inference, offering a blueprint for rigorous “Generative Marketing Science”.

4 - Agentic AI for Marketing Video Analytics: Application to Livestream Commerce

Jia Liu, HKUST, Hong Kong, Jincheng Fang, Shijie Han

Video content such as short-form social media clips and livestream commerce has become central to contemporary digital marketing, serving not just as visual media but as strategic vehicles for narratives, persuasion, and product demonstration. Standard Large Multimodal Models (LMMs) are limited in capturing these marketing-relevant elements because prompt-based approaches often miss persuasive logic and produce factually weak outputs. To address this gap, we develop a Reflexive Agentic Measurement Framework tailored

to marketing video analytics. The framework involves nine AI agents in two phases. The first phase constructs agent behavior, involving iteratively discovering latent narratives and persuasive cues and then autonomously generating context-aware coding prompts. The second phase generates and verifies content analysis: decomposing marketing videos into discrete propositions tied to key marketing elements and validating each element against the raw footage to ensure factual reliability. Applying this framework to 5,000 livestream commerce videos, we show that it delivers richer and more accurate descriptions of marketing strategies—such as dynamic screen layouts, product effect demonstrations, and narrative framing—than standard prompt-based methods and human-crafted baselines. Our approach also achieves this at a low marginal cost per video minute ($0.005 per video minute), offering a scalable methodology for automated marketing video coding. By enabling systematic measurement of previously elusive strategic elements in marketing videos, this research advances measurement tools for digital marketing and supports data-driven investigations into the drivers of video marketing effectiveness.

SB06

B009

AI-Native Marketing Models for Choice, Creation, and Causal Targeting

Invited Session

Special Session

Chair: Qiang (Steven) Lu, University of Sydney, BELFIELD, Australia

Co-Chair: Jian Ni, Virginia Tech, Blacksburg, VA, United States

1 - Embedding the Basket: Integrating Graph Neural Networks into Consumer Choice Models

Qiang (Steven) Lu, University of Sydney, Sydney, Australia, Ye Zheng, Xuliang Li, Jake An

Consumers build baskets of interdependent products, but traditional models struggle at scale, relying on sparse co-purchase data and strong assumptions that make cross-category effects difficult to estimate. This paper proposes a two-stage hybrid framework that integrates Graph Neural Networks (GNNs) with a conditional logit model to address these challenges. In the first stage, a GNN is used to construct low-dimensional embeddings of product relationships based on co-purchase behavior, using a DeepWalk-based random walk approach. In the second stage, these embeddings are built into a conditional logit model as cross-effect parameters, enabling scalable, data-driven estimation of interdependent category choices. Empirical results using a large retail transactional dataset with 23,812 unique products and 2,012 unique product categories demonstrate that the proposed model with graph embedding cross-effects significantly outperforms traditional discrete choice models in measuring basket composition. The model improves computation efficiency, explanatory power, and interpretability, offering practical solutions for category management and inventory decisions. Overall, this study contributes a novel method for uncovering complex product relationships and advancing basket-level consumer choice modeling, providing a foundation for future extensions using end-to-end deep learning architectures.

2 - Consumer Responses to AI Involvement in Product Creation

Meng Zhu, Virginia Tech, Blacksburg, VA, United States, Daniel Todorovic, Mario Pandelaere

Across multiple studies, we examine how consumers respond to AI involvement in product creation. Participants evaluated products described as involving varying degrees of AI use and could financially support the creator. Consistently, introducing AI reduced consumer support relative to human-only creation. This effect was categorical rather than continuous: support declined once AI was present, regardless of the degree of involvement. Exploratory tests suggest that this response is not explained by perceived effort, labor, or creativity contributions. The findings highlight a robust form of consumer aversion to AI involvement with implications for emerging AI-enabled offerings.

3 - Eis-Enhanced Doubly Robust Evaluation for AI Marketing Systems

Jian Ni, Virginia Tech, Blacksburg, VA, United States, Lecheng Zheng, Jiyuan Yin

AI marketing systems, such as sequential recommendation engines, cross-market ML deployment, and graph-based social targeting, promise transformative personalization but resist reliable offline evaluation. Standard off-policy evaluation fails precisely where it matters most: importance weights explode over long RL horizons,

covariate shift destabilizes transported ML models, and network interference requires intractable integration over latent social structure. We develop an AI-native evaluation framework integrating Efficient Importance Sampling (EIS) with doubly robust estimation. EIS constructs variance-minimizing proposals that stabilize sequential policy evaluation, enable reliable cross-market transportability assessment, and via block-structured extensions, tractably handle network spillovers. When policy divergence is extreme, optional geometric tempering provides additional robustness. The framework achieves much variance reduction with practical diagnostics guiding offline versus online evaluation decisions, which enables reliable assessment of thousands of AI policies from a single experiment and dramatically compressing the marketing AI development cycle.

4 - Targeting Adaptive Consumers: How Exploration-Exploitation Dynamics Shape Treatment Response

Ting-Tse Chen, The University of Sydney, Sydney, Australia, Qiang (Steven) Lu, Jian Ni

Heterogeneous treatment effect (HTE) estimation is foundational to personalized marketing, yet standard approaches model consumers as static entities characterized by time-invariant covariates. We introduce a framework that incorporates behavioral dynamics from reinforcement learning into causal targeting. Our core proposition: a consumer's conditional average treatment effect (CATE) is moderated by their latent learning state, specifically, their position along the exploration-exploitation continuum. We operationalize this through theory-driven proxies for behavioral uncertainty, including entropy-based measures of choice variability, integrated within a Double/Debiased Machine Learning (DML) estimator. Across extensive simulations spanning heterogeneous data-generating processes, we establish that stratifying on exploration state yields improvements in targeting precision relative to covariate-based baselines. A key methodological finding emerges: under non-stationary environments, parsimonious behavioral features dominate sequential deep learning architectures (Transformers) in CATE estimation. Oracle bounds reveal fundamental identifiability limits—path-dependent treatment response heterogeneity exists beyond what reduced-form behavioral summaries can recover. We validate the framework on a large-scale retail dataset, demonstrating actionable lift improvements.

SB07

B010

Large Language Models II

Contributed Session

Contributed

Chair: Lavy Khoushinsky

1 - From Aesthetics to Analytics: Measuring Product Design with LLMs in the Automobile Market

Wenshu Zhang, University of California, Riverside, Riverside, CA, United States, Chloe Moon, Subramanian Balachander

This study develops a framework for incorporating large language models (LLM)–derived representations of product aesthetics into empirical analyses of market outcomes in the automobile industry. We show how LLMs can be used to extract and structure high-dimensional aesthetic information from unstructured product descriptions and images, and integrate these representations with conventional product attributes in quantitative marketing models. Rather than treating aesthetics as an isolated driver of demand, the proposed approach positions aesthetic features as part of a broader product attribute space, allowing researchers to examine how design-related information complements standard observables and competitive structure. More broadly, this work illustrates how LLM-based measurement can extend existing empirical frameworks by enabling the systematic use of rich unstructured data without altering their underlying economic foundations.

2 - Beyond Single LLMs: Using Model Ensembles to Improve Synthetic Data in Marketing Experiments

Sedigheh Monavari, Warwick Business School, Warwick, United Kingdom, Mohammad SheikhianKazerooni, Marco Gregori, Iman Ahmadi

Large language models (LLMs) have emerged as potential surrogates for human participants, offering inexpensive, rapid, and scalable data generation. Existing research has largely evaluated single LLMs in isolation, focusing on single-model performance and overlooking gains from combining models. This paper

investigates the gains from multi-model synthesis. Utilizing a dataset of approximately 20 established marketing experiments, we compare human responses with synthetic data generated by leading LLMs (ChatGPT, Gemini, DeepSeek, and Grok) under varied prompting strategies. Using Prediction-Powered Inference, we combine human samples (N = 300–500) with LLM-generated responses to assess whether hybrid designs can reduce reliance on human data. Principal Component Analysis reveals that while LLMs share over 50% of variance on a common "bias dimension," multi-factor representations significantly outperform single-factor models. Our empirical results demonstrate that multi-model ensembles improve correlations with human data from r ≈ .15–.20 for single LLMs to r ≈ .30–.35, representing a 75–100% relative improvement over single models. However, we find that absolute correlations remain modest, providing limited gains in narrowing confidence intervals. We conclude by proposing a simple and low-cost approach for combining multiple LLMs inputs, which improves alignment with human data and can be readily implemented in marketing research and practice.

Keywords: large language models, synthetic data, marketing experiments, prediction-powered inference, digital twins

3 - When Hallucination of LLMs Leads to Creative Idea

Minkyu Shin, City University of Hong Kong, Hong Kong, Hong Kong, Jin Kim

Large language models often produce hallucinations—statements that are incorrect yet linguistically coherent. In this paper, we argue that such outputs can have systematic creative value. We model an LLM response as a stochastic suggestion generated by high-dimensional text associations, making the output typically near a user's conceptual neighborhood and therefore plausibly true ex ante. A user observes the suggestion but not its correctness and chooses whether to incur a verification-and-repair cost. Verification can (i) reject the literal claim while (ii) uncovering an intermediate chain of valid associations that yields a usable idea. We characterize when a false-but-plausible suggestion increases expected innovation relative to no suggestion, and how the effect varies across users with different knowledge depth, breadth, and checking technologies.

4 - Do LLMs Cannibalize Search?: Evidence from Italy's ChatGPT Ban

Marc Enrico Pocsay, NOVA SBE Lisbon, Lisbon, Portugal, Qiwei Han, Maximilian Kaiser, Yufei Shen

This study investigates whether large language models (LLMs), particularly ChatGPT, substitute for traditional web search engines by exploiting Italy's temporary ban on ChatGPT in April 2023 as a quasi-natural experiment. Using a proprietary weekly Google AdSense panel comprising over 13,000 web domains across the United States, Germany, Italy, and the United Kingdom,we implement a difference-in-differences design with event-study diagnostics to estimate the causal impact of LLM availability on search activity. The results show that during the one-month ban, total search impressions in Italy increased by approximately 1.1%, while impressions declined by 1.3% following the restoration of ChatGPT access, indicating net substitution between LLMs and search engines. Disaggregating by query intent reveals that the substitution effect is concentrated in informational and commercial searches, which rose by 3.6% and 1.9% respectively during the ban. In contrast, navigational and transactional queries exhibit no statistically significant changes, suggesting that LLMs primarily displace exploratory and synthesis-heavy information-seeking behavior rather than action-oriented searches. Robustness checks using click data produce consistent directional effects, though with reduced statistical precision. Overall, the findings provide market-scale causal evidence that LLMs alter consumer reliance on traditional search engines in intent-specific ways. The study highlights that while generative AI competes with search engines for early-stage informational queries, high-value transactional search remains resilient, with important implications for digital platforms, advertisers, and policymakers navigating the evolving AI-driven information ecosystem.

5 - LLM-Consensus Filtering as An Upstream Fix for Noisy Marketing Corpora

Lavy Khoushinsky, Laval University, Quebec, QC, Canada

Topic models do not fail because they cannot cluster; they fail because they are asked to cluster the wrong corpus. In marketing settings where meaning is implicit, sarcastic, or politically entangled, lexicon-based scraping becomes a gatekeeper that misses the very discourse researchers care about (Humphreys and Wang, 2017; Berger et al., 2022). We introduce a scalable workflow that treats large language models (LLMs) not as topic generators, but as high-precision semantic filters that upgrade the curation layer upstream of topic discovery.

Using Reddit discourse around Nike's 2018 *Dream Crazy* campaign (n≈76.9k) (Hydock et al., 2020), we implement a three-stage pipeline: (1) zero-shot "aboutness" adjudication by 6 LLMs with majority-vote consensus to reduce idiosyncratic errors (Chae and Davidson, 2023); (2) teacher–student distillation, training a logistic classifier on sentence embeddings to approximate the ensemble at scale (Miric et al., 2023); and (3) precision-first seeding (≥0.90 precision) followed by embedding-based semantic expansion to recover euphemistic, stance-based, and indirect references that omit surface markers.

LLM consensus aligns strongly with human judgments ($\kappa = 0.805$). The distilled classifier reaches 0.90 accuracy on holdout data, enabling full-corpus filtering at low cost. Precision-thresholding yields a high-purity seed set (n = 500), and semantic expansion produces a coherent curated corpus of 5,712 posts that captures indirect campaign talk while reducing irrelevant Nike chatter relative to dictionary scraping. We show that LLMs add the most value to topic modeling not by replacing clustering, but by making corpus inclusion lexicon-free, auditable, and robust to vocabulary drift.

SB08

B011

Advertising Content I

Contributed Session

Contributed

Chair: Lachlan Deer, University of Melbourne, Tilburg,, N/A, Netherlands

1 - The Dual Role of TV Advertising: A Geo-Experimental Study of Brand Awareness and Sales Across Customer Segments

Adriana Ricklin, HSLU-Hochschule Luzern, Luzern, Switzerland, Christina Reh, Dominik Georgi

Television remains one of the largest channels for media investment, yet evidence on its effectiveness across customer segments is limited. This study examines the impact of a national TV advertising campaign on brand awareness and weekly sales order data using a geo-experimental field test in Switzerland. Exploiting linguistic regions as test and control markets, we identify the causal effect of TV exposure through descriptive analyses and difference-in-differences (DiD) models. Integrating brand tracking, transactional data, and media exposure measures, we find that TV advertising significantly increases brand awareness among new customers but does not immediately translate into measurable acquisition effects. In contrast, existing customers exhibit a large and statistically robust lift in repeat purchases, indicating that TV primarily reinforces loyalty and stimulates reactivation. These findings highlight the segment-specific role of television across the customer funnel and contribute new causal evidence on how mass media drives both brand outcomes and lower-funnel behavior. The study offers actionable implications for media allocation and customer-targeting strategies.

2 - The Dollar Value of Better Ad Content: Tracing The Relationships Between Ad Creatives, Ad Skipping, and Ad Elasticities

Tsung Yiou Hsieh, Oklahoma State University, Stillwater, OK, United States, Samsun Knight, Gijs Overgoor, Yakov Bart

What is the relationship between ad skipping behavior, ad creative attributes, and ad purchase elasticities? Using linked data on store revenues, television advertising, ad skipping behavior, and hand-coded ad creative attributes for 60 brands across 4 years, we estimate 1) the effect of ad skipping rates on ad elasticity, 2) the effects of different ad creative attributes on ad elasticity, controlling for ad skipping rates, and 3) the effects of different ad creative attributes on ad skipping rates. To overcome confounding, we use an instrumental-variables strategy to

identify ad skipping rate effects and recover large estimated effects of skipping rates on elasticities: we find significantly positive ad elasticities for ads with average (or lower) ad skipping rates, but near-zero elasticities for ads with ad skipping rates one standard deviation above the mean. We then show that call-to-action and sensory features both have significant direct effects on ad elasticities, but only sensory features produce secondary purchase effects channeled through impacts on ad skipping rates. We use these estimates to quantify the total dollar-value impact of lower ad skipping rates and different creative attributes in ads, and demonstrate that high skipping rates may explain ad ineffectiveness for up to 32% of brands.

3 - Associations Between Zapping and Characteristics of Video Advertising

Purushottam Papatla, University of Wisconsin-Milwaukee, Milwaukee, WI, United States, Pradeep Chintagunta, Nima Jalali

Advertising can be in several formats such as print, email, display, or video. A key difference between advertising in the video and static formats is that an advertisement has to be fully viewed by targeted audiences for its message to be effective. Whether audiences stay tuned in to an ad, or switch away from it, i.e., *zap* the ad, is thus an important question for advertisers. Recent investigations have focused on the role of advertising content in zapping behavior. While they are important, these studies focus on specific aspects of content rather than on the many, and diverse, dimensions of content like storyline, narrative arc, storytelling technique, nature of emotional appeals, characteristics of audio, quality of production, presence of celebrities or recognizable musical elements An investigation of these characteristics is important both to obtain a more complete understanding of how zapping is associated with them and to guide managers in better design of video advertising. This is the issue that we empirically address in this research. We measure the (1) nature of emotional appeals (2) persuasion tactics (3) storytelling techniques (4) storyline characteristics (5) audio features (6) presence of celebrity spokespeople and recognizable music and (7) production quality, for a large number of television advertisements that were aired nationally since 2015 and relate them to actual, measured, zapping behavior. We anticipate our findings to provide managerial implications for the design of video advertising to reduce zapping.

4 - The Impact of Sustainability Claims in Advertisements on Brand and Societal Outcomes

Maren Becker, ESCP Business School, Berlin, Germany, Julian R.K. Wichmann, Norris Bruce

Sustainability-related claims have become increasingly prevalent in brand advertising, yet evidence on their effectiveness remains limited. In particular, it is unclear whether such claims improve brand performance, create positive spillovers for sustainability (e.g., increased sustainable purchases, reduced emissions), or how their impact depends on the broader public discourse on sustainability. This study quantifies the dynamic effects of sustainability claims in television advertising on brand-level and societal outcomes, while explicitly accounting for the intensity and tone of sustainability-related media coverage.

The authors analyze a comprehensive dataset linking 20,000+ TV advertisements to brand outcomes (mindset metrics and sales for 380 FMCG brands) and societal outcomes (e.g., the share of sustainable products in household purchases across 20,000+ brands, green party voting**)** in Germany from 2013–2023. Sustainability cues are measured using machine learning models that process video, audio, and text from ad creatives. The broader sustainability discourse is measured using sustainability-related articles from several major German newspapers (via Nexis Uni), with debate intensity captured through article volume and debate tone through sentiment analysis.

The authors develop a dynamic advertising response model with time-varying elasticities, allowing advertising effectiveness to vary as a function of sustainability cues and contemporaneous media coverage volume and sentiment. The model jointly captures direct brand effects and indirect societal spillovers while controlling for time trends and major environmental events.

5 - The Regulation of Public Service Broadcasters: Should There be More Advertising on Television?

Lachlan Deer, University of Melbourne, Melbourne, Australia, Gregory Crawford, Jeremy Smith, Paul Sturgeon

Public-service broadcasters (PSBs) face intensifying competition for viewers' attention, putting pressure on a key funding source: advertising. Policymakers often debate relaxing caps on advertising minutes to support PSB viability, yet the revenue consequences are unclear because expanding ad inventory can lower equilibrium prices. We assemble a novel panel of UK television channels (2002–2009) containing monthly advertising prices and delivered audience impacts (impressions) for both PSB and commercial broadcasters. We estimate inverse demand for advertising impacts and use the model to simulate a counterfactual policy that raises PSB minute allowances to the level permitted for non-PSBs. The policy increases PSB advertising revenue by 10.5% and total industry revenue by 6.7%, implying that, in this setting, binding minute caps constrain revenue more than price adjustment offsets.

SB09

B127

Food Delivery

Contributed Session

Contributed

Chair: Michael Schleusener, N/A

1 - When AI Bites Back: The Hidden Consequences of AI in Food Delivery Platforms

Yumeng Zhang, University of Liverpool, London, United Kingdom

Artificial Intelligence (AI) is increasingly adopted by on-demand food delivery platforms to improve routing efficiency and delivery-time estimation accuracy. While these improvements can enhance consumer satisfaction, they also exacerbate time pressure on couriers, raising operational and ethical concerns. We develop a game-theoretic model to study the interaction between a platform and a freelance courier. The platform determines a buffer time added to the estimated time of arrival (ETA) augmented by AI, while the courier decides whether to accept the order and how fast to deliver. We characterize four behavioral regions for the courier (i.e., comfort, speed-up, penalty-tolerating, and rejection) based on ETA tightness and lateness penalties. Our results show that AI efficiency does not raise the courier's payoff, nor does it guarantee a monotonic increase in the platform's payoff. A "penalty trap" can arise when lateness penalties are low for couriers but high for the platform, generating tighter ETAs that cause more late deliveries and reduced platform payoff. By extending the analysis from a single-order to a multi-order setting, we show how these effects accumulate at the system level. These findings highlight the need to align AI-augmented targets with human capabilities and incentive choices to ensure fair and sustainable outcomes.

2 - When Do Subscriptions Create Value for Consumers and Firms? a Framework and Evidence from Delivery Programs

Meng Yang, Cornell Univerity, New York, NY, United States, Daniel McCarthy, Young-Hoon Park, Shin Oblander

Cost reduction subscriptions (e.g., DoorDash DashPass and Instacart+) promise to "pay for themselves" by waiving per-order fees in exchange for a fixed monthly or annual charge. Whether these programs create value for both consumers and firms, or instead shift value from one side to the other, remains unclear. We develop a consumer-firm value-alignment framework that maps subscription outcomes into four quadrants (win–win, consumer win/firm lose, firm win/consumer lose, lose–lose) and apply it using transaction-level data on nearly half a million subscribers across eight major U.S. delivery subscription programs from 2017 to 2022. We find that only about half of subscribers ever save more than they pay, both in lifetime terms and month-to-month. Using a difference in differences design, we show that programs largely fall along a near one-for-one tradeoff: as consumers win more, firms typically win less, making genuine win-win programs uncommon. Annual plans exhibit lower utilization: subscribers place fewer qualifying orders and are less likely to recoup the fee, despite lower effective monthly prices. Generalized random forests reveal that plan type and program design (fees and thresholds) are more important predictors of winning than consumer traits or portfolio size. Finally, a cancel-and-return counterfactual shows that perfectly attentive subscribers would increase their monthly gains, implying a substantial "benchmark savings gap," and would shift all programs into consumer-win quadrants even as many firms lose. We discuss implications for designing sustainable subscriptions, evaluating ``pays for itself'' claims, and consumer protection in low-margin subscription markets.

3 - Brand Credibility of Food Delivery Apps: the Role of Brand Experience and Perceived Risk

Lancy Mac, University of Macau, Macau, Macau, Jimmy C.M. Lee

The eroding differences among food delivery mobile applications has prompted platforms to build a strong brand in order to attract and retain customers. To do so, customer experience appears to be a key yet is complicated to manage as it depends on the combined effort of the platform, restaurants as well as delivery riders. This study seeks to investigate what makes consumer adopt a particular food app by taking the theoretical lens of customer experience and brand credibility. We argue that brand experience will determine the credibility of the platform brand, the latter is seldom studied in the context of mobile applications. We seek to gauge the impact of brand experience (sensory, emotional, behavioral and intellectual) and perceived risks of food delivery mobile app on brand credibility which in turn affect purchase intention.

Data were collected from regular food app users in Macau. Results show that brand credibility has a big impact on purchase intention of food apps. This brand credibility is mainly attributable to the sensory and behavioral experience with the app. Among the different types of risks (product, financial and privacy), perceived financial risk is found to have negative impact on brand credibility.

These results have significant theoretical implications as it demonstrated that brand credibility cultivated through customer experience is highly important in customer's decision to adopt food apps. Mobile apps have to be designed to enhance sensory and behavioral experience while reducing financial risk in order to enhance the brand credibility of the platforms.

4 - Wait and Save - Slower Delivery for a Discount

Michael Schleusener, Hochschule Niederrhein, Krefeld, Germany, Marius Peters

In e-commerce, faster delivery times are generally considered better. However, price is always a factor. There may be situations in which consumers would rather wait longer for delivery in order to save money. Retailers could improve their logistics or even sell items in advance that are currently out of stock. The question is, how much is necessary to make people wait?

Situational factors are important drivers of many purchasing decisions. Therefore, we asked our respondents to think of an online purchase they made in the last three months where delivery could have been made later. We controlled for factors such as the probability of a return, absolute price, and the customer's risk aversion and general patience.

First, we used Gabor-Granger and van Westendorp methodologies to determine the necessary discount range (representative sample of German online shoppers, n = 289). The main survey used a discrete choice design (representative sample, n = 988) that included delivery time, the required discount amount, the type of discount (immediate vs. next purchase), and former experience with the retailer. Standard delivery was the default no-option. We calculated individual partworths using a CBC/HB methodology and performed latent class segmentation.

A simulation using the share-of-preference method revealed acceptance rates of up to 94%, depending on the specific implementation and segment. Only weak connections were found for the other situational factors, which may be due to situational framing. These results may encourage retailers to reconsider their delivery times and calculate the most profitable strategy.

SB10

B128

Movie Markets

Contributed Session

Contributed

Chair: Oyku Agkoc Ayradilli

1 - How to Make Movie Trailers? Analyzing Emotional Sequences in Multimedia Trailer Data Using Functional Data Analysis

Jordan Truong, The University of Sydney, Sydney, Australia, Stephan Ludwig, Liliana Bove

In the billion-dollar movie industry, movie trailers play a pivotal role in determining box office success. Emotional stimuli presented in the imagery, content, and audio of movie trailers introduce unexpected or uncertain elements, motivating viewers to watch the full movies in cinemas. Our study investigates the impact of emotional stimuli across different modalities (image, content, and audio) in movie trailers, and the sequences in which they are presented, on opening weekend box office. We draw on data from box office records, movie databases, and the largest online video-sharing platform. Our approach includes automated analysis of images, content, and audio, along with functional data analysis—a collection of statistical techniques particularly suited for analyzing sequences in this context. Our analysis of 872 movie trailers released by 41 production studios between 2006 and 2022 reveals that specific sequences of emotional stimuli expressed through image (facial expressions), content (affective language), and audio elements (volume, pitch, and tempo) significantly impact subsequent movie opening weekend box office. We further find that the impact of multimodal emotional sequences on opening weekend box office varies by movie genre. These insights provide practical guidance for moviemakers on how best to select the movie scenes to produce trailers that draw box office opening success. Future research can apply similar methods to generate insights from unstructured data across various marketing contexts.

2 - Does Where You Produce Matter? Evidence from the Movie Industry

Charles Weinberg, University of British Columbia, Vancouver, BC, Canada, Darlene Chisholm, Xilin Song

Production location in film-making is critically important, shaping both economic outcomes and audience reception. To the best of our knowledge, previous research has not empirically studied the effect of shooting location on box office performance (revenue) or critical acclaim (by professional critics or moviegoers). While California has historically dominated as the hub of movie production, tax incentives from other states have shifted the landscape. However, by 2018, two-thirds of the major shot in the US, were shot outside of California. We explore two key issues in production location: the effect of shooting in California, with its extensive labor and infrastructure resources, and the effect of filming in a location that matches the movie's story line in order to enhance a film's authenticity and resonate with audiences. Using data on US-produced movies, ranked among the top-200 in domestic box office from 2014 to 2018, we employ a two-stage least squares framework, with external and constructed instruments, to assess the effects of production location on box office and critics' and users' ratings. We find no significant difference in outcomes between movies produced in California versus elsewhere, while movies whose principal photography location matches the storyline location achieve higher revenues and review ratings. These results highlight the diminishing centrality of California in film production and underscore the importance of authenticity in driving audience engagement. Following a counterfactual analysis, we discuss implications of our results for movie producers and policymakers in determining production strategies and tax-incentive programs, respectively.

3 - The Dynamics of Digital Immersion: Latent Viewing States and Their Behavioral and Wellbeing Consequences

Oyku Agkoc Ayradilli, Vrije Universiteit Amsterdam, Amsterdam, Netherlands, Yuri Peers, Nico Schauerte, Ruud Frambach

To compete in a hyperconnected world, firms increasingly design digital experiences to deepen consumer immersion—complete absorption in a digital offering—to capture attention and extend time spent. Immersive digital experiences now permeate daily life, from streaming entertainment and video games to social media and education, while consumers' attentional capacity remains limited. This creates a fundamental tension: firms benefit from intensifying immersion, but sustained immersion may erode consumer well-being, contributing to distress, loneliness, or disengagement, and ultimately potential abandonment of offerings. The present study addresses this tension through a richer understanding of how sustained immersion unfolds over time and of when it yields beneficial versus detrimental outcomes.

Prior research typically treats immersion as a desirable driver of engagement and rarely examines repeated-use contexts, where moments of intense absorption are embedded within longer-term patterns of pacing, routine, and disengagement. This research examines streaming consumption as a context in which immersion manifests through short-term viewing patterns—such as session intensity or binging—that may accumulate into distinct longer-term trajectories of engagement. Using longitudinal, user-level data from a large media-tracking platform, this study moves beyond static measures of engagement to identify latent states of viewing behavior that capture heterogeneity in intensity, regularity, and continuity. We then link these short-term immersion states to subsequent behavioral change (e.g., sustained pacing, disengagement from shows), enabling a dynamic account of engagement over time. Finally, we connect these behavioral dynamics to welfare considerations by examining associations between immersion states and self-reported experiences through survey and qualitative methods.

4 - ***Cancelled*When to Scramble the Message and How: Information Design by Film Distributors**

Peng Wang, Tianjin University, Tianjin, China, People's Republic of

The motion picture market presents several unique challenges to the supply chain management field. First, movie box offices are largely unpredictable. Second, movies are perishable goods with uniform ticket pricing, making the standard demand-smoothing tools such as inventory optimization or price adjustment not applicable. Third, the movie industry is one of the few industries where upstream suppliers (i.e., distributors) have better demand knowledge than downstream supply chain members (i.e., exhibitors). Inspired by the above observations, we adopt the information design approach to analyze how movie distributors' strategically share their information with exhibitors. Our results highlight the significant role of demand uncertainty in the strategic interaction between movie distributors and exhibitors.

SB11

B129

Music Streaming

Contributed Session

Contributed

Chair: Jakob Zgonc, N/A

1 - When Hits Hurt: Cross-Artist Spillovers and the Attention Economy in Streaming Music

Christian Hotz-Behofsits, WU Vienna, Vienna, Austria, Nils Wloemert, Eitan Muller

We study how streaming platforms reshape information spillovers in cultural markets where consumer attention is scarce. Using U.S. daily song-level streaming data from 2015 to 2024, we examine how new album releases affect demand for stylistically similar artists. Our empirical setting exploits thousands of quasi-experiments generated by albums debuting on the Billboard charts. These releases create sharp, platform-wide attention shocks that activate algorithmic recommendations and playlist placements. We estimate a stacked difference-in-differences model at the song–day level, comparing pre- and post-release streams for artists linked through playlist co-occurrence. Artist similarity is measured using a scalable cosine-similarity metric based on shared playlist exposure, which captures overlap in listening contexts and proximity in platform-mediated discovery. Across specifications, we find systematic negative cross-artist spillovers. On average, a new album reduces daily streams from similar artists by about 0.2 percent. Effects are substantially larger, around 1 percent, when the release debuts high on the chart or when artists are highly similar. Spillovers attenuate for lower-ranked releases, more distant artists, and songs with higher pre-release popularity. Event-study estimates show no pre-trends and indicate that adverse effects are immediate and short-lived, dissipating within roughly one week. These findings suggest that in streaming markets, publicity primarily reallocates attention rather than expanding total listening. Unlike transactional music markets, where releases historically generated positive spillovers within and across catalogs, access-based consumption combined with algorithmic curation induces crowding-out among substitutes. Our results contribute to research on information spillovers by demonstrating how attention scarcity and discovery tools jointly shape competitive outcomes.

2 - Simply Streaming or Streaming What's Simple? How Spotify's Playlisting Choices Affect Song Performance

Andres Musalem, University of Chile, Santiago, Chile, Michael Trusov, Ricardo Tralma

Digital platforms have fundamentally reshaped how consumers access entertainment. Audiences are increasingly moving away from traditional formats like physical media (e.g., CDs) towards on-demand digital platforms. This migration has profound implications for content creators and distributors, particularly because digital platforms not only distribute content, but they also influence how and when it is consumed through their release strategies and promotional tools.

Streaming platforms such as Spotify offer users extensive libraries and tools to curate their own listening experiences or follow curated playlists. Among these, platform-managed playlists, some with millions of followers, serve as promotional tools. Placement in these playlists can significantly boost a song's exposure.

Existing research has examined how musical attributes contribute to a song's success. Over time, commercially successful songs have become increasingly simpler, with more repetition and less complexity in terms of pitch, harmony, and rhythm. Prior studies also suggest that the most successful songs strike a balance between familiarity and novelty, offering just enough uniqueness to stand out without alienating listeners. What remains underexplored, however, is the role of playlist inclusion as a driver of success.

This paper examines how such inclusion affects streaming counts and popularity metrics, and what types of songs are most likely to be featured. A particular emphasis is placed on musical and/or lyrical complexity, leveraging existing insights about how simplicity has become a commercial advantage in modern music. In sum, this research offers a novel, data-driven approach to understand the interactions between content and platforms in the digital entertainment economy.

3 - Get Rich or Die Trying: Concerts and the Digitization of Recorded Music

Franziska Kaiser, University of Zurich, Zurich, Switzerland, Christian Peukert

How do physical and digital sales channels interact? We study this question in the music industry, where artists generate income from both physical (concerts) and digital (recorded) music sales. Digitization disrupted the revenue model for recorded music: while CD sales provided one-time payments, streaming introduced usage-based remuneration. We study how this shift has affected the income artists earn from concerts. We estimate the effect of concert attendance on recorded music sales using individual-level data. We track concert attendance and recorded music consumption of 7,100 consumers listening to 25,600 artists in the early years of streaming. Canceled concerts provide a quasi-experimental setting for causal identification. We find that attending a concert increases the probability of listening to the artist by 29% and raises weekly plays by 51%. Aggregate Spotify data (2014-2019) show that this complementarity persists during streaming. However, the indirect income generated by concert attendees collapsed from 19% of concert income before streaming to 0.3% during streaming, with artist popularity emerging as the main mechanism underlying differences in this complementarity. This decline drives a strategic reallocation of effort across channels. Lower income from recorded music is consistent with artists raising ticket prices and playing fewer concerts over time during streaming.

4 - How to Get Rich on Spotify... Without Being a Famous Musician

Jakob Zgonc, University of Tübingen, Tübingen, Germany, Matthias Frühwirth, Dominik Papies, Nils Wlömert

On music streaming platforms, the prevalent pro-rata remuneration model pays artists by their share of total streams. This incentivizes illicit actors to inflate streams with automated "listeners", diluting payouts for legitimate artists. Tens of thousands of new uploads every day and low-quality AI-generated music ("AI slop") create a large long tail with content that is barely listened to by humans. This makes coordinated fraud easy to scale and hard to distinguish from organic low-demand listening. Platform countermeasures remain opaque, and the extent of coordinated fraud is unknown.

We develop a scalable fraud-detection approach, which tackles two challenges: the lack of ground truth for supervised calibration, and limited effectiveness of spike-based anomaly detection when bot activity is dispersed across many artists and tracks. We shift the unit of analysis from individual tracks or artists to portfolios. For a

scheme to be profitable, listener accounts must be reused across multiple target artists, creating a distinctive co-listening structure. We leverage this insight to identify suspicious artist communities and refine our network-based approach with listener counts and geographic concentration.

We apply our method to 4.5 million active artists on Spotify and validate flagged communities through independent industry-expert assessments. Preliminary results reveal numerous active communities exhibiting patterns of coordinated artificial streaming. Evasion would require reducing listener reuse, which raises costs and lowers expected payouts. Thus, coordinated fraud leaves structural traces even when individual bot behavior is engineered to appear organic. Our method complements track-level approaches and is portable across platforms without internal ground truth.

SB12

B130

Public Policy and Market Outcome

Contributed Session

Contributed

Chair: Hikaru Yamamoto, Keio University, Minato-ku, Japan

1 - The Different Impacts of Draft and Formal Government Policies on Company Production Strategy

Lixian Qian, Xi'an Jiaotong-Liverpool University, Suzhou, China, People's Republic of, Chi Yang, Miaomiao Liu

Governments frequently use policies to influence company strategies, yet research has largely overlooked the policy formulation stage preceding implementation. Drawing on institutional theory, we examine whether companies respond differently to government policies between the policy formulation and implementation stages, and how these responses vary for the companies with diverse levels of government ties. The dual-credit policy for the Chinese electric vehicle (EV) industry provides a quasi-natural experiment context for this study, in which Chinese central government released a draft policy for consultation in December 2016 and a final policy for formal implementation one year later. Using a regression discontinuity in time design with 5-year production data of 100 car manufacturers, we find that the draft policy did not immediately increase car manufacturers' EV production ratios, but gradually shifted their EV production trends upward, whereas the final policy significantly raised EV production ratios. Heterogeneity analysis reveals that manufacturers with strong government ties increased their EV production ratios as early as the formulation stage, likely driven by informational advantages and government control. In contrast, other manufacturers without such ties delayed adjustments until the final policy took effect. This research contributes to the literature by expanding the theoretical understanding on the dynamic effects of policy formulation and implementation, as well as their heterogeneous impacts on companies with different levels of government ties. Our results offer valuable insights for both policymakers and managers.

2 - Emergency Preparedness Purchasing After an Unprecedented Extreme Weather Event

Anima Nivsarkar, University of Texas-Austin, Austin, TX, United States, Raji Srinivasan

Extreme weather events are increasing worldwide, yet little is known about whether consumer emergency preparedness behavior changes following extreme climate shocks. This study examines whether a single unprecedented extreme weather event shifts emergency preparedness purchasing. Using store-level retail scanner data from Texas surrounding winter storm Uri, a catastrophic 2021 winter storm, we employ synthetic control method to document immediate demand shocks and difference-in-differences analysis to test for persistent behavioral change. We construct county-level severity measures combining peak power outage rate and temperature anomalies. Results show storm severity predicts persistent increases in winter purchasing of consumable emergency supplies one and two years following the unprecedented extreme weather event: a one standard deviation increase in severity yields 16% higher soup purchases and 5% higher water purchases, while durable goods show minimal persistence (2%). Additional retail marketing mix analysis reveals category-

specific adaptation: high-severity counties shift toward national brands for soup, increase pack sizes and multipacks for water, and reduce private label availability for batteries. Findings indicate that unprecedented climate events shift preparedness behavior among populations experiencing severe consequences, with the extent of purchasing persistence varying by product.

3 - Understanding Recalls in China&Rsquo;S Automobile Market: a Multi-Source Data Approach

Xiayu Zhai, Peking University, Beijing, China, People's Republic of, Peng Shen, Wen Shi

This paper constructs a comprehensive recall database for both New Energy Vehicles (NEVs) and Internal Combustion Vehicles (ICVs) in China, spanning 2004 to 2024. The study aims to address a gap in the existing literature by providing a comparative analysis of recall behaviors across these two vehicle segments in a rapidly evolving automobile market. The database integrates both structured data and unstructured recall narratives, which are processed using natural language processing (NLP) techniques to support a wide range of text-based measures of vehicle recalls in China, including recall characteristics, communication content, and post-recall responses. This allows for a nuanced exploration of the factors influencing recall decisions and their broader implications for brand reputation, consumer trust, and corporate governance. The paper also explores the correlation between ownership structure—multinational, joint-venture, and domestic brands—and recall behavior in China, as well as the roles of government regulation and market dynamics in shaping corporate recall strategies, particularly manufacturers' mandated disclosures of post-recall improvements. Our paper provides a comprehensive analysis of Chinese vehicle recalls relative to their mature US counterparts and seeks to inform policymakers and industry leaders in emerging markets on how to improve recall management, consumer protection, and regulatory frameworks.

Keywords: Vehicle Recall, NEV and ICV Comparison, NLP-driven Database, Chinese Recall Regulation

4 - AI Personalization in Data-Scarce Markets

Yixiang Xu, UC Berkeley, Albany, CA, United States

This paper investigates the effectiveness of AI trained on public web data for personalization in data-scarce markets. I develop a theoretical framework showing how two fundamental aspects of data scarcity and AI algorithms' tendency to default to dominant patterns interact to determine personalization effectiveness. Data representation gaps arise when user segments are absent from training data; data precision gaps occur when existing user data provides noisy preference signal. I test this framework through a large-scale field experiment with 30,111 retail merchants in India. Results reveal that only merchants facing minimal data gaps show significant sales improvements (+0.23 standard deviations). As data gaps intensify, AI defaults to serving merchants broadly appealing content rather than delivering tailored content. Merchants facing representation gaps receive further poorly matched content due to algorithmic misalignment. I propose two targeted augmentation strategies to mitigate this problem: integrating local data and enabling user agency. Using data from the experiment, I show that the approaches are effective, highlighting the value of theory-based AI personalization in data-scarce environments.

5 - From App to Cradle: Its and Difference-in-Differences Evidence of a Municipal B2g2c Fertility Intervention

Hikaru Yamamoto, Keio University, Minato-ku, Japan, Naohiro Matsumura

Digital health technologies have demonstrated efficacy in changing individual behaviors, yet their capacity to generate population-level outcomes remains largely untested. We address this gap by evaluating a novel Business-to-Government-to-Consumer (B2G2C) intervention in which Takaoka City, Japan, provided free access to Lunaluna, a commercial fertility-tracking app, to residents planning conception.

We employ two complementary identification strategies using distinct administrative data sources. First, interrupted time series (ITS) analysis of quarterly pregnancy registrations within Takaoka City reveals a marginally significant immediate increase of 55 registrations per quarter ($p = 0.083$), with effects concentrated among women aged 35–39 ($p = 0.096$) and 40 and older ($p = 0.070$)—age groups for whom fertility planning

tools are most salient. Second, difference-in-differences (DiD) comparing monthly birth counts between Takaoka and Fukui City yields a treatment effect of +20.7 births per month ($p = 0.005$, +24.3%) under a nine-month pregnancy lag. Event-study pre-trend tests support the parallel trends assumption ($F = 0.46$, $p = 0.921$), and a placebo timing test across 78 pseudo-intervention dates confirms this effect is uniquely consistent with pregnancy biology ($p < 0.001$). We discuss sensitivity to alternative specifications transparently.

This study makes two contributions. First, we provide an empirical evaluation of a B2G2C intervention—where government mediates free consumer access to a commercial app—employing two complementary designs with different data sources and assumptions to assess its population-level effects. Second, our findings provide suggestive evidence that municipal deployment of consumer health apps warrants further investigation as a scalable approach to demographic challenges.

SB13

B131

Recommendations and Satisfaction

Contributed Session

Contributed

Chair: Ronny Behrens, University of Muenster

1 - When Attitudes Move, Do Customers Move? Transaction-Level Evidence on Satisfaction, Recommendation Intentions, and Subsequent Spending

Sanghee Kim, California State University Long Beach, Long Beach, CA, United States, Thomas Gruca

While companies routinely track satisfaction and "likelihood to recommend" after a purchase, we still don't know if a shift in these scores actually predicts a shift in behavior. Most research looks at the big picture—like total company sales—or compares one customer to another. This leaves a critical "micro-level" question unanswered: If the same customer leaves a store feeling more satisfied today than they did last time, will they actually spend more or come back sooner on their next visit?

To answer this, we analyzed transaction-level data where every visit is linked to a post-purchase survey. This allows us to track "attitude dynamics"—measuring how a single customer's satisfaction (1–5) and recommendation intent (1–10) fluctuate between visits, and how those fluctuations impact their future spending and timing.

Our approach is two-fold. First, we provide clear, "model-free" evidence showing how spending and return times change alongside shifting attitudes. Second, we use customer fixed-effects and duration models to isolate these behavioral responses. By filtering out "noise" like individual personality traits or seasonal trends, we can see the pure impact of a change in mood. Ultimately, this study clarifies what these common metrics actually signal about real-world loyalty and gives firms a clearer roadmap for how to act on them.

2 - The Installment Enhancement Effect: How Payment Structures Dynamically Reshape Product Valuation

Aojie Zhang, The Hong Kong Polytechnic University, Hong Kong, Hong Kong, Xinyue Zhou, Dai Yao

Prior research suggests that debt-financed purchases, such as those made via installment plans, may impede the development of psychological ownership and product valuation, as consumers do not fully "own" the product until the financial obligation is cleared. Contrary to this conventional view, this research identifies a counterintuitive "installment enhancement effect." Across eight studies—including a longitudinal field experiment, secondary-market transaction data, and controlled experiments—we demonstrate that while installment payments initially suppress psychological ownership, they lead to a significant post-payment surge in both sense of ownership and product valuation (e.g., willingness-to-accept). We also identify key boundary conditions related to product price and billing structures. Our findings provide a dynamic perspective on the consumer-product relationship in the installment economy.

3 - The Unintended Consequences of Simplifying Product Information

Sergey Turlo, Goethe University Frankfurt am Main, Frankfurt Am Main, Germany, Matteo Fina, Johannes Kasinger, Arash Laghaie, Thomas Otter

Consumers often face products with multiple, costly to process attributes. To reduce cognitive burden, firms and regulators increasingly rely on labels that simplify selected attributes, such as nutrition scores or performance categories. While such simplification can facilitate choice, it may also change attention allocation across remaining attributes. Existing research largely focuses on average effects of simplification on choices, paying less attention to unintended spillovers in information processing and decision quality.
We study the effects of partial information simplification using a rational inattention model and test its predictions in an incentivized discrete choice experiment.
In the model, consumers optimally trade off the benefits of better-informed decisions with information costs. When all attributes are complex, it is typically optimal to distribute attention and learn partially about all of them. However, when one attribute becomes simple(r), the structure of optimal information acquisition shifts. The model yields two predictions. First, simplifying one attribute reduces responsiveness to variation in the other attribute. Second, simplification can reduce expected payoffs in certain choice sets, especially when a dominated alternative scores highly on the simplified attribute.
We test these predictions in a financial choice experiment in which participants choose between investment options defined by a gross payout and a fee. Treatment conditions simplify the gross payout using performance labels that reduce processing effort without adding information. We examine how simplification affects attention and the likelihood of dominated choices.
Our findings will clarify when simplification improves decisions, when it can backfire, and when labeling policies may require regulatory scrutiny.

4 - Harnessing the Power of Customer-Led Product Support: Easing Call Center Burden, Elevating Service Performance?

Ronny Behrens, University of Muenster, Muenster, Germany, Ann-Kristin Kupfer, Daniel Winkler, Harald Van Heerde, Gerrit Cziehso

Call centers are a traditional cornerstone of companies' customer support channels. While they enable companies to help customers individually with trained personnel, they are also associated with high repetitive costs. To increase efficiency, companies have introduced digital service communities as an alternative postpurchase channel, in which customers share knowledge to solve product-related issues, potentially offering a wide range of promptly accessible suggestions for troubleshooting. Can digital service communities be a double blessing by simultaneously easing call center burden and elevating service performance? To address this question, the authors examine the impact of a growing digital community knowledge base on within-channel (within the digital service community) and cross-channel (call center) outcomes, drawing from a proprietary data set of call-center and community activities. The results reveal substantial quantitative (i.e., reduction of question volume) and qualitative (i.e., improvement of solution quality) benefits for the community and the call center. Customers also benefit from reduced call-center waiting times and fewer dropped calls, underscoring the performance-enhancing effects of the digital service community and stressing the win-win potential of having a customer-led digital service community augment call-center operations in after-sales services.

SB14

B132

Voice and Messaging

Contributed Session

Contributed

Chair: Ashwin Aravindakshan, University of California-Davis, Davis, CA, United States

1 - The Impact of Message Frame, Message Recipients' Gender, and Message Context on Enhancing Intentions to Adopt Robotaxi

Ru Yu, Fudan University, Shanghai, China, People's Republic of, YuXuan Zhao

Increasing public willingness to adopt Robotaxi is of great significance for the application of new technologies and public transportation. This study aims to explore the role of the matching effect of message in enhancing the willingness to adopt Robotaxi. Through two experiments, the study discovered the matching effects between message frame, the gender of the message recipients, and the message context. The study revealed the main effect of the message frame, that is, gain-framed message is more persuasive than loss-framed message, and this effect is moderated by the gender of the message recipients and the message context. Attitudes toward Robotaxi play a mediating role in this effect. This paper discusses the theoretical and practical significance of tailoring advertising message for Robotaxi for users.

2 - First-Person vs. Second-Person: How Narrative Perspectives Drive User Evaluation of Intelligent Services

RUIYING MAI, Key Laboratory of Brain-Machine Intelligence for Information Behavior (Ministry of Education and Shanghai); School of Business and Management, Shanghai International Studies University, Shanghai, China, People's Republic of, FENGHUA WANG

Due to their digital and intangible nature, intelligent services rely heavily on service descriptions as a persuasive tool to capture user attention and boost service evaluation, often employing either first-person ("I/we") narratives from service providers or second-person ("you") narratives targeting users. This distinction underscores the central question of the current query: How does narrative perspective influence user evaluation of intelligent services? Drawing on expectation confirmation theory, we conducted two studies to investigate the comparative effects of first-person and second-person narratives on user evaluation of intelligent services. Study 1 analyzed data from 217 apps and 466,700 user reviews on the Google Play Store to examine whether narrative perspectives in service descriptions influenced user ratings and comments. Study 2 was an online experiment (N=150) designed to explore the causal relationship between narrative perspectives and service evaluations, with a focus on the mediating role of expectation confirmation. The findings consistently demonstrated that service evaluations were higher when users encountered first-person narratives compared to second-person narratives. This effect was mediated by expectation confirmation, where second-person perspectives raised service expectations, reducing the likelihood of confirmation and consequently leading to lower evaluations. This research highlights narrative perspective as an overlooked yet critical factor in intelligent service descriptions. We show how perspective choices shape user expectations and evaluations, offering actionable insights for businesses to optimize service descriptions and enhance user experiences.

3 - Exploring Digital Voice Assistants: Factors Shaping Customer Experience and Adoption in Online Fashion Shopping

Mahlakane Mafoko, University of Cape Town, Rondebosch, South Africa, Siphiwe Dlamini, Nkosivile Madinga

Artificial intelligence (AI) is reshaping global fashion retail by transforming how consumers search for information, interact with brands, and complete online shopping tasks. As digital voice assistants (DVAs) become increasingly integrated into e-commerce environments, understanding the factors that influence their adoption and the resulting customer experience is essential. This study investigates technological, experiential, and social-relational drivers of DVA adoption in online fashion shopping. Drawing on the Technology Acceptance Model (TAM), the Unified Theory of Acceptance and Use of Technology (UTAUT), and Consumption Value Theory, the research develops an integrated framework that captures utilitarian, emotional, and social dimensions of consumer behaviour. Para-social interaction, perceived intelligence, animacy, and anthropomorphism are incorporated to reflect the human-AI relational dynamics shaping consumer engagement. The study also introduces accent as a moderating variable, addressing emerging evidence that linguistic cues influence user perceptions of credibility, intelligence, and social presence.

Using data from an online survey completed by 444 respondents across South Africa, the study employed Partial Least Squares Structural Equation Modelling (PLS-SEM) to test the proposed research model. Results found that DVAs are driven by perceived usefulness, ease of use, customer experience, perceived intelligence, convenience value, and para-social interactions. Consumption values, particularly functional and conditional value enhance customer experience. The findings advance AI-enabled retail literature by highlighting the importance of

experiential and human-like factors in technology adoption. Managerial insights emphasise the strategic design and deployment of DVAs to enhance customer experience and support digital transformation in fashion retail.

4 - Voice Modality in Conversational Commerce with AI Chatbots

Ashwin Aravindakshan, University of California-Davis, Davis, CA, United States, Behnaz Bojd, Oliver Rutz

Conversational commerce has evolved rapidly, with over eight billion voice-enabled devices in circulation globally. Yet, leading platforms like Amazon's Alexa have struggled to achieve commercial viability, incurring significant losses due to the inherent limitations of voice-only interfaces in facilitating complex purchase decisions. As the industry shifts toward multimodal AI chatbots that integrate voice, text, and visual cues, retailers face a critical question: how do distinct input modalities influence consumer outcomes?

This research investigates the trade-offs between voice and text inputs within hybrid e-commerce interfaces. While voice input offers speed and heightened social presence, we identify a countervailing force: 'vocal cognitive costs.' These costs arise from the cognitive load required to plan spoken queries without the ability to pause or edit, and the attention diverted to monitor real-time transcription accuracy.

We propose that the impact of these vocal cognitive costs is not static but varies systematically across the customer journey. We argue that during the exploration and re-engagement phases, where curiosity and enjoyment drive interaction, the social benefits of voice outweigh its costs. Conversely, during the purchase decision phase, where consumers prioritize precision and control, vocal cognitive costs become prohibitive, making text the superior modality. This framework provides a theoretical basis for understanding multimodal interactions and offers actionable guidelines for designing AI-mediated customer experiences that align input modalities with specific journey stages.

SB15

B133

AI and Creative Content

Contributed Session

Contributed

Chair: Yijia Sun

1 - When and How Should Firms use AI for Creative Tasks? The Role of Persistence and Flexibility

Sara Caprioli, TU Munich, Munich, Germany, Armin Granulo, Noah Castelo, Anne-Kathrin Klesse

Artificial intelligence (AI) is increasingly used by firms to perform creative tasks across domains. For example, firms rely on AI to develop food recipes, design fashion items, and support architectural design. Despite these advances, consumers often remain skeptical of AI-generated creative work. This skepticism matters because AI-driven creativity only creates value if consumers perceive AI-generated outputs as valuable. This research examines when and why consumers evaluate AI-generated creative work more favorably and how firms can increase such evaluations.

Drawing on the dual-pathway to creativity model, we distinguish between tasks driven by persistence—systematic, iterative exploration within a defined problem space (e.g., optimizing a kitchen layout by refining spatial arrangements, storage, and workflow)—and flexibility, which relies on associative, divergent thinking (e.g., developing an original kitchen concept or aesthetic that combines distant styles or themes). We propose that consumers evaluate the quality of AI-generated work more positively when the task relies on persistence rather than flexibility.

Across nine studies (N = 2,000), using experimental and field data across diverse contexts, we find that AI-generated outputs are perceived as higher quality and more likely to be chosen when creativity stems from

persistence-based processes. Importantly, highlighting the persistence-based nature of the creative process increases perceived quality and choice of AI-generated outputs.

These findings offer actionable guidance on (1) which creative tasks are best suited for AI, (2) how firms should communicate AI's role in creative processes, and (3) how to design interventions that enhance consumer acceptance of AI-generated creative work.

2 - Human&Ndash;AI Co-Creation in User Design: How Feelings of Accomplishment Create Value

Eva Pflanzer, LMU Munich School of Management, Munich, Germany, Martin Spann

Consumers frequently pay a premium for products they have participated in designing. Such higher valuations stem from both outcome-related factors, such as preference fit, and process-related factors, particularly feelings of accomplishment. Generative artificial intelligence (AI) has the potential to improve user-design outcomes but may also undermine process-related sources of value creation. Drawing on self-signaling theory, we examine consumer–AI cocreation in user design and investigate how outcome- and process-related factors jointly shape consumers' willingness to pay. Across two online experiments, we show that high preference fit increases consumers' willingness to pay for self-designed products indirectly by enhancing feelings of accomplishment. Importantly, this causal pathway remains robust across different levels of AI support (high vs. low) and across different AI interaction formats (text vs. sketch prompting). In addition, sketch-based prompting (vs. text prompting) increases users' perceived contribution to the design outcome and further strengthens feelings of accomplishment. These findings contribute to the literature on user design and mass customization by demonstrating a causal link between preference fit and accomplishment in AI-supported co-creation. They also offer managerial implications by showing that effective AI-supported user design requires both preference-congruent outcomes and interaction formats that make consumers' creative contributions salient.

3 - Sharing Choice Responsibility with AI: How Chatbot Identity Shapes Consumer Recommendation Adherence

Yijia Sun, Tianjin University, Tianjin, China, People's Republic of, Chundong Zheng, Cheng Luo

Despite the widespread adoption of AI-powered chatbots across industries, consumers often find chatbots as incapable of understanding and responding to personalized requests, resulting in reluctance to interact with chatbots and resistance towards chatbot-generated advice. To improve the effectiveness of chatbots, this study examines the role of chatbot identity in shaping consumer responses towards recommendations provided by chatbots. Across seven studies, we demonstrate that specialist (vs. generalist) chatbots are more effective in enhancing consumers' intention to follow chatbot-generated recommendations. This effect occurs because specialist chatbots are more capable of sharing consumers' choice responsibility during decision-making. Furthermore, the advantage of specialist chatbots is more prominent when choice involves a high (vs. low) level of uncertainty. Importantly, while specialist chatbots increase consumers' recommendation adherence intention, they are more susceptible to blame for service failures. Our findings contribute to the emerging research on human-AI interaction by examining chatbot identity as a critical determinant of chatbot effectiveness and identifying choice responsibility as a valuable lens to understand chatbot effects.

SB16

B134

Sustainable Consumer Decision Making

Contributed Session

Contributed

Chair: Yuki Shibata, N/A

1 - Ageism in Sustainable Product Choices for Others

Nandita Dhanda, University of Geneva, Geneva, Switzerland, Ignazio Ziano

Who is perceived to consume more sustainable products, younger or older people? With this paper, we address this question by examining the role of age-based stereotypes when indicating sustainable choices for others, showing the inaccurate perception that younger people choose more sustainable products than older people. Across five pre-registered studies (total N = 2204), we test the accuracy of these perceptions in consumers, the moderating role of target's gender and socioeconomic status for these perceptions and propose a mechanism to explain them through perceived risk-taking of the target. We discuss theoretical implications for consumer stereotypes, and practical implications to improve choices for others, as well as marketing, targeting and designing sustainable products.

2 - Consumer Adoption of Renewable Energy Technologies: A Systematic Literature Review

Siphiwe Dlamini, University of Cape Town, Rondebosch, South Africa, Nkosivile Madinga, Gift Donga

This article is a systematic literature review using the Theory, Context, Characteristics and Methods (TCCM) model to understand consumer adoption of renewable energy technologies (RETs). While previous systematic reviews have produced significant results into RETs adoption, they predominantly centred on specific domains such as hydro, wind, tidal, geothermal, biomass, and solar, often lacking a unified approach that systematically encompasses these diverse dimensions. Therefore, this study aims to offer a more holistic systematic review by integrating various renewable energy sources, thereby providing a holistic analysis of past research on renewable energy adoption across multiple domains. Findings from the literature review analysis reveals that in terms of geographic context, a clear dominance of research conducted in Asian countries was evident, with Pakistan having the largest share of authorship, while the Middle East and Oceania constituted the lowest proportion of articles. Whereas, analysing the industry context, reveals that solar energy constituted the largest share of RETs adoption research with the Diffusion of Innovations (DoI) being the most frequently applied theoretical lens, while multi-theoretical perspectives are rare. Furthermore, viewed holistically, the Characteristics dimension of this TCCM review exposes an imbalanced empirical architecture within the study of RETs marked by sparse mediating and moderating variables. Finally, out of the 82 selected studies the literature showcased a total of 67 quantitative, with statistical techniques particularly regression and Structural Equation Modelling (SEM) being the most applied analytical methods across the corpus. Detailed future research directions are presented organised around the four TCCM dimensions.

3 - Genai Product Recommendations for Sustainable Consumer Decision-Making: A Sense-Making and Parasocial Relationship Perspective

Alexander Meister, IU International University of Applied Sciences, Berlin, Germany

Artificial intelligence (AI) becomes deeply integrated into marketing practices. Research has so far largely focused on algorithmic recommendation systems, while consumers increasingly leverage conversational generative AI tools such as ChatGPT to seek advice in purchase decision-making. Hence, scholars emphasize the transformative potential of generative AI to reshape consumer behavior through personalized recommendations and technology interactions; however, further in-depth research is needed.

Therefore, this study adopts a qualitative, inductive approach based on interpretative phenomenological analysis (IPA) while employing a quasi-experimental research design involving ChatGPT interaction scenarios. Doing so, we explore how consumers experience generative AI interactions and how they make sense of the given recommendations for sustainable products across different recommendation styles. IPA, as the chosen methodological approach, enables an in-depth understanding of participants' subjective perceptions and sense-making of their interactions with the generative AI tool (ChatGPT) in product-related advisory situations, reconstructing how participants interpret and assign meaning to their experiences. Sustainable consumer decision-making is chosen as the research context, providing a personally and socially relevant setting.

Specifically, we draw on parasocial relationship theory to investigate how a parasocial relationship with the AI chatbot is experienced during interaction and how the perceived recommendations shape the development of sustainable purchase intentions. Based on our analysis, we uncover key mechanisms and develop a framework illustrating consumers' sense-making of AI-mediated interaction and recommendations in sustainable decision-making.

4 - Advertising Wear-Out in Green Versus Conventional Products: the Role of the Mere Exposure Effect

Yuki Shibata, Fukui Prefectural University, Eiheiji, Japan

Repeated advertising exposure enhances consumer evaluations through the mere exposure effect; however, excessive repetition may attenuate these positive effects. While prior research has extensively examined this dynamic for conventional products, it remains unclear whether green product advertising follows a similar exposure–response pattern. Green advertisements often contain complex environmental information and normative appeals that shape consumer responses to repeated exposure.

This research explores how repeated exposure to green versus conventional product advertising influences advertising evaluations. Drawing on the mere exposure effect and processing fluency theory, we examine whether initial exposure enhances evaluations while higher exposure levels attenuate these effects. Rather than making strong claims about advertising wearout, we adopt an exploratory approach to investigate whether mental saturation may be associated with changes in consumer responses.

Evidence is drawn from an online experiment in which participants were exposed to green or conventional product advertisements under multiple prior exposure conditions (0, 1, 3, or 5 times). Advertising evaluations and processing fluency were measured using established scales, along with indicators related to perceived saturation. The results suggest that limited repetition may enhance evaluations of green advertisements, consistent with the mere exposure effect, while the positive impact of repetition becomes less pronounced as exposure increases.

An ongoing follow-up study examines higher exposure frequencies (7 and 9 repetitions) to further explore the boundary conditions of repeated exposure effects in green advertising. Overall, this research offers an exploratory account of how repetition operates in green advertising and provides implications for managing advertising frequency in sustainable marketing communications.

SB17

B135

Labeling Decisions

Contributed Session

Contributed

Chair: Anupam Singh, N/A

1 - ***Cancelled*The Tale of Two Nutrition Labels: Rational Inattention and Consumer Learning**

Yiqi Li, University of Michigan Ann Arbor, Ann Arbor, MI, United States, Anocha Aribarg, Matthew Osborne

To promote healthier diets, the FDA recently proposed front-of-package (FOP) labels – Healthy Claim and Nutrition Info Box (Info Box)—to supplement the back-of-package Nutrition Facts Label (NFL). The Healthy–Claim is a highly simplified binary badge indicating whether unhealthy ingredients fall below certain thresholds, while the Info–Box is a moderately simplified panel that focuses on a few nutrients from the NFL. I analyze how these different labels impact consumer choices and use of the NFL in food choices, using a randomized, incentive-aligned experiment. Importantly, the experiment directly measures attention to the Nutrition Facts, nutrient beliefs, choices, and consumers' true attribute weights (preferences). To provide an overall evaluation of which label leads to better outcomes for consumers, I develop a structural choice model with rational inattention that allows consumers to trade off utility gains from information against cognitive costs of processing information. I find that FOP labels reduce attention to the NFL by 23% for Healthy Claim and 45% for Info Box. However, conditional on viewing the NFL, the presence of an FOP improves recall of its information, with the impact being higher for the Info Box. Comparing formats, Info Box outperforms Healthy Claim on learning and welfare because it delivers higher informational values while requiring lower attention on the NFL. My findings provide insights into how policymakers should balance simplicity with detail when designing labels: Moderate

simplification improves learning and welfare despite reduced use of the NFL, whereas high simplification crowds out the attention of the NFL without commensurate informational gains.

2 - How Does Price Positioning Shape Consumer Purchase Decisions for Organic Private Label Brands?

Sonja Gensler, University of Muenster, Muenster, Germany, Phil Wienecke, Andreas Seiferth

Retailers promote organic private label (OPL) brands to align profitability with sustainability, yet systematic evidence of their success is lacking. Using German household-level scanner data (2019 – 2023) and applying discrete choice models, we investigate how OPL price positioning shapes individual brand choices across three product categories (i.e., chocolate, pasta, and yogurt). Across all product groups, lower OPL prices relative to national brands (NB) increase OPL purchase probability. Results show that an OPL price premium compared to economy private labels (EPL) consistently and positively affects OPL choice. The findings indicate that the price signals superior quality (e.g., sustainability) standards when comparing OPL with EPL. Considering the competitive role of premium private labels (PPL), results differ by product category. While OPLs do not directly compete with PPLs in the yogurt and chocolate category, higher OPL prices compared to PPL significantly decrease consumers' OPL choice for pasta. Findings further indicate effect heterogeneity on time- and retailer (-type) level. While OPL initially competed with products of the PL hierarchy (i.e., EPL and PPL), recent development shows an intensified competition of OPL and NB. Findings further indicate that consumers visiting discounters mainly perceive other private labels as OPL substitutes while OPL also compete with NB in supermarkets. Finally, we find that promotional activities consistently raise OPL purchase likelihood and that consumers' OPL purchase history significantly affects consecutive OPL choices. These findings contribute to our knowledge about drivers of OPL success and provides relevant insights for retailers.

3 - Price and Prejudice: Sustainable, Organic, Pasture-Raised Food Labels and What Premiums Could They Command in a Mature Market

Katerina Kormusheva, Australian National University, Canberra, Australia

The paper investigates price premiums associated with food products produced under sustainable and organic farming methods, relative to conventionally produced alternatives without sustainability or organic labels. As consumer concern about environmental impact, health, and ethical production intensifies, firms increasingly adopt sustainability certifications as differentiation strategies. However, there remains limited empirical consensus on the magnitude and consistency of the price premiums these labels generate across product categories and market contexts.

Using a large-scale retailer dataset combined with product-level certification and labeling information, this study estimates the causal impact of sustainable and organic claims on retail prices. We employ a hedonic pricing framework complemented by difference-in-differences and instrumental variable approaches to address selection bias and unobserved quality heterogeneity. The analysis enables comparison of premium levels by product type, and label format.

Results indicate that organic and sustainability labels command statistically significant price premiums, with organic certification producing higher average premiums than sustainability-only claims. The magnitude of these effects varies substantially across categories, with fresh produce and dairy displaying the highest premiums. In addition, the findings reveal diminishing marginal returns when multiple sustainability-related labels are applied to a single product, suggesting potential consumer fatigue or confusion from label proliferation.

This research contributes to the marketing and pricing literature by providing robust causal estimates of eco-label price effects and by clarifying boundary conditions under which such labels are most valuable. The findings offer actionable insights for managers designing labeling strategies and for policymakers evaluating the economic incentives created by sustainability certification schemes.

4 - Brand Origin Fluidity Under Foreign Acquisition and Geopolitical Tension: a Diachronic Word-Embedding Analysis

I-MIN CHANG, National Chung Hsing University, Taichung, Taiwan, Yen-Chen Ho

This study examines the brand origin fluidity of a premium European automotive brand acquired by an emerging-market multinational (EMNE) following foreign acquisition and rising geopolitical tensions. Due to globalization and emerging global value chain, research has shifted from the consideration of country of origin from physical locations of manufacturing to the consumer's perceived brand origin and country images (Andéhn & Decosta, 2016) and the congruity between them (Chen, Wright, Gao, Liu, & Mather, 2020; Eng, Ozdemir, & Michelson, 2016). Recent studies highlight the complex implications of international M&A on renowned brands under foreign ownership (Samiee & Chabowski, 2021). Although M&A has been pivotal to brand management as firms seek to evaluate and leverage acquired brands (Keller, 1993, 2025), the shifting corporate ownership puts the stability and efficacy of brand origin under test.

This research focuses on the case of a premium European car brand acquired by an Asian EMNE in the 2010s. The empirical analysis uses a temporal word-embedding analysis to examine the semantic shifts of brand-origin-related concepts in its public communication with international consumers and stakeholders, which are strategically utilized and dynamically adjusted to maintain and (re)construct brand origin. Our findings show significant changes in brand origin narratives during the ownership transition and the rising consumer ethnocentrism as consumers become less certain about the appropriateness and morality of purchasing foreign products (Liu, Schoefer, Fastoso, & Tzemou, 2021). The acquired brand increasingly emphasizes non-national brand heritage (Urde, Greyser, & Balmer, 2007) while maintaining a consistent tone in its brand origin.

5 - Public Acceptance of Cultured Meat: a Text Mining Study of Social Media Discourse

Anupam Singh, University of Glasgow, Glasgow, United Kingdom, Aldona Glińska-Neweś, Ima Andilolo, Iwona Escher, Paweł Brzustewicz

Cultured meat is increasingly promoted as a sustainable alternative to conventional meat; however, consumer acceptance remains limited. This study investigates public discourse and emotional responses to cultured meat by analysing 1.41 million tweets from Twitter (now X) using advanced text mining techniques. Topic modelling utilizing BERTopic identified key themes, including ethical concerns, economic feasibility, regulatory approval, nutritional value, and the perceived artificiality of cultured meat. Sentiment analysis revealed a generally positive emotional tone, dominated by trust and anticipation. Nevertheless, negative emotions such as fear and disgust were also prevalent, largely driven by perceptions of unnaturalness and potential health risks. Notably, environmental benefits frequently emphasized in scholarly literature but were marginal in public discussions, suggesting a misalignment between expert narratives and consumer concerns. These findings contribute to the literature on alternative protein acceptance and offer insights for policymakers and industry actors to design more resonating communication and engagement strategies.

SB18

B136

Charitable Giving

Contributed Session

Contributed

Chair: Sheng Liu, The Hong Kong Polytechnic University, Hong Kong, Hong Kong

1 - Introducing Thematic Funding: Bridging Restricted and Unrestricted Funding for Nonprofit Organizations

Philip Sander, University of Hamburg, Hamburg, Germany, Lena Höpken, Simon Zengerling

The persistent tension between restricted and unrestricted funding remains a fundamental challenge for nonprofit organizations (NPOs). Unrestricted funding grants NPOs operational flexibility by allowing them to allocate resources as needed, including overhead and administrative expenses. However, donors typically prefer to donate restrictively, aligning their donations with specific projects, which can lead to resource constraints and the so-called "starvation cycle" within the NPO. To bridge this gap, a promising solution in practice has emerged, which we introduce as "thematic funding", allowing donors to support broad themes while providing NPOs greater operational flexibility. This study explores donor preferences regarding different funding types,

focusing on the potential of thematic funding to balance the donors' and NPO's interests. Using a choice-based conjoint analysis with 224 U.S. donors, we evaluate the relative importance of many key donation attributes; including the type of funding. Results reveal that while donors value restricted funding, they prefer thematic funding. Group comparisons among the three funding preferences reveal significant differences across several variables. These findings contribute to the existing literature by highlighting the strategic value of thematic funds and providing actionable insights for NPOs aiming to engage diverse donor segments. Ultimately, thematic funds represent an innovative approach to align donor motivations with the NPO's organizational needs.

2 - Mitigating Impure Altruism: How Second Language use Enhances Consumer Trust in Cause-Related Marketing

Yanli Wang, Hong Kong Baptist University, Hong Kong, Hong Kong, Xueni (Shirley) Li, Lan (Lexie) Huang, Kimmy Wa Chan, Zhenning Liang

Cause-related marketing (CRM) is a strategic philanthropic initiative that integrates cause with profit. However it faces consumer incredulity and scrutiny due to perceived impure altruism (i.e. egoistic, self-serving driving corporate service efforts have eroded the purity of altruistic motives in CRM campaigns). This study proposes using consumers' second language (L2) rather than their native language (L1) in CRM communications to eliminate the target audience's perceived negative perceptions of impure altruism. Based on behavioral and neuroscience research, using L2 can induce a positivity bias and increases consumers' tolerance for moral ambiguity. Accordingly, we hypothesize and validate a theoretically grounded model: marketing messages in L2 increase purchase intention towards CSR campaigns, which is mediated by consumers' perceptions of impure altruism and moderated by company-offer fit. This study enriches the research on CRM and marketing communication language, and provides a practical strategy for businesses targeting bilingual consumers.

3 - The Price of Ethical Coherence in Charitable Giving

Roman Antoschin, WHU - Otto Beisheim School of Management, Vallendar, Germany, Christian Schlereth, Christine Eckert

Charities face the challenge of designing elements of fundraising communications— including images and texts —that attract donations and maintain ethical coherence, meaning they are perceived as ethically acceptable. While financial success can be objectively measured, ethical coherence is a matter of perspective, varying between stakeholders, and is more difficult to assess. Past research suggests that these goals often conflict; however, the price of ethical coherence—that is, the opportunity cost of maintaining ethical coherence in terms of foregone donations—has yet to be quantified. The authors (1) propose a framework to measure the price of ethical coherence by combining a field experiment with survey data, (2) demonstrate its application across communication elements, and (3) show how the framework helps derive personalized campaigns. Given that traditional data collection can be costly and timeconsuming, the authors (4) examine whether large language models can serve as artificial experts to predict ethical perceptions and donation responses, offering a scalable shortcut for exploratory testing. To demonstrate the practicality of the proposed framework, the authors partnered with an international charity. The framework reveals that the price of ethical coherence varies across communication elements and depends on donors' proximity to the charity, offering valuable insights for marketing strategies.

4 - When Service Failures Block Donations &Ndash; Impact and Underlying Processes

Luisa Leman, University of Hamburg, Hamburg, Germany, Michel Clement, Edlira Shehu

As prosocial donations (e.g., blood, money, or time) provide valuable and sometimes irreplaceable contributions to society, donor retention is crucial. We investigate the risk that service failures, in which donors are kept from performing a prosocial donation, pose to donor loyalty. Using a large panel dataset of real blood donor behavior provided by a large German blood donation service, we examine the effect of a service failure (specifically, the cancellation of a blood donation appointment) on donor return. In a randomized online experiment, we further show that a service failure decreases donation intention through negative emotions, organizational image, and perceived impact while donor esteem is not a relevant mediator. In addition, perceiving a blood shortage moderates the mediation effect of perceived impact. Our findings contribute to two literature streams. Firstly, they add to the prosocial donation literature in which services required to perform a donation have received little attention so far. Secondly, they expand the service failure literature by examining service failures in the

underexplored context of a prosocial environment. The results also offer important implications for managers in the prosocial donation sector.

5 - Speaking Personally OR Professionally? How Pronoun use Shapes Crowdfunding Success

Sheng Liu, The Hong Kong Polytechnic University, Hong Kong, Hong Kong, Yiwei Li, Lei Su, Shanjing Wan, Darren Dahl

Language is the currency of human communication, we use words to interact with others. Particularly, personal pronouns are among the most used words according to the Oxford English Corpus. The extant literature suggests that even subtle variations in language use can significantly affect consumers' perceptions/behaviors. However, although substantial research shows that personal pronoun usage reflects the writer's mindset or traits, it is unclear how pronoun usage impacts the reader.

This project attempts to bridge this gap and investigates how pronoun usage (third-person versus first-person) affects funding behavior in the increasingly important domain of crowdfunding (donation-based versus reward-based). Specifically, we predict that the use of third- (first-) person pronouns increases funders' intention to contribute to donation- (reward-) based crowdfunding. For donation-based crowdfunding, funders contribute primarily out of altruism and are more likely to trust a fundraiser who writes objectively using third-person pronouns. For reward-based crowdfunding, funders expect rewards and the use of first-person pronouns signals the fundraiser's expertise in product development.

Leveraging over 55,000 crowdfunding campaigns from GoFundMe and Kickstarter, we test the proposed effects and use funder comments to measure the underlying mechanisms. The proposed research is among the first that (1) demonstrates that a subtle variation in language use can influence funding behavior, (2) offers an integrated perspective of donation- and reward-based crowdfunding, and (3) causally reveals a psychological process that has significant funding implications for crowdfunding. The managerial implications are also substantial as currently 88% of donation-based crowdfunding overwhelmingly uses first-person pronouns.

SB19

B137

Customer Insights from Data Analysis

Contributed Session

Contributed

Chair: Ammara Mahmood, wilfrid laurier, waterloo, ON, Canada

1 - The Design of Flat-Rate Pricing in The Ride-Hailing Market

Wei Miao, University College London, London, United Kingdom, Yanlai Chu, Junhong Chu

Mobile technology has made upfront flat-rate pricing increasingly popular in the ride-hailing market; however, the optimal design of such pricing remains understudied. We investigate the optimal structure of upfront flat-rate pricing by analyzing a natural experiment in Singapore, where a leading taxi operator introduced an origin-destination flat-fare option. Crucially, the operator's algorithm set the flat fare equivalent to the expected metered price, effectively transferring trip duration risk from riders to drivers. Using a Regression Discontinuity in Time (RDiT) design, we first document that this pricing strategy caused market frictions: following the introduction, driver shift earnings significantly decreased, while flat-fare requests suffered a significantly higher failure rate compared to metered trips. These findings suggest that pricing on averages is inefficient when drivers are risk-averse regarding traffic volatility. To explain this mechanism, we develop a dynamic structural model of a two-sided market with risk aversion on both sides, where strategic drivers optimize trip acceptance and relocation, and riders choose transportation modes. We demonstrate that drivers strategically reject flat-fare requests to avoid trip uncertainties when not compensated for the risk. In our counterfactual analysis, we investigate the optimal price premium for the flat-fare option under different scenarios. We show that

incorporating a markup over the average metered price is essential to compensate drivers for assumed risk, thereby restoring supply incentives and leading to higher total surplus of the market.

2 - Why Not Come in and Talk? Quantifying the Impact of Nonanswer Strategies on High-Involvement Product Sales

Yinfei Jiang, Hong Kong University of Science and Technology, Hong Kong, Hong Kong, Siqi Pei, Hang Wei, Feng Yang, Xintong LU

In high-involvement purchases, sales–customer interactions play a central role in shaping whether consumers progress from initial interest to offline conversion. After customers leave contact information, the first substantive interaction typically occurs through outbound sales calls, whose primary objective is to move customers from remote inquiry to an in-person dealership visit. During these calls, customers often request concrete, decision-relevant information. Yet salespeople sometimes respond without fully resolving the request within the call; we refer to such responses as nonanswers. Using proprietary outbound call transcripts from a leading automotive manufacturer, we document a counterintuitive pattern: calls that contain nonanswers are followed by higher dealership-visit rates than otherwise comparable calls. To study this relationship at scale, we combine large language models with causal inference designs to measure nonanswer usage, conversational topics, and within-call changes in visit intention, and link these process measures to both intention-based and realized behavioral outcomes. Across multiple identification strategies and robustness analyses, nonanswers are associated with a 2.3% higher probability of a subsequent dealership visit. We provide direct process evidence for a novel engagement mechanism. By leaving key information temporarily unresolved while remaining action-oriented, nonanswers stimulate customers' interest and curiosity, leading them to ask more follow-up questions toward the end of the call. This heightened questioning behavior strongly predicts subsequent dealership visits and mediates the effect of nonanswers on offline conversion. The findings show that strategically incomplete responses can shape offline conversion not by reducing uncertainty, but by sustaining engagement and extending the decision process beyond the call.

3 - Urban Advantage in Digital Mental Health Adoption: Evidence from Large-Scale Location-Based App Usage Data

Mianchen Zhang, Santa Monica College, Santa Monica, CA, United States, Yuqing Wang, Tana Wang

Conventional wisdom suggests that online mental health services should be most demanded in regions where offline psychological resources are scarce. Contrary to this intuition, we document a systematic urban advantage in the use of online mental health counseling services.

We analyze anonymized, event-triggered location data from a large random sample drawn from a population of over 300 million mobile users in China, obtained from a major telecommunications operator. The dataset records the time, duration, and geographic coordinates of app-opening events for one of the largest online mental health counseling platforms in the country. Leveraging spatial variation across cities and temporal variation in usage intensity, we examine how local context shapes the demand for online mental health services.

Our results reveal three findings. First, usage intensity of the online mental health counseling app is significantly higher in large and economically developed cities, even after controlling for population size, income, and internet penetration. Second, this positive association persists after accounting for offline mental health resources such as hospital density and psychiatrist availability. Third, the urban advantage is particularly pronounced during high friction periods and locations, suggesting that time scarcity, mobility frictions, and privacy concerns play a central role.

Together, these findings indicate that online mental health services function less as substitutes for offline resource scarcity and more as friction avoiding technologies that disproportionately benefit residents of dense and high pressure urban environments. Our study contributes to the literatures on digital health adoption and urban well being by providing large scale behavioral evidence.

4 - Beyond Installation: How Pre-Adoption Advertising Drives Post-Adoption Retail App Usage

Ammara Mahmood, Wilfrid Laurier University, Waterloo, ON, Canada, stefan bernriter, Caroline Wiertz

Retail mobile applications have emerged as critical touchpoints for customer engagement, yet high abandonment rates limit their strategic value. While advertising traditionally targets either retail app acquisition or user re-

engagement independently, this research examines the cross-stage effects of pre-adoption advertising on post-adoption usage behavior. Drawing on cognitive dissonance theory, we propose that pre-adoption advertising exposure reduces post-adoption dissonance, thereby enhancing sustained retail app usage. We further identify three boundary conditions at the ad, individual, and market levels. First, the effectiveness of pre-adoption advertising in reducing post-adoption dissonance depends on advertising content, with functional appeals amplifying the effect. Second, individuals with a higher need for control exhibit greater usage following exposure to pre-adoption advertising than those with a lower need for control. Third, market dynamics shape the process, as the dissonance-reducing effects are more pronounced in less competitive environments. We evaluate this framework across ten studies using multiple methodologies, including a field study analyzing behavioral data from a Dutch retail app, a critical incident technique study of user experiences, and controlled experiments. We conclude by outlining both theoretical and managerial implications.