

POSTGRADUATE SEMINAR SERIES

Research Findings Seminar

Topic Title : **Essays on product mix strategies in influencer livestream commerce and personal pronoun use in crowdfunding**

Presenter : **Mr. LIU Sheng Max**

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Abstract : Essay 1: The past decade has witnessed a dramatic rise in influencer marketing, with its value projected to hit 21.1 billion U.S. dollars by the end of 2023. A key emerging contributor driving this growth is live stream commerce, which combines influencer live stream and e-commerce. Yet, little is known about how influencers develop product mix strategies to maximize sales. In this trend, influencers often promote or sell multiple products that are similar or even substitutes. For example, a sports influencer may feature the latest running shoes from both Nike and Adidas simultaneously. While this may increase the likelihood of consumers purchasing multiple items, it may also result in competition among similar products (e.g., the introduction of Adidas may decrease Nike's sales). To accurately identify the effectiveness of various product mix strategies, I utilize unique data from over 2 million live streams on TikTok to identify the potential competition (or synergy) of similar products promoted during live streams. The findings suggest that presenting similar products in a live stream overall increases sales performance. We propose that the product sales of a livestream depend on the perceived credibility. Promoting multiple similar items is more credible than promoting one product as it allows for comparisons between these similar items, which can increase the credibility of the influencer's product recommendation and ultimately lead to higher product sales. Furthermore, the synergy of similar products will be weakened when the perceived credibility is already high. For instance, when there is a strong match between the influencer's expertise and the product category (influencer-product-fit), the product recommendations from an expert will be perceived as more credible. Similarly, when an influencer has promoted a large number of products before, the consumers will believe that the influencer is more experienced who has a better knowledge of the promoted products and can make more suitable and credible recommendations. This study is among the first that (1) empirically investigate the effectiveness of introducing similar products on live stream sales performance, and (2) provide specific guidelines for developing product mix strategies for live streams.

Essay 2: 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 study 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 find 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. We combine empirical analyses with experiments. Empirical analyses based on population-scale data verify the proposed effects. Field and lab experiments strengthen the causal inference of the posited relationships. This study 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.

Date : **30 April 2024, Tuesday**

Time : **14:00 – 15:30**

Venue : **SEK104, 1/F, Simon & Eleanor Kwok Building**

Language : **English**



***** All are Welcome *****