

Webinar Announcement



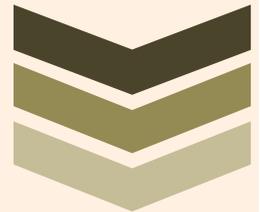
Gift Contagion in Online Groups: Evidence from WeChat Red Packets

by

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Date : **Wednesday, 9 December 2020**
Time : **9:00 am - 10:30 am (Hong Kong Time)**
[Click here to join Zoom](#)
Zoom Details : **Meeting ID: 985 7883 3627**
Passcode: 616929



Abstract:

Gifts are important instruments for forming bonds in interpersonal relationships. Our study aims to identify the social contagion of gift giving (gift contagion) in online groups. Gift contagion cannot only encourage more gifts and thus the formation of more social bonds within a group, but may also promote group interaction and solidarity. With data on 36 million online red packets on WeChat, we leverage a natural experiment design to identify the social contagion of gift giving in online groups (gift contagion). The natural experiment is enabled by the random gift amount allocation algorithm on WeChat, which addresses the common challenge of causal identifications in observational studies. We find evidence of gift contagion: on average, receiving one additional dollar causes a recipient to send 18 cents back to the group within the subsequent 24 hours. When decomposing the overall effect, we find that it is primarily driven by the extensive margin -- more recipients are triggered to send red packets. Moreover, this effect is much stronger for "luckiest draw" recipients, suggesting the presence of a group norm for who should send the next red packet. Finally, we investigate the moderating effects of group- and individual-level social network characteristics on gift contagion, and the causal impact of receiving gifts on group network structure. Our study provides implications for promoting group dynamics and designing marketing strategies.

Bio:

Yuan YUAN is pursuing his PhD degree in Social & Engineering Systems with a dual in Statistics at Massachusetts Institute of Technology. Yuan researches social interactions and social networks for social good. He is especially interested in how to utilize social preference and social contagion to promote positive social interactions, and how social networks have shaped human behavior and can be reshaped by digital technologies. His research also aims to advance the methodology in computational social science by drawing upon quantitative methods such as machine learning, causal inference, experimental design, and network science. Prior to MIT, Yuan received his Bachelor's degrees in Computer Science and Economics from Tsinghua University.