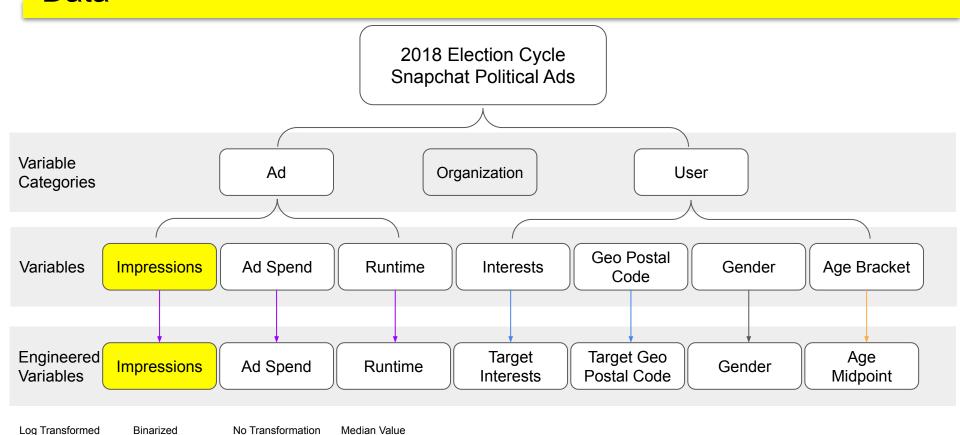


Research Question

What is the effect of ad spend on the impressions a political ad receives on Snapchat?

Data



Hypothesized Causal Pathway

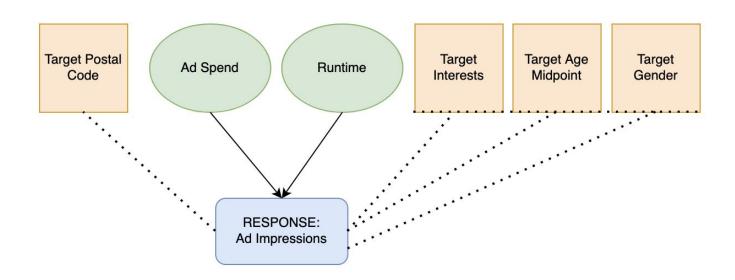


Table 2: Estimated Regressions for Impressions

	Output Variable: Log(Impressions)		
	(1)	(2)	(3)
Log(Spend)	0.972***	0.999***	1.001***
	(0.016)	(0.018)	(0.020)
Log(Run Time)		-0.090***	-0.076**
		(0.026)	(0.026)
Gender - Female		0.091	0.046
		(0.055)	(0.057)
Gender - Male		0.087*	-0.096
		(0.044)	(0.075)
Age Midpoint			-0.006
			(0.011)
Target - Interests			0.134^{*}
			(0.067)
Target - GeoPostal			-0.197*
			(0.077)
Constant	5.666***	5.982***	6.050***
	(0.097)	(0.121)	(0.222)
Observations	306	306	306
\mathbb{R}^2	0.908	0.911	0.915
Residual Std. Error	0.527 (df = 304)	0.521 (df = 301)	0.511 (df = 298)

Summary

Fit three models:

- 1. Base Model
- 2. Augmented Model
- 3. Full-Scale Model

Note: HC_1 robus

 HC_1 robust standard errors in parentheses.

Table 2: Estimated Regressions for Impressions

	Output Variable: Log(Impressions)		
	(1)	(2)	(3)
Log(Spend)	0.972*** (0.016)	0.999*** (0.018)	1.001*** (0.020)
Observations \mathbb{R}^2 Residual Std. Error	$0.908 \\ 0.527 (df = 304)$	$0.911 \\ 0.521 \text{ (df} = 301)$	0.915 $0.511 (df = 298)$

Key Result #1

Spend is a highly reliable predictor of impressions (perhaps a little too reliable)

Interpretation

Increasing spend by 30% leads to 30% increase in impressions*

^{*}ceteris paribus

Table 2: Estimated Regressions for Impressions

	Output Variable: Log(Impressions)			
	(1)	(2)	(3)	
Log(Spend)	0.972*** (0.016)	0.999*** (0.018)	1.001*** (0.020)	
$Log(Run\ Time)$		-0.090*** (0.026)	$-0.076** \ (0.026)$	
Observations \mathbb{R}^2 Residual Std. Error	306 0.908 0.527 (df = 304)	306 0.911 0.521 (df = 301)	306 0.915 0.511 (df = 298)	

Key Result #2

Longer run times lead to less impressions (*but not by much*)

Interpretation

Increasing run time by 30% leads to -1.97% increase in impressions*

^{*}ceteris paribus

Table 2: Estimated Regressions for Impressions

	Output Variable: Log(Impressions)		
	(1)	(2)	(3)
Log(Spend)			
Gender - Female		0.091	0.046
		(0.055)	(0.057)
Gender - Male		0.087*	-0.096
		(0.044)	(0.075)
Age Midpoint			-0.006
			(0.011)
Target - Interests			0.134^{*}
			(0.067)
Target - GeoPostal			-0.197*
			(0.077)
Constant	5.666***	5.982***	6.050***
	(0.097)	(0.121)	(0.222)
Observations	306	306	306
\mathbb{R}^2	0.908	0.911	0.915
Residual Std. Error	0.527 (df = 304)	0.521 (df = 301)	0.511 (df = 298)

Key Result #3

Gender and midpoint are not statistically significant, but targeting interests and geo postal codes are

Interpretation

If we target interests, we see an increase of 14.3% increase in impressions*

While if we target a geo postal code, we see a decrease of 17.9% in impressions*

Note: HC_1 robust standard errors in parentheses.

^{*}ceteris paribus

Conclusion

Ad Spend (+)

Run Time (-)

Target Interests (+)

Target Geo Postal Code (-)

Limitations:

- IID
- Omitted Variable Bias

Potential improvements:

- Include categorical interests
- Include Ad length, Time of day information

Future: Impact on voter turnout

Questions



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