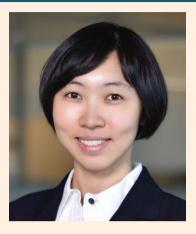# The Hong Kong University of Science and Technology

Dept of Information Systems, Business Statistics
and Operations Management
Dept of Industrial Engineering & Decision Analytics
Joint Seminar Announcement

Choice Overload with Search Cost and Anticipated Regret: Field Evidence and Theoretical Framework

by

Dr Jiankun Sun

**Assistant Professor of Operations Management
Imperial College London**

Date	:	**25 June 2021 (Friday)**
Time	:	**4:00 - 5:15 pm**
Zoom ID	:	**986 5486 1916 (passcode 930247)**

Abstract:

We examine the impact of assortment size on consumer choice behavior with both empirical evidence and theoretical explanation. We first conduct a large-scale field experiment in online retail to causally examine how consumers' click and purchase behavior changes as the number of products in a choice set increases. There, we document a non-monotonic relationship between the assortment size and consumer choice. We then develop a two-stage choice model that incorporates consumers' search cost and anticipated regret to explain our findings in the field experiment. We also conduct numerical experiments to investigate the implications of our model for companies' optimal assortment decisions. Our results suggest that our two-stage choice model leads to smaller optimal assortments containing products of higher expected utilities and lower prices on average than the classical multinomial logit (MNL) choice model.

Bio:

Dr Jiankun Sun is an Assistant Professor of Operations Management at Imperial College Business School, Imperial College London. Her research interest is digital platform operations, especially how digitalization and artificial intelligence reshapes operations in an organization and impacts consumer behavior. She applies both data analytics and theoretical modeling techniques to study practical problems in platform operations. Dr Sun obtained her Ph.D. in Operations Management from Kellogg School of Management, Northwestern University, and her B.E. in Industrial Engineering from Tsinghua University.

All interested are welcome!
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