

The Hong Kong University of Science and Technology
Department of Information Systems,
Business Statistics and Operations Management

Seminar Announcement

*Do I Follow My Friends or the Crowd?
Observational Learning in Online Movie Rating*

by

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Date: Friday, 5 February 2010

Time: 2:30 – 4:00 pm

Venue: Room 4379, ISOM Conference Room (Lift 17/18)

~~~~~ All interested are welcome ~~~~~

**Abstract:**

Online product review as a form of online Word of Mouth (WOM) and User-Generated Content (UGC) has attracted much attention recently. While there are many studies relating online reviews and product sales, the interesting and important problems regarding user review generation processes have been largely ignored. This study analyzes how online movie user ratings are generated through a complex interrelationship between product information, marketing effort, and social influences. In particular, we examine the effects of comparable observational learning from the crowd or friends on user ratings. This study exploits sequential user movie ratings in an online community with user and movie level information, and constructs plausible latent variables for users' perceived movie quality and the heterogeneity at movie and user levels. Our analysis indicates that, on average, higher predecessors' ratings increase the likelihood of a subsequent user providing a high rating; in other words, herding occurs. On the other hand, the degree of herding behavior by prior friend ratings becomes relatively smaller. More interestingly, the impact of predecessor's ratings becomes weaker as the volume of friend ratings increases. This study contributes to the understanding of how social imitation and learning affect user rating generation and how online social interactions moderate inefficiency in product quality information created by online users.

**Biography:**

Young Jin Lee is a PhD Candidate in Information Systems and Operations Management at the Michael G. Foster School of Business, University of Washington - Seattle. His research explores the ways in which the participative web influences the economic actions and performance of IT actors such as firms and consumers. Specifically, his current projects examine how online social interactions alleviate the inefficiency in users' online product recommendation and the impact of user-generated ratings on the long-term performance of information goods such as movies and software. His work has appeared in the proceedings of conferences such as International Conference on Information Systems (ICIS) and INFORMS Conference on Information Systems and Technology (CIST). He received his Bachelor's degrees in Business Administration from Chung-Ang University, Korea and the Ohio State University, and his Master degree in Information Systems Management from Carnegie Mellon University, and worked as an IT strategy assistant manager at Samsung Life Insurance in Seoul, Korea.