

The Hong Kong University of Science and Technology

Dept of Information System, Business Statistics
and Operations Management

Seminar Announcement

Consumer co-creation of digital culture products: business threat or new opportunity?

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Date : 16 July 2015 (Thursday)
Time : 4:00 - 5:30 pm
Venue : ISOM Conference Room 4047, LSK Business Building



Abstract: New forms of implicit consumer collaborations in online communities and social networks influence demand preferences as consumers themselves increasingly participate in the creation of cultural products, contributing user-generated content and thus both complementing and competing with firm offerings. Although research findings on these issues vary, strong evidence from both theoretical and empirical work suggests that the increased technology affordance on the consumer side challenges the profitability of conventional producer strategies that are based on pushing product designs that serve large segments of consumers while ignoring the service of more nuanced consumer preferences. Our study presents a market design in which producers create and sell original digital culture products, examining the effect of consumer co-creation in the presence of consumer sharing (piracy) on market performance in terms of consumer and producer surplus and consumer choice. Using the methods of experimental economics, we find strong interaction effects between consumer sharing and co-creation, and more specifically, we find that consumer sharing interacts with consumer-based co-creation and increases product variety and consumer surplus while reducing producer benefits from co-creation.

Bio: Karl R. Lang is a Professor in Information Systems at the Zicklin School of Business, Baruch College, CUNY. He holds a Ph.D. in Management Science from the University of Texas at Austin. Dr. Lang's research interests include management of digital businesses, experimental economics, and issues related to the newly arising informational society. He held previous positions at the Free University of Berlin in Germany and the Hong Kong University of Science and Technology (HKUST). His findings have been published in diverse journals, including Journal of Management Information Systems, Journal of the Association of Information Systems, Communications of the ACM, Decision Support Systems, International Journal of Electronic Commerce, Long Range Planning, Computational Economics, and Annals of Operations Research. He is an associate editor of Decision Support Systems, Information & Management, and Electronic Commerce Research and Applications.

