

The Hong Kong University of Science and Technology

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

Strategic interactions on an e-commerce platform: Pricing, demand learning, and the threat of entry

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Date : 14 December 2015 (Monday)
Time : 11:00 - 12:15 pm
Venue : Room 1003, LSK Business Building



Abstract: The paper is motivated by Amazon.com, a unique e-commerce platform serving both as a marketplace and a merchant. There are a large number of third-party sellers doing business on Amazon.com, and their transaction data (e.g., demand and price) is readily available to the platform owner. This information enables the platform owner to decide which market to enter, which product to sell, etc. In other words, the platform owner benefits both from the volume of business of the third-party sellers (commission income) as well as from the information these businesses have generated. How could the platform deploy its analytical and computing capabilities to manage the "learning and entry" process in a massive scale? How would the third-party sellers respond to the threat of market entry from the platform owner? How does this response affect the platform owner's entry decision? We will describe a mathematical model to address these and other questions. (This is a joint work with Yunru Han).

Bio: Fangruo Chen is the MUTB Professor of International Business at the Graduate School of Business, Columbia University. He has received many awards including the CAREER Award from the National Science Foundation (USA). In China, he was named the Distinguished Overseas Young Investigator Award by the National Natural Science Foundation, recognized as the Chang Jiang Scholar by the Ministry of Education, and elected into the government's Thousand Talents Program. Professor Chen's main research area is supply chain management. He has held numerous leadership positions in his profession such as Area Editor or Departmental Editor for major journals. In 2006, he served as the President of the Manufacturing & Service Operations Management (MSOM) Society in the U.S. From 2006 to 2012, he was the special appointment Dean at the Antai School of Management, Shanghai Jiaotong University. He is the Founding President of CSAMSE (Chinese Scholars Association for Management Science and Engineering).