

NATIONAL UNIVERSITY OF SINGAPORE

School of Computing

PH.D DEFENCE - PUBLIC SEMINAR

Title: **Firms' Marketing Strategies and Consumer Responses in Platform-Based E-Commerce Markets**

Speaker: Ms Li Mei

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Abstract:

Enabled by information technologies, platform-based e-commerce marketplaces have tremendously changed the modern business landscape. The high accessibility and low entry barriers of such marketplaces have greatly facilitated the proliferation of online small businesses. However, the two-sided nature of these marketplaces forms a positive feedback loop between sellers and buyers, which usually renders the dominant markets overcrowded and hypercompetitive. Under such circumstances, effective marketing strategies or tactics become crucial for the sustenance of small business owners. Therefore, this dissertation aims for a better understanding of these online small business owners' marketing strategies, with particular emphasis on the aspects of product and promotion strategies (McCarthy 1960).

The first study highlights the value of leveraging on appropriate product portfolio designs to achieve successful and cost-saving marketing effects. We investigate mobile app developers' app portfolio management strategies with a comprehensive dataset collected from the Apple App Store. Specifically, we evaluate both app production and new app releases. For app production, we investigate the influence of mobile developers' app portfolio size and diversity on app quality. A panel-level linear model estimation augmented with two identification strategies of Granger causality test and propensity score matching shows a negative impact of portfolio diversity on developers' app quality. However, this negative influence is mitigated by the increasing size of app portfolios. For new app releases, we assess the extent and direction of popularity spillover effects between developers' existing and new apps. Our empirical analyses using a simultaneous equations system show that the popular existing apps of a developer enhance the popularity of new apps in the same category. New apps, in turn, drive demand for a developer's existing apps both within and across categories.

The second study provides fresh perspectives on the promotion strategies through online targeted advertising for small business owners in platform-based e-commerce markets.

Specifically, we focus on the differential impacts of online targeted advertising outlets and the content of the advertisement (ad) copy on the product demand of the emerging brands. We propose a two-level hierarchical model to model the impacts of the visits from four different targeted advertising outlets provided by Taobao, which is the largest e-commerce platform in China (iResearch 2012). A panel-level linear regression with first-order autoregressive disturbance structure has been used to evaluate the model with a proprietary dataset from an entrepreneurial e-commerce brand. The results show that the goal specificity of consumer search and the targetability of targeted advertisements have significant impacts on the product demand of visits from different advertising outlets. In addition, the price related information (i.e., price discount and free delivery messages) in the ad copy also exhibits different effects on product demand across advertising outlets.

These two studies deepen our understanding of online small business owners' marketing strategies and underscore the unique characteristics of these emerging business participants. As one of the earliest studies that take a close examination of these online small businesses, this dissertation presents potential avenues for future research, which will be discussed as well.