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Speaker: Feng Zhu, Harvard

Date: Friday, April 17, 2015

Time: 1:30 PM - 2:45 PM

Location: VMH 1411

Competing with Complementors: An Empirical Look at Amazon.com

Abstract: Platform owners sometimes enter complementors’ product spaces to compete against them directly. Prior studies have offered two possible explanations for such entries: Platform owners may target the most successful complementors so as to appropriate value from their innovations, or they may target poor performing complementors to improve the platforms’ overall quality. Using data from Amazon.com, we analyze the patterns of Amazon’s entries into its third-party sellers’ product spaces. We find evidence consistent with the former explanation: that the likelihood of Amazon’s entry is positively correlated with the popularity and customer ratings of third-party sellers’ products. Amazon’s entry reduces the shipping costs of affected products and hence increases their demand. Results also show that third-party sellers affected by Amazon’s entry appear to be discouraged from growing their businesses on the platform subsequently.

Bio: Feng Zhu is an assistant professor of business administration in the Technology and Operations Management Unit at the Harvard Business School. Before joining the HBS faculty, he was an assistant professor of strategy at the University of Southern California.

In his research, Feng examines competitive strategy and innovation in high-technology industries, with an emphasis on platform-based markets. He has studied a wide range of platforms, such as video game consoles, social-networking sites, Craigslist, Wikipedia, smartphone operating systems, blogs, newspapers, and ad-sponsored free products.

His work has appeared in journals including the American Economic Review, Management Science, and Strategic Management Journal. Feng earned his Ph.D. in science, technology and management and a master’s in computer science at Harvard University. He did his undergraduate work in computer science, economics, and mathematics at Williams College.