

The Hong Kong Polytechnic University
Department of Logistics and Maritime Studies
Research Seminar

Information Sharing and Agency Platform Choice with Alternative Pricing Time

by

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Date: 16 February 2017 (Thursday)
Time: 11:00am - 12:00nn
Venue: R406, Shirley Chan Building
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(Conducted in English)

Abstract:

Jingdong (JD) is operating a hybrid platform (H), where reselling business of her own and the agency selling business of her contract suppliers (CSs) coexist. In practice, CSs might contract with H but sell goods directly on a pure agency-selling platform (A), such as Tmall.com. Also, a CS might wholesale goods to H and directly sell goods on H simultaneously. In either case, CS and H have a co-opetitive relationship: They are upstream partners and downstream competitors. To attract CS to choose her for agency selling, H usually utilizes her big data technique advantage by sharing demand information with the competing CS. In this paper, we explore CS's platform choice and the chosen platform's information sharing decisions by solving a four-stage game in two (wholesale) pricing time scenarios. That is, the wholesale prices may be determined before (*early pricing*) or after (*late pricing*) the strategic decisions of information sharing. In the *late pricing* scenario, we find that CS will never choose H, whereas in the *early pricing* scenario, CS may strategically choose H when their competition is not very intense and the information value is high. We also find that in both pricing time settings, H has incentives to put efforts to attract the CS to choose her for agency selling, but only in the early pricing scenario, she can succeed doing that. In addition, we investigate H's and CS's pricing time preferences and numerically observe that CS prefers late pricing but H prefers early pricing in most cases. Interestingly, we find that sometimes H will like late pricing if CS selects A and their competition is not intense.

Bio:

Yanli TANG is a PhD student of Department of Logistics and Maritime Studies. She received her Master Degree (2015) from Sun Yat-sen University and Bachelor Degree (2013) from Southwestern University of Finance and Economics. She is currently pursuing a PhD under the supervision of Dr. Yulan WANG.

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All are welcome!