

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

Customer Queueing Strategy with Customer Rating Information

by

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Time: 10:30am - 11:30am
Venue: R407, Shirley Chan Building
The Hong Kong Polytechnic University

(Conducted in English)

Abstract:

We consider a service provider's pricing problem with customer rating information. Each customer posts a rating that equals to her consumption utility after receiving service. Customers are heterogeneous in information and intelligence, and we divide them into two segments: sophisticated and naive customers. Sophisticated customers know the service information, i.e., the service reward and the service rate, and they consider naive customers' decisions when they make their own decision. Naive customers, on the other hand, rely on the average rating to decide whether to join or not: they join if the average rating is not lower than the price, and balk otherwise. Our preliminary result shows that if there are more naive customers than sophisticated ones, and if the potential customer population is not small, the system is likely to rhythm back and forth between sophisticated customers and naive customers. In the meantime, the provider's optimal price can also be cyclic between high and low.

Bio:

HUANG Fengfeng is a PhD student in Department of LMS, The Hong Kong Polytechnic University. She received her Master degree (2013) from Xi'an Jiao Tong University in management science and engineering, and

Bachelor degree (2011) from Northwestern Polytechnic University in aircraft design and synthetic control. She currently does research on queueing economics and customer behaviors.

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All are welcome!