

Department of Information and Systems Management  
School of Business and Management  
Hong Kong University of Science and Technology

Seminar Announcement

***The Dimensions of Reputation in Electronic Markets***

by

***Professor Anindya Ghose***

**New York University  
Leonard Stern School of Business**

**Date: 21 June 2007 (Thursday)**

**Time: 11:00 – 12:30 pm**

**Venue: Room 4379, ISMT Conference Room**

~~~~~ All interested are welcome ~~~~~

**Abstract**

We analyze how different dimensions of a seller's reputation affect pricing power in electronic markets. We do so by using text mining techniques to identify and structure dimensions of importance from feedback posted on reputation systems, by aggregating and scoring these dimensions based on the sentiment they contain, and using them to estimate a series of econometric models associating reputation with price premiums. We find that different dimensions do indeed affect pricing power differentially, and that a negative reputation hurts more than a positive one helps on some dimensions but not on others. We provide the first evidence that sellers of identical products in electronic markets differentiate themselves based on a distinguishing dimension of strength, and that buyers vary in the relative importance they place on different fulfillment characteristics. We highlight the importance of textual reputation feedback further by demonstrating it substantially improves the performance of a classifier we have trained to predict future sales. This paper is the first study that integrates econometric, text mining and predictive modeling techniques toward a more complete analysis of the information captured by reputation systems, and it presents new evidence of the importance of their effective and judicious design.

**Biography**

Anindya Ghose is an Assistant Professor of Information, Operations and Management Sciences at the Leonard Stern School of Business, New York University. He received his Ph.D from Tepper School of Business, Carnegie Mellon University in 2004. His primary research interests include the economics of electronic markets and internet-based institutions, technology based price discrimination, and the economics of information security and information goods. Most recently, he received the prestigious NSF CAREER Award from the National Science Foundation for his research on identifying and empirically estimating the value of information in electronic markets. He is also a winner of the highly competitive 2007 Microsoft Virtual Earth and the 2006 Microsoft Live Labs awards for his work on combining econometrics with text mining techniques to examine to value of textual and spatial information on the Internet. His research has won best paper nominations in several top tier conferences and his dissertation was awarded the *2005 ACM SIGMIS Doctoral Dissertation* award. He has published in *Management Science*, *Information Systems Research*, *Statistical Science* and *Journal of Management Information Systems*. His research has been widely covered by press outlets such as *The New York Times* and *Forbes*. He is also a co-Chair of WISE 2008. Before joining academics, Dr. Ghose worked in Finance with GlaxoSmithKline, as a product manager in HCL-Hewlett Packard, and as an e-Business consultant with IBM.