

The Hong Kong University of Science and Technology
Department of Information Systems,
Business Statistics and Operations Management

Seminar Announcement

***Courting Two-Timers:
Multi-Homing Users' Preferences for Two-Sided
Exchange Networks***

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Date: Friday, 10 February 2012

Time: 2:30 – 4:00 pm

Venue: ISOM Conference Room 4379 (Lift 17/18)

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

**Abstract:** Business-to-business (B2B) exchange networks are proliferating, providing buyers and suppliers with more options. Given that buyers can participate in multiple exchanges, how do buyers decide which exchanges to use, and which exchanges to use more? In this study, we examine factors affecting users' preferences for B2B exchanges by looking at *multi-homing buyers'* participation on competing exchanges.

Using a unique dataset of 118 buyers' usage in two exchanges, we find that buyers' preferences are positively associated with selling activity levels on the exchanges. Higher selling activity levels on an exchange provide greater benefits to buyers, which motivate them to participate more on it than on the competing exchange. We also find that buyers' preferences are non-monotonically related to buying activity levels on the exchanges. At low levels, an increase in buying activity has a positive effect on buyers' preferences. This effect may derive from the principle of social proof, where individual buyers' observe and imitate other similar buyers' behaviors. As buying activity level increases, however, there is greater competition among buyers on the exchange. This increase in competition may cause buyers to participate more on the other exchange.

Our results show that both market factors and social information conveyed by users on the exchanges affects individual users' preferences and competition between exchanges. We also find that misspecifying users' homing behaviors may lead to misleading picture of competitive dynamics among exchanges.

**Bio:** KOH Tat Koon is a Ph.D. Candidate in Tepper School of Business at Carnegie Mellon University. He has a Master of Science degree in Industrial Administration from Carnegie Mellon University, and a Bachelor degree in Business from Nanyang Technological University. Prior to pursuing his graduate studies, Tat Koon co-founded and managed a global Business-to-Business exchange. He was also with the Ministry of Trade and Industry (Singapore), where he was involved in conceptualizing and implementing Government-to-Business e-initiatives. Tat Koon's main research focuses on platform strategy, where he examines user behavior, interactions, and the resulting outcomes on online markets and crowdsourcing platforms.