



Faculty of Management, Economics and Social Sciences

BERD@NFDI - Seminar Series KRI Analytics and Transformation

Winter 2022/2023

Date and Time	Room	Speaker and Topic
Tuesday, November 15, 2022 2:00 – 3:30 p.m.	Room -1.502 Sibille-Hartmann- Straße 2-8	Assistant Prof. Dr. Abishek Borah <i>(INSEAD, Fontainebleau)</i> “Price promotions by Follower and Leader before an IPO: The case of Lyft and Uber”
Thursday, January 19, 2023, 2:00 – 3:30 p.m.	Room 6.201 Bernhard- Feilchenfeld-Str. 9	Associate Prof. Aurelie Lemmens <i>(Rotterdam School of Management, Erasmus University Rotterdam)</i> “Enhancing Donor Agency to Improve Charitable Giving: Strategies and Heterogeneity”
Thursday, January 26, 2023 2:00 – 3:30 p.m.	Room 6.207 Bernhard- Feilchenfeld-Str. 9	Prof. Joachim Vosgerau, PhD <i>(Università Bocconi, Milano)</i> “The Big Data Fallacy: Correlation = Causation”
Thursday, February 2, 2023, 2:00 – 3:30 p.m.	Room 6.207 Bernhard- Feilchenfeld-Str. 9	Assistant Prof. Andreas Lanz, PhD <i>(HEC, Paris)</i> “Influence Corridors: A New Path to Seeding Targets on User-Generated Content Platforms”

Anyone interested is welcome to attend the sessions.

Questions? Please contact Christa Körner: office.fischer@wiso.uni-koeln.de

Abstracts:

Prof. Dr. Abishek Borah, INSEAD

“Price promotions by Follower and Leader before an IPO: The case of Lyft and Uber”

The year 2019 witnessed two unicorn IPOs from ride-hailing platforms: Lyft filed for its IPO on March 1 at a \$24.3 billion valuation, and Uber filed for its IPO on April 11 at a \$82.4 billion valuation. Did these platforms strategically adjust their price promotions decisions in anticipation of their IPOs? And what are the effects of these promotion decisions on firm performance prior to an IPO? To answer this question, we use a comprehensive panel dataset with 13 million rides completed by 250,000 consumers between January 2018 and July 2019. We treat each IPO filing day as a natural experiment and examine how these two events have affected the operational strategies of Lyft, the market follower and Uber, the market leader.

We estimate several econometric models to quantify the IPO impact on the platforms' marketing decision (promotion strategy), performance metrics (number of rides, market share, and number of riders), and consumers. We find strong evidence that both platforms substantially adjusted their marketing decisions by issuing more promotions before their IPO filings. Specifically, our analyses suggest that Lyft and Uber have increased their promotions by 49% and 68% during the pre-IPO filing period, respectively. We showcase that the impact on performance metrics is different for Lyft, the market follower and Uber, the market leader. In addition, we examine how different moderators such as market penetration, loyalty, customers' past riding frequency, riders' deal-seeking behavior, and tip amount affect the performance outcomes for the market leader and follower before an IPO. Given that online platforms have additional levers to boost their pre-IPO performance by personalizing their marketing decisions, prospective investors should not only focus on the projected growth and on traditional accounting figures but also on pre-IPO marketing strategies.

Prof. Dr. Aurelie Lemmens, Rotterdam School of Management, Erasmus University Rotterdam

“Enhancing Donor Agency to Improve Charitable Giving: Strategies and Heterogeneity?”

In a series of studies, among which a field experiment involving more than 40,000 prospective donors, we investigate whether charities can enhance fundraising effectiveness by increasing donors' sense of agency: i.e., their perceived ability to control resource allocations by targeting a particular charitable project. We manipulate the extent to which donors perceive they can control how donated funds are allocated between charitable projects in two ways. The first strategy operates via the donation options and the second strategy operates via the suggested donation amounts, but both strategies allow donors to target their gift to one of the charitable projects presented to them. Overall, increasing donors' sense of agency boosts fundraising revenue by 42%. Using causal forests, we find significant donor heterogeneity in response to the targeting manipulations and sketch the profile of the most responsive donors.

Prof. Joachim Vosgerau, PhD, Università Bocconi, Milano

“The Big Data Fallacy: Correlation = Causation”

Big data has revolutionized the way scientists, policy makers, and managers use empirics, with advocates of the big data revolution claiming that “with enough data, the numbers speak for themselves”. This is a dangerously misleading belief: since big data are typically drawn from observational sources rather than collected following the strict rules of random sampling or randomized experiments, they always feature some degree of sampling bias. When sample sizes are large, even the slightest sampling bias can produce much less accurate results than those obtained on small samples under random sampling/assignment. As a consequence, decision-makers with varying levels of expertise believe that increasing data quantity necessarily increases data quality, and are more prone to erroneously interpret correlational evidence as indicative of causation when sample sizes are large. Training interventions teaching the difference between correlation and causation or the identification of omitted variables fail to alleviate this fallacy. Given these difficulties in debiasing the interpretation of evidence, we suggest strategies for the transparent communication of statistical results obtained on big data.

Assistant Prof. Andreas Lanz, PhD, HEC, Paris

“Influence Corridors: A New Path to Seeding Targets on User-Generated Content Platforms”

On user-generated content platforms, individuals and firms alike seek to build and expand their follower base to increase the reach of the content they upload. This setting generally belongs to influencer marketing, where the bulk of the seeding literature suggests targeting users with a large following—the high-status influencers. In contrast, some recent studies find targeting low-status influencers to be a more effective seeding policy to build a follower base due to their higher responsiveness. We revisit these two opposing policies and investigate how social capital—the value embedded in the expanding follower base—can directly support seeding efforts. Based on the rationale that the follower base serves as an intermediary of group identity, we demonstrate in data-based simulations that using the first-degree followers as influence corridors to target the low-status second-degree followers—i.e., the connected low-status influencers—is much more effective than targeting (1) unconnected high-status influencers (by 2,300%) and (2) unconnected low-status influencers (by 46%). We augment the empirical study on this “friends of friends” phenomenon with a pre-registered field experiment and thereby obtain convergent validity of our findings.
