

THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

Departmental Research Seminar



Product Improvement Decisions in the C2C Context: When Product Providers Prioritize Fixing Weaknesses More Than Choosers Would Appreciate By

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Date : 31 Mar 2021 (WED)

Time : 10 am – 11:30 am

Venue : Online via Zoom

Abstract

In the rise of the sharing economy, more and more consumers become product providers in the C2C context, who constantly improve their product offerings that have relative strengths and weaknesses. Do product providers prioritize maximizing strengths and fixing weaknesses optimally? Nine experiments (N = 4585; 5 pre-registered) document a robust preference mismatch: Providers prioritize fixing weaknesses more than choosers would appreciate. We reason that this is because product providers overly focus on the impact of the weakness on choosers' decisions (i.e., a mismatched attention account). Consistent with this attentional account, we find that this preference mismatch attenuates (1) when the weakness attribute is more important than the strength attribute, in which case choosers' attention to the weakness increases, and (2) when the weakness does not appear negative, in which case the weakness does not draw much of the providers' attention in the first place. As an intervention, guiding providers to consider the impact of both the strength and the weakness can reduce this preference mismatch. Together, this research offers both descriptive and prescriptive insights into the product improvement decisions made by consumers as product providers in the C2C context, and highlights the unique impact of the decision maker's role in decision making.

Dr Yanping Tu is an Assistant Professor of Marketing at the University of Florida, Warrington College of Business. She holds BS in Psychology and BA in Economics from Peking University, and PhD in Marketing and MBA from the University of Chicago. Her research focuses on consumption behaviors in the social context, judgment and decision making, and consumer welfare. She has published in leading business and psychology journals such as the *Journal of Consumer Research*, *Production and Operations Management*, and the *Journal of Personality and Social Psychology*.

All interested are welcome.



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