Fall 2015 IM Guest Lecturer Series

Karthik Kannan
Purdue University

Extrinsic versus Intrinsic Rewards to Participate in a Crowd Context: An Analysis of a Review Platform

Friday, October 16
CBA 4.304
10:00 – 11:30 AM

Abstract
This paper studies the implications of monetary incentives for writing online reviews. The research problem is important as firms, which seek to strengthen their online review platforms by attracting reviewers, have considered various forms of incentives including extrinsic rewards for writing reviews. We use data from two platforms and treat them as a natural experiment. Specifically, we use a difference-in-difference approach to empirically compare the quantity and quality of reviews before and after rewards were introduced in the experimental platform. We find that monetary incentives increase the total number of reviews per product. However, the average length of reviews is significantly shorter indicating possibly that the reviews may lack depth even though the star ratings are significantly more positive. We also evaluate using a dynamic panel data model the effect of rewards on existing reviewers who may be considered to be intrinsically motivated. We find that the participation in terms of the number of reviews written, as well as the depth of reviews, appear to decrease with incentives.

Biography
Karthik Kannan is a Professor at Purdue's Krannert School of Management. His research focuses on the same “Design for Instincts” theme. Specifically, he studies how different aspects of information technology may be used to exploit human instincts and biases in order to nudge/manipulate behavior. You can learn more about his research from here. He works on three primary research streams: pricing using auctions of information goods, pricing of data networks, and economics of information security. His papers have been accepted in several leading conferences and journals in the information systems area, including Management Science, Information Systems Research, Workshop on Information Technology and Systems, Workshop on Information Systems Economics, International Conference on Information Systems, and Conference on Information Technology and Systems. He currently serves/has served as an Associate Editor for Management Science, Information Systems Research, and MIS Quarterly. He is a member of AIS and INFORMS. He is also a CERIAS Fellow and Krannert's Faculty Fellow.

At Purdue, he teaches the IT course in the MBA programs (in the regular, weekend, and Exec Ed MBA). He has also been a visiting faculty member at GISMA and ISB. Previously, he taught the undergraduate core course as well as a database course.

Prior to joining Purdue, he obtained his PhD in information systems, MS in Electrical and Computer Engineering, and MPhil in Public Policy and Management all from Carnegie Mellon University. Before joining the graduate school, he worked with Infosys Technologies for a couple of years. His undergraduate degree is in Electrical and Electronics Engineering from NIT Trichy (formerly, REC Trichy).