

"Two-Sidedness of the Common Retailer Channels"

Hyuk June Han

Our objective in the paper is to apply some recent work in economics on two-sided markets to provide insights into channel issues in marketing. Large retailers provide an interesting context for such an application as they act as platforms for consumers and manufacturers to engage in economic interactions. However, as compared to the typical platforms analyzed in two-sided markets literature in economics, the retailer has the ability to set retail prices and not the manufacturers who only can set wholesale prices. Our analysis focuses on the retailer and analyzes what is the optimal level of variety that a retailer should offer, keeping in mind that while consumers may like more options, but having more options requires more manufacturers to participate in the channel. However, manufacturers will only participate if it is worthwhile for them economically. In this context, we arrive at the optimal level of variety and how it is affected by consumers' need for variety and the degree of substitutability and competition among manufacturers.

"An Exploratory Study of Internet Usage during Hurricane Katrina"

Ka Lok Lee

Using a unique Internet clickstream dataset of over 140,000 users from online retailer www.compete.com, we performed a series of visual exploratory analyses to understand the changes in Internet usage during a particularly notable and recent disaster in 2005, Hurricane Katrina. Focusing on the number of people visiting weather sites over time in a given county, we looked for evidence of Katrina's impact. We applied elementary statistical methods and advanced techniques from functional data analysis (Ramsay and Silverman 2005) to provide different "lenses" with which we could explore our data. We observed that the overall traffic volume to weather websites increased due to Hurricane Katrina, perhaps not surprisingly; however, we also found significant differences in people's visitation patterns before and after the storm, which were related to the path and severity of the hurricane and the public announcements (i.e. National Hurricane Center weather warnings) given about it.

"Dominance of Visual over Somatosensory Systems in Representing Health Conditions"

Mai Mai Lin

Consumers' affective forecasts about future health conditions guide consequential health decisions. Research on affective forecasting finds that mental representations of future events are subject to biases in memory and cognitive processes that hinder accuracy and consistency. Drawing on research on mental imagery, we propose that an important influence on such forecasts is the sensory system invoked in the mental representations of future events. Specifically, we compare two sensory systems: the visual system (sight) and the somatosensory system (bodily sensations such as touch, temperature, and pain). Study 1 demonstrated that visual representations are clearer and easier to form than somatosensory representations. Study 2 provides some evidence that forming visual representations intensifies the predicted disutility of a condition relative to forming somatosensory representations. We propose future studies and discuss the implications of our findings for theories of affective forecasting as well as practical implications for consumer preventative health behavior.