UNIVERSITÄT PASSAU

Wirtschaftswissenschaftliche Fakultät

Reviews, Ratings and Recommender Systems [Working Title]

Supervisor: Janina Hofmann <janina.hofmann@uni-passau.de>
Date: as of now
Typ: Bachelor's Thesis, Master's Thesis

Motivation and Aim:

The success of digital platforms, such as Airbnb, Amazon, and Booking, particularly depend on two crucial issues. First, digital platforms significantly facilitate transactions. Thereby, reviews and ratings simplify costumer's decision making process. Second, the platforms' recommender systems aim to lead consumers towards the transactions in which users may have an interest in.

The aim of this thesis is to depict the model of Belleflamme and Peitz (2018) which examines how review, rating, and recommender system generate network effects on platforms. Furthermore, the thesis should analyse how these systems influence the behaviour of firms, platforms as well as consumers, including strategic interactions, behavioural biases and welfare effects.

References:

- Belleflamme, P., & Peitz, M. (2018). Inside the engine room of digital platforms: Reviews, ratings, and recommendations.

- Hollenbeck, B., Moorthy, S., & Proserpio, D. (2019). Advertising strategy in the presence of reviews: An empirical analysis. *Marketing Science, 38*(5), 793-811.

- Song, Y., Sahoo, N., & Ofek, E. (2019). When and How to Diversify—A Multicategory Utility Model for Personalized Content Recommendation. *Management Science*.