

## *Academic Seminar*

### **Variety Seeking in High-Frequency Consumption: New Implications for Targeted Marketing**

We study consumers' variety-seeking preferences and explore their implications for targeted marketing using proprietary data from a food delivery platform. We document that a substantial fraction of consumers have variety-seeking preferences. Consumers, on average, are willing to pay 19.9% more to switch to a different seller. In the counterfactual analysis, we find that optimizing ranking by taking into account variety-seeking preferences increases revenue by 18.2%, consumer welfare by 14.2%, and purchase probability by 18.9%. Furthermore, we find that consumers' variety-seeking preferences soften price competition. Optimal targeted pricing implies an increase in prices for rival sellers' consumers and a decrease in prices for the sellers' own consumers.



**Ms. ZHANG Fan**

PhD candidate in Quantitative Marketing  
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Fan Zhang is a PhD candidate in quantitative marketing from UC Berkeley, Haas School of Business. Her research interests are in variety seeking, consumer search, and reputation. Her current work highlights consumer variety-seeking preferences as an important source of dynamics in demand that can be estimated from individual purchase history and utilized for targeted marketing. Failing to account for the dynamics in demand in targeted marketing practices can decrease consumer welfare and the effectiveness of firms' marketing policies. Before joining UC Berkeley, she received BS in Mathematics and BA in Economics from Peking University.

**Date:** 24 November 2022 (Thursday)

**Time:** 09:00 – 10:30am (HK Time)

**Venue:** Zoom ( ID 991 4591 8374)

**Language:** English



**\*\*\* All are Welcome \*\*\***