

Marketing Science - Decision on Manuscript ID MKSC-2024-0863

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From: Marketing Science <onbehalf@manuscriptcentral.com>

Reply-To: chan@wustl.edu

To: chan@wustl.edu

Cc: ot2107@gsb.columbia.edu, mabelle.zellers@informatics.org

Attachments: 3

11-Sep-2024

Dear Author(s):

The review process for your manuscript, MKSC-2024-0863, entitled "Monetizing Serialized Content: How ``Wait for Free'' Impacts Paid and Free Consumption," which you submitted to Marketing Science, is now complete. I have received comments from two reviewers and an Associate Editor who all have expertise knowledge in the related area. Their reports are combined in the attached document.

Although the review team sees some merit in the paper, there is a list of serious concerns regarding the contribution, generalizability, and empirical analyses. The comments are highly consistent.

Since I have done research in the serialized content context, I am very interested in the behavioral mechanism that you proposed and decided to read your paper carefully. I agree with the review team that you are studying a business model which is unique and increasingly prevalent in the serialized content market. You are also very careful in the analyses. However, the concerns from the review team are mostly valid. Given that both reviewers and the AE have done an excellent job in discussing the potential issues and providing suggestions, I won't further elaborate here. Below, I will focus on discussing what I consider as the most important after my own reading.

1. Contribution/Generalizability: I don't think the lack of generalizability is a concern. Your serialized content platform is not

different from other platforms. You have offered a conceptual framework with a behavioral mechanism which is sufficiently general (with a caveat which I will discuss below). Although your data just comes from one platform, this is typically the case for most of the empirical studies. There are also concerns about the incremental contribution relative to Choi et al (2022) and Zhao et al (2022). In my opinion it should not be a reason hold against you because these are just working papers.

However, since the decay of complementarity is one of the focuses of your study and the main driver of your findings, exploring the boundary conditions (R1 comment 1.1) and quantifying the impacts of different wait times (AE comment 1b, R2 comment 1) is important to show the contribution of the paper. This will also make your empirical analysis consistent with the theoretical framework. The review team has made excellent suggestions on how to improve on this dimension, which are very useful for the revision of the paper.

2. Conceptual framework: Based on my understanding, the source of increased purchases when the wait time is reduced comes from fewer people choosing the exit option (and they may choose to purchase when the shock of consume now is large enough). If this is correct, providing an intuition on why the wait and exit shocks are independent, and why consumers want to choose the exit option, in your model is important. For both wait and exit options, the outcome - not to read the book now - is exactly the same. So why they are different options from consumers' perspective and why the shocks are independent from each other? Furthermore, given that waiting has positive future value in (3), why do consumers choose to exit? Even if they choose to exit, can't they come back to consume or wait again in the next period if the utilities are high enough? It seems possible because there are no costs for coming back after deciding to exit.

The reason I am pushing on these questions is that, given the source of increased purchases comes from the exit option, I suspect you won't have the same result if your model doesn't have the exit option, or that the shocks of waiting and exit are highly positively correlated. I would like to see a detailed discussion on this model assumption.

3. Empirics: Although your empirical analysis is rigorous and careful, like the review team I have some concerns about the identification assumptions. I will just highlight two which are the most important in my opinion:

3.1 SUTVA: Everyone in the review team raised this issue. Although the proportion of treated books is small, my concern is that, since they are similar to control books after the matching, reducing the wait time can still lead to significant spillovers to the controls. R2

(Modeling approach, comment 1) made some good suggestions on how you may investigate to what extent this assumption is valid. I would like to see to what extent individual consumers read both treated and control books (after matching) before the policy treatment. This seems doable since you have the individual level consumption data.

3.2 Unobservables: R1 (comment 2.3) and the AE (comment 1f) ask a critical question - Did the policy intervention affects the platform's ranking of books? I suggest you to either collect additional data on ranking or talk to the platform management to rule out this alternative mechanism.

Given the unanimous recommendations from the review team, regretfully, I am writing to inform you that your manuscript has been rejected for publication in Marketing Science. However, I hope the attached reports will help you prepare the paper for another journal.

Thank you for submitting your work to Marketing Science. I hope the outcome of this specific review process will not discourage you from considering the journal for your future research.

Sincerely,

Prof. Tat Chan
Senior Editor, Marketing Science

Associate Editor
Comments to the Author:
(There are no comments.)

Reviewer(s)' Comments to Author:

Reviewer: 1

Comments to the Author
(There are no comments.)

Reviewer: 2

Comments to the Author
Please find the comments in the attachment.

For office use:
dsw.6

Attachments

Name	Size
AE Report.pdf	131.5 kB
review_report.pdf	69.0 kB
MKSC-2024-0863 Report.pdf	36.5 kB