

SEMINARS AT FBA BETWEEN JANUARY 2019 AND DECEMBER 2019

Seminar by Barış İnce @ MA-330 (MA Building, Umit Berkman Seminar Room)

Jan 11 @ 1:40 pm – 2:40 pm



“How Do Regulatory Costs Affect M&A Decisions and Outcomes”

by Barış İnce
Koç University

Abstract

In this paper, I look into the relation between fixed regulatory costs and M&A decisions. Regulations introduce significant fixed costs, and add to operating leverage. Regulatory operating leverage, introduced by Ince and Ozsoylev (2018), quantifies the ratio of fixed regulatory costs within a firm’s cost structure. I document that regulatory operating leverage increases implied cost of equity, and decreases operating margin, hence decreases a firm’s value. Economies of scale decrease exposure to regulatory fixed costs, therefore large firms are less exposed to the negative value implications of regulatory operating leverage. This creates a motive for large firms with high regulatory operating leverage to acquire other firms in the same industry that are exposed to similar regulations. Since regulatory operating leverage is constraining for small firms, it increases the likelihood of a small firm being a target. Moreover, as the merger results in a decline in the acquirer’s regulatory operating leverage, it is value increasing.

Seminar by Masoud Shahmanzari @ MA-330 (MA Building, Umit Berkman Seminar Room)
Jan 18 @ 1:40 pm – 2:40 pm



“Managing Election Campaign with the Power of Analytical Modeling and Heuristics”
by Masoud Shahmanzari
Koç University

Abstract

We present a Granular Skewed Variable Neighborhood Tabu Search (GSVNTS) for the Roaming Salesman Problem (RSP). RSP is a multi-period and selective version of the traveling salesman problem involving a set of cities with time-dependent rewards. It is defined over a fixed planning horizon referred to as the campaign period. Each city can be visited on any day for reward collection while a subset of cities can be visited multiple times, though with diminishing rewards after the first visit. The goal is to determine an optimal campaign schedule consisting of either *open* or *closed* daily tours that maximize the total net benefit while respecting the maximum tour duration and the necessity to return to the campaign base frequently. RSP arises in several applications including *touristic trip planning*, *planning of client visits by company representatives*, and *election logistics*. A differentiating feature of the RSP is that there exist no fixed depots and daily tours do not have to start and end at the same city. We formulate RSP as a mixed integer linear programming problem in which we capture as many real-world aspects as possible. We also present a hybrid metaheuristic algorithm which can be classified as a Variable Neighborhood Search (VNS) with Tabu Search conditions. The initial feasible solution is constructed via a novel two-phase matheuristic approach which decomposes the original problem into as many subproblems as the number of days. Next, this initial solution is improved using the proposed local search procedure. The concept of granularity is incorporated into the developed algorithm to prevent non-promising moves and thereby reduce the computing time of the neighborhood search. On the other hand, the concept of skewedness modifies the basic VNS so as to explore deeper neighborhoods of the current solution by accepting nonimproving moves which lead to far enough neighboring solutions. We consider a set of 95 cities in Turkey and a campaign period of 40 days as our largest problem instance. Computational results on actual distance and travel time data show that the developed algorithm GSVNTS can find near-optimal solutions in reasonable CPU times.

Seminar by Cansu İskenderoğlu @ MA-330 (MA Building, Umit Berkman Seminar Room)
Feb 8 @ 1:40 pm – 2:40 pm



“Product Market Competition and the Value of Diversification”
by Cansu İskenderoğlu
Koç University

Abstract

This paper examines how industry concentration affects the value of diversification and explores the strategic value of agency problems in product markets for concentrated conglomerates.

I find that conglomerates that operate mainly in concentrated industries have higher diversification values. Consistent with agency theories, agency problems, on average, lead to greater diversification discount. In contrast, agency problems in concentrated conglomerates create strategic advantage and lead to greater diversification values consistent with the notion that these conglomerates can credibly commit to their industries in case of competitive threats. Using import tariff reductions as exogenous competitive shocks, I show that concentrated conglomerates experience significant decline in their valuations when they are hit by competitive shocks and they respond more aggressively to competitive shocks in order to defend their market positions in less-competitive industries.

Seminar by Zeynep Akşin Karaesmen @ MA-330 (MA Building, Umit Berkman Seminar Room)
Feb 15 @ 1:40 pm – 2:40 pm



“Learning from Many: Partner Exposure and Team Familiarity in Fluid Teams”
by Zeynep Akşin Karaesmen
Koç University

Abstract

In services where teams come together for short collaborations, managers are often advised to strive for high team familiarity so as to improve coordination and, consequently, performance. However, inducing high team familiarity, by keeping team membership intact, can limit workers’ opportunities to acquire useful knowledge and alternative practices from exposure to a broader set of partners. We introduce an empirical measure for prior partner exposure and estimate its impact (along with that of team familiarity) on operational performance using data from the London Ambulance Service. Our analysis focuses on ambulance transports involving new paramedic recruits, where exogenous changes in team membership enable clean identification of the performance effect. Specifically, we investigate the impact of prior partner exposure on time spent during patient pick-up at the scene and patient handover at the hospital. We find that the effect varies with the process characteristics. For the patient pick-up process, which is less standardized, greater partner exposure directly improves performance. For the more standardized patient handover process, this beneficial effect is triggered beyond a threshold of sufficient individual experience. In addition, we find that the beneficial performance impact of prior partner exposure is amplified during periods of high workload, for both processes. Finally, a counterfactual analysis based on our estimates shows that a team formation strategy emphasizing partner exposure outperforms one that emphasizes team familiarity by about 9.2% in our empirical context.

Co-authors:

Sarang Deo, Indian School of Business, Jonas Oddur Jonasson, MIT Sloan School of Management, Kamalini Ramdas, London Business School

Seminar by Khaladdin Rzayev @ MA-330 (MA Building, Umit Berkman Seminar Room)
Feb 22 @ 1:40 pm – 2:40 pm



“A high frequency analysis of the information content of trading volume”
by Khaladdin Rzayev
The University of Edinburgh

Abstract

We propose a state space modelling approach for decomposing high frequency trading volume into liquidity-driven and information-driven components. Based on a set of high frequency S&P 500 stocks data, we show that informed trading increases pricing efficiency by reducing volatility, illiquidity and toxicity/adverse selection during periods of non-aggressive trading. We observe that our estimated informed trading component of volume is a statistically significant predictor for one-second stock returns; however, it is not a significant predictor for one-minute stock returns. This disparity is explained by high frequency trading activity, which leads to the elimination of pricing inefficiencies at high frequencies.

JEL Classification: G12; G14; G15

Keywords: trading volume; expected component; unexpected component; volatility; liquidity; market toxicity, unobserved components time series models; high-frequency data.

Seminar by Nilüfer Aydınoglu @ MA-330 (MA Building, Umit Berkman Seminar Room)
Mar 1 @ 1:40 pm – 2:40 pm



“The Self-Conscious Consumer: Understanding and Mitigating Consumer Embarrassment”
by Nilüfer Aydınoglu
Koç University

Abstract

Embarrassment is a pervasive emotion with much impact on everyday motivations and behavior, including consumption contexts. The purchase, consumption, and even disposal of certain ‘sensitive’ products (e.g., contraceptives, pornography, hemorrhoid cream, disease tests, etc.) often lead to feelings of consumer embarrassment with possible adverse consequences for the consumer landscape. Marketers have attempted to offer personal and/or undisclosed modes of purchase to help mitigate the negative effects of consumer embarrassment such as online purchasing or self-checkout systems. Such marketing practices reflect an understanding of embarrassment as a ‘public’ emotion, and do not fully mitigate embarrassment. We build on recent research in acknowledging the private aspects of consumer embarrassment as well, and examine how its adverse consequences for consumer well-being can be mitigated.

We adopt the view of embarrassment as a self-conscious emotion which is characterized by: i) awareness of the emotional state, ii) deliberation and cognitive elaboration; and iii) self-reflection. Accordingly, we propose and demonstrate through multiple experiments that cognitive load (i.e., reduced deliberation) dampens embarrassment. We also show process evidence for the effect of deliberation on embarrassment and behavioral responses through self-appraisal. In doing so, we offer a fuller model for consumer embarrassment that considers the nature of the consumption context with a focus on deliberation and appraisal. As such, we are able to provide important theoretical contributions to the conceptualization of embarrassment in consumer psychology, as well as suggesting directly usable managerial insight toward mitigating the adverse

Seminar by Shushu Liao @ MA-330 (MA Building, Umit Berkman Seminar Room)
Mar 8 @ 1:40 pm – 2:40 pm



“Can capital adjustment costs explain the decline in investment-cash flow sensitivity”
by Shushu Liao
Lancaster University Management School

Abstract

It is well documented that since at least 1960s investment-cash flow (I-CF) sensitivity had been decreasing over time to disappear almost completely by late 2000s. We demonstrate that this pattern is consistent with the observed evolution of the capital adjustment costs in a neoclassical investment model with costly external financing. In particular, we estimate the magnitude of the capital adjustment cost parameter across different periods and show that the decreasing pattern of the I-CF sensitivity can be explained by the gradually increasing costs of capital adjustment. Consistent with the prior literature, we find no evidence of financial frictions being able to significantly contribute to the observed time-series pattern. The main results are further corroborated in a robustness analysis, which exploits the cross-industry and cross-country variation of capital adjustment costs. More generally, our results demonstrate that I-CF sensitivity should only be interpreted as a joint measure of real and financial frictions.

Seminar by Jan C. Fransoo @ MA-330 (MA Building, Umit Berkman Seminar Room)
Mar 26 @ 1:40 pm – 2:40 pm



“50 million nanostores: researching mom-and-pops in emerging economies”
by Jan C. Farnsoo
Kuehne Logistic University

Abstract

Virtually all research on retail operations has been focused on organized retail: retail chains or online retail brands that operate a more or less centrally controlled and operated network of outlets. In most countries of the world, however, the majority of retail sales is realized in independent, family operated stores. While there is a large variety of these stores, we denote these stores by the generic name nanostores. In this talk, I will outline the major characteristics of nanostores, their store and supply chain operations, and their specific institutional context which leads to very different research questions and operational challenges. I will illustrate some of the research work we have conducted over the past years in this domain using formal modeling, qualitative analysis, and field experimentation. I will conclude by discussing some recent developments, in particular related to the entry of new technologies and new hard-discount formats entering into this traditional channel.

Bio

Jan C. Fransoo is Professor of Operations Management & Logistics at Kuehne Logistics University in Hamburg, Germany. He also serves as the University's Dean of Research and Member of the Executive Board. He joined KLU in 2018 following a tenure of 22 years at Eindhoven University of Technology in the Netherlands, where he still holds a courtesy professorship in its School of Industrial Engineering. Fransoo holds a Master of Science degree in Industrial Engineering and a Doctor of Philosophy degree in Operations Management and Logistics, both from Eindhoven University of Technology. Professor Fransoo's research studies operations, logistics, and supply chain management decision making in the retail, chemical, food, pharmaceutical and transport industries. His current research focuses in particular on retail distribution and channel management in developing markets, on intermodal container transport, and on sustainability and social responsibility in supply chains. His recent co-edited books include “Reaching 50 Million Nanostores: Retail Distribution in Emerging Megacities” and “Sustainable Supply Chains: A Research-Based Textbook on Operations and Strategy”. Fransoo has published both modeling and empirical research in over 120 academic journal articles and book chapters, in journals such as *Management Science*, *Production and Operations Management*, *Operations Research*, *Manufacturing & Service Operations Management*, *European Journal of Operational Research*, and *Journal of Operations Management*. He is Associate Editor of multiple journals, including *Operations Research*, *Production and Operations Management*, and *Decision Sciences Journal*. More details, including a full publication list and his blogposts, can be found on <https://www.janfransoo.com/>

Seminar by Nikolas Topaloglou @ MA-330 (MA Building, Umit Berkman Seminar Room)
Mar 29 @ 1:40 pm – 2:40 pm



“Spanning Tests for Markowitz Stochastic Dominance”
by Nikolas Topaloglou
Athens University of Economics and Business

Abstract

We derive properties of the cdf of random variables defined as saddle-type points of real valued continuous stochastic processes. This facilitates the derivation of the first-order asymptotic properties of tests for stochastic spanning given some stochastic dominance relation. We define the concept of Markowitz stochastic dominance spanning, and develop an analytical representation of the spanning property. We construct a non-parametric test for spanning based on subsampling, and derive its asymptotic exactness and consistency. The spanning methodology determines whether introducing new securities or relaxing investment constraints improves the investment opportunity set of investors driven by Markowitz stochastic dominance. In an application to standard data sets of historical stock market returns, we reject market portfolio Markowitz efficiency as well as two-fund separation. Hence, we find evidence that equity management through base assets can outperform the market, for investors with Markowitz type preferences.

Key words and phrases: Saddle-Type Point, Markowitz Stochastic Dominance, Spanning Test, Linear and Mixed integer programming, reverse S-shaped utility.

JEL Classification: C12, C14, C44, C58, D81, G11.

Seminar by Barış Erman Depecik @ MA-330 (MA Building, Umit Berkman Seminar Room)
Apr 5 @ 1:40 pm – 2:40 pm



“How Do Sponsorships Work?”
by Barış Erman Depecik
Bilkent University, Faculty of Business Administration

Abstract

Partnerships with major sports franchises have become an increasingly utilized marketing communications tool. Yet, progress in measuring and assessing sponsorship’s business impact has been marginal and there is an unmet need for more sophisticated measurement and valuation practices. To identify the various ways through which the sponsored brand may be affected in the long-run, we investigate how sales and market response parameters evolve over time in response to a partnership between a brand and a major sports franchise. A canonical form of hierarchical multivariate dynamic linear model is developed and applied to partnership deals of National Football League and Major League Baseball franchises. The model links partnerships to sales and market response parameters directly and indirectly through their impact on own and competitive mindset metrics. The model controls for competitive reactions and performance feedback in marketing and accommodates dynamic dependencies in mindset metrics. The results indicate that a sponsored brand experiences (i) a direct gain in baseline sales and (ii) indirect gains due to an increased effectiveness for its marketing mix instruments and a reduced cross-sensitivity to rival firms’ marketing activities. The magnitudes of the effects are contingent on team performance, star power of the roster, sponsorship type (title vs. team), and the level of categorical exclusivity. Our findings imply that any analysis of sponsorship return must account for indirect benefits of sponsorship on market response parameters and sponsors should carefully consider synergies between different promotional mix elements to maximize indirect benefits

Seminar by Grkem Aksaray @ MA-330 (MA Building, Umit Berkman Seminar Room)
Apr 12 @ 1:40 pm – 2:40 pm



“Wealth Loss and Entrepreneurial Entry”
by Grkem Aksaray
Ko University

Abstract

This paper explores the relationship between loss aversion and venture creation. We model a loss averse individual who is risk averse in the domain of gains, but risk seeking in domain of losses. The model predicts that the individual is more likely to transition from wage-employment to entrepreneurship following losses in wealth. In empirical tests, consistent with the model, we find that individuals who recently experienced losses are more likely to become self-employed. Furthermore, we decompose the change in wealth into expected and unexpected components. Only the latter affects the likelihood of self-employment. This relationship is distinct from the positive association between level of wealth and entrepreneurial entry documented in the prior literature. Our finding that potential entrepreneurs are loss averse has implications for the understanding of new ventures.

Seminar by Emin Çivi @ MA-330 (MA Building, Umit Berkman Seminar Room)
Apr 19 @ 1:40 pm – 2:40 pm



“Nurturing a Culture of Teaching Excellence in Universities”
by Emin Çivi
Bilkent University

Abstract

Nurturing a culture of teaching excellence in universities through creating sense of community teaching and research have long been considered two of the primary functions of universities. But even though many of today’s universities consistently and very publicly repeat the common rhetoric that teaching and research “are coequals”, one often encounters opposing views both in personal experience and in the relevant literature. In this talk, Dr. Çivi will share his initiatives and efforts to get across-the-board recognition of the value of effective teaching in a university setting.

Bio:

Emin Çivi is a 3M National Teaching Fellow and Professor of Marketing at the University of New Brunswick, Saint John, Canada. He is currently teaching at the Faculty of Business Administration in Bilkent University as a visiting professor.

Seminar by Achilleas Boukis @ MA-330 (MA Building, Umit Berkman Seminar Room)
May 3 @ 1:40 pm – 2:40 pm



“Enacting Internal Market Orientation as a dynamic capability for improving NSD team performance and resource configuration”

by Achilleas Boukis
University of Sussex

Abstract

As further empirical insights are necessary regarding how service firms can best reconfigure the resources available to new service development (NSD) teams. This study enquires how the management of the NSD team and team dynamics affect team members’ perceptions of resource configuration and proposes Internal Market Orientation (IMO) as a dynamic capability (DC) which enables service firms to improve the management of their NSD teams. Results also indicate that IMO adoption improves NSD team dynamics via improved team trust, conflict resolution and a better team climate, subsequently leading to improvements in perceived resource adequacy and competence. Also, service innovativeness and task conflict affect negatively perceived resource adequacy and competence. Overall, this work provides substantial implications for the DC, internal marketing and NSD areas and a number of theoretical and practical implications on how NSD teams should be managed towards better resource configuration.

Bio – Dr Achilleas Boukis is a Lecturer in Marketing at Sussex University, UK. Achilleas holds a PhD from Strathclyde University, UK (2014) and his main research interests lie within the services marketing, branding and innovation management areas. Achilleas has published his research in academic journals such as Journal of Business Research, European Management Review, Services Industries Journal, and Journal of Services Marketing. Achilleas has been awarded the Harry Kroto Research Fellowship (University of Sussex, 2018) and was the Highly Commended Award winner of Emerald/EFMD Outstanding Doctoral Research Awards (European Journal of Marketing, 2014).

Seminar by Pelin Gülşah Canbolat @ MA-330 (MA Building, Umit Berkman Seminar Room)
May 10 @ 1:40 pm – 2:40 pm



“Bounded Rationality in Clearing Service Systems”
by Pelin Gülşah Canbolat
Koç University

Abstract

In this work, we consider a clearing service system where customers arrive according to a Poisson process, and decide to join the system or to balk in a boundedly rational manner. We assume that all customers in the system are served at once when the server is available and times between consecutive services are independently and identically distributed random variables. Using logistic quantal-response functions to model bounded rationality, we first characterize customer utility and system revenue for fixed price and degree of rationality, then solve the pricing problem of a revenue-maximizing system administrator. The analysis of the resulting expressions as functions of the degree of rationality yields several insights including: (i) For an individual customer, it is best to be perfectly rational if the price is fixed; however, when customers have the same degree of rationality and the administrator prices the service accordingly, a finite nonzero degree of rationality uniquely maximizes customer utility, (ii) System revenue grows arbitrarily large as customers tend to being irrational, (iii) Social welfare is maximized when customers are perfectly rational, (iv) In all cases, at least 78% of social welfare goes to the administrator. We also explore the extension of these results to the case where customers are heterogeneous with respect to the degree of rationality.

Research and Publication Seminar by Gazi İslam @ MA-330 (MA Building, Umit Berkman Seminar Room)

May 15 @ 1:40 pm – 3:45 pm



Research & Publication Seminars by Gazi İslam Grenoble Ecole de Management

RESEARCH SEMINAR

Organizing Material: A Research Agenda for the “Material Turn” in Organizational Scholarship

Organizational scholarship has been increasingly concerned with the material and aesthetic properties of work. As evidenced by a rapid growth in visual, spatial and object-centered approaches, as well as discussions of embodied cognition and affect, organizational scholarship has been characterized as going through a “material turn”. By acknowledging the materiality of organizing, such scholarship has addressed some of the limitations of purely discursive or cognitive approaches, while offering avenues for studying the impacts of novel technological and material artefacts in organizations. This presentation will discuss the possibilities for current thinking around the material turn in organizing, presenting an ongoing research agenda around different aspects of materiality. I will discuss the theoretical and methodological challenges around defining sites of study, analysing and interpreting data, and theorizing materiality. Based on a brief description of my own research agenda around materiality at work, I reflect on the challenges and possibilities of this agenda in organizational scholarship.

PUBLICATION SEMINAR

Publishing in Management and Organization Studies- Contexts, Paradigms, Communities

The purpose of this talk is to discuss publishing experiences and strategies in organizational scholarship. Drawing on personal experiences in publishing, as well as experience as Section Editor at Journal of Business ethics and editorial board member of Organization Research Methods, Journal of Management, Organization, Journal of Organizational Behavior, and Management Decision, and Organization Theory, I will share some of my own observations around academic research and publishing, including: International mobility and publishing, Academic communities and audiences, the relation between methodological choices and publishing, and the evolving nature of academic visibility. The format is meant to be interactive, with ample time for discussion, questions and debate.

Seminar by Bahriye Cesaret @ MA-330 (MA Building, Umit Berkman Seminar Room)
May 17 @ 1:40 pm – 2:40 pm



“Order Fulfillment Policies for Ship-from-Store Implementation in Omni-Channel Retailing”
by Bahriye Cesaret
Özyeğin University

Abstract

One of the recent trends in omni-channel retailing is ship-from-store which allows a retailer to fulfill online orders by using inventory from a nearby brick-and-mortar store. The benefits of this relatively new fulfillment model include faster delivery, lower transportation costs, higher in-stock probability, increased sales and customer satisfaction, etc. Despite its many benefits, this fulfillment model introduces many new operational challenges to the retailer, including the need to identify from which location to fulfill an online order when it arrives. Best Buy, Macy’s, and Walmart are some of the retailers that successfully integrate ship-from-store into their fulfillment strategies. In this study, we consider a retailer having both online and store operations, with each channel carrying its own inventory. Store orders are fulfilled from store inventories, whereas an online order can be shipped either from an online fulfillment center or from any other store location that maximizes the retailer’s overall profit. Our study investigates dynamic fulfillment decisions: from which location to fulfill an online order when it arrives. We incorporate the uncertainty both in demand and in the cost of shipment to individual customers. We develop a stochastic dynamic framework and characterize the optimal cross-channel fulfillment policy. Due to the optimal policy being computationally intractable for large-sized problems, we construct an intuitive heuristic policy to guide the retailers in their fulfillment decisions. Our computational experiments indicate that the proposed heuristic method is both computationally efficient and effective for the cross-channel fulfillment problem.

Bio

Bahriye Cesaret is an Assistant Professor at the Faculty of Business at Özyeğin University. She received her B.S. in Industrial Engineering (2008) from Istanbul Technical University, and M.S. in Industrial Engineering (2010) from Koç University. In 2010, she joined the Ph.D. program in Management Science at the University of Texas at Dallas (UTD). During her pursuit of Ph.D., she earned an M.B.A. (2013) and an M.S. degree in Supply Chain Management (2013) from UTD. She completed her Ph.D. in Management Science (with a concentration in Operations Management) in 2015. She received an ‘Outstanding Student Teacher Award’ from the Naveen Jindal School of Management for the academic year 2013-2014. Her current research lies in two main streams: Behavioral and Retail Operations Management

Seminar by Frank Coolen @ UNMA SU-01

May 24 @ 1:40 pm – 2:40 pm



“Quantification of System Reliability using the Survival Signature” by Frank Coolen Durham University

Abstract

The survival signature [1] is a summary of the system structure function which is sufficient for several goals in system reliability quantification. In particular for larger systems which consist of just a few types of components, the survival signature may provide huge efficiency gains for the analysis. We will present an introductory overview of the survival signature. We will address its computation and approximation, its use for efficient simulation, and generalizations for phased-mission systems and for multiple systems (or system functions) sharing components. We will discuss ongoing research and further challenges.

[1] FPA Coolen, T. Coolen-Maturi (2012). Generalizing the signature to systems with multiple types of components.

In: *Complex Systems and Dependability*, W. Zamojski et al. (eds). Springer, Berlin, pp. 115-130

Bio

Frank Coolen is Professor of Statistics at the Department of Mathematical Sciences, Durham University, UK. He completed his PhD at Eindhoven University of Technology in The Netherlands in 1994, after which he joined Durham University. His main areas of research are Nonparametric Predictive Inference, Imprecise Probability Theory, and System Reliability. He has published about 250 journal and conference papers. He is member of the editorial boards of 9 journals in Statistics and Reliability, and has supervised about 20 PhD students to completion, with about 10 further students working under his supervision at the moment. He regularly serves on Conference Committees and Research Funding Panels.

Seminar by M. Ali Ülkü @ MA-330 (MA Building, Umit Berkman Seminar Room)

May 31 @ 1:40 pm – 2:40 pm



“Perspectives on Sustainable Logistics and Return Policies”

by M.Ali Ülkü

Bilkent University

Abstract

A product may be returned for a variety of reasons, including the product having poor functionality, being damaged during shipment, or simply prompting regret for an impulsive purchase. As a risk-reliever for consumer’s purchasing decision, especially for online sales, almost all retailers provide lenient returns policies. Add to this, a returns policy that comes with a product may signal a higher product quality and may enhance sales. However, such lenient return policies, if abused by the consumers, may mar supply chain profitability. In this talk, drawing on my past publications and ongoing research related to sustainable logistics and consumer (post-purchase) behavior, I will elaborate on insights into how various retailer’s return policies may impact supply chain decisions and sustainability.

Bio

M. Ali Ülkü is a Professor and the Director of the Centre for Research in Sustainable Supply Chain Analytics, in the Rowe School of Business at Dalhousie University in Halifax, NS, Canada. He received his Ph.D. in Management Sciences from the University of Waterloo, M.Sc. in Operations Research from Çukurova University, and B.Sc. in Industrial Engineering from Bilkent University. Prior to his academic career, he worked as a productivity consultant at Anadolu Efes. Dr. Ülkü’s writings include the theoretical modeling of sustainable supply chain and logistics systems, operations-marketing interface, and mathematical modeling of consumer behavior. He published in such journals as *Annals of Operations Research*, *European Journal of Operational Research*, *International Journal of Production Economics*, *Journal of Business Research*, *Journal of Cleaner Production*, and *Service Science*. He served as the Program Chair for the 2018 Conference of the Canadian Operational Research Society. Dr. Ülkü taught at various universities in Turkey, Canada, and the USA. A recipient of the 2007 Exceptional Teaching Award at the University of Waterloo, Dr. Ülkü is an avid supporter of “the science and the teaching of the better.” During Spring 2019, Prof. Dr. Ülkü was a visiting professor at the Faculty of Business Administration, Bilkent University.

Seminar by Nejat Seyhun @ MA-330 (MA Building, Umit Berkman Seminar Room)
Jun 21 @ 1:40 pm – 2:40 pm



“Dividends and Option Prices”
by Prof. Nejat Seyhun

Ross School of Business – University of Michigan

Abstract

We seek to measure the effects of dividends on option prices. Individual stock options are American type and unprotected from dividends. Option holders are expected to anticipate the dividend payments during the life of the option and price the option accordingly. Consequently, as long as dividends are anticipated, in an efficient market, dividend payments should not affect option prices. On the other hand, unexpected dividend changes should result in wealth gains and losses for option holders. In this paper we test to see if investors form proper expectations about the dividend policy and take into account both expected and unexpected changes in dividends in pricing options. Our findings indicate that unexpected dividend changes affect option prices, while expected dividend changes do not affect option prices.

Seminar by Lena Çavuşoğlu @ MA-330 (MA Building, Umit Berkman Seminar Room)
Jul 8 @ 1:40 pm – 2:40 pm



“THE HIDDEN FIGURES IN FASHION: DIVERSITY ISSUE”
by Lena Çavuşoğlu
Izmir University of Economics

Abstract

Prior research has emphasized how the fashion industry creates a burden on women to measure their self-worth with the ideal standards of beauty defined by the industry. In a fashion scene dominated by Caucasian looks, this burden becomes even more substantial for women from different ethnic, racial, religious, or cultural backgrounds and women in different age groups and socioeconomic classes and with differing physical abilities, to name a few. As such, investigating the fashion consumption experiences of a diverse group of women, the social and psychological consequences of underrepresentation, and the perspectives of fashion producers on diversity becomes crucial. With a qualitative inquiry, this study employs the triangulation of data collection techniques, including 58 semi-structured, in-depth interviews with both fashion consumers and producers, observation, and secondary research, as well as interpretive analysis and content analysis through Netnography (via Instagram posts under the hashtag #fashiondiversity). The first theoretical contribution of this research is the revelation of a perception gap between fashion producers and consumers regarding what diversity means, as well as the extension of the types of diversity that were previously ignored in the literature. Second, through using the social capital framework to understand the consumption experiences of diverse consumers, the study highlights the impact of virtual communities and the role of different fashion constituents regarding a possible institutional-level change towards increased diversity or cultural homogeneity. Ultimately, through this study, I hope to contribute to a change towards increased inclusivity, a redefining the beauty standards, and the preventions of the industry from engaging in practices that lead to the exclusion of specific female groups.

Seminar by Orkun Saka @ MA-330 (MA Building, Umit Berkman Seminar Room)
Jul 9 @ 10:40 pm – 11:40 pm



“Lending Cycles and Real Outcomes”
by Orkun Saka
University of Sussex

Abstract

We use data on the universe of credit in Turkey to document a strong political lending cycle. State-owned banks systematically adjust their lending around local elections compared with private banks in the same province. There is considerable tactical redistribution: state-owned banks increase credit in politically competitive provinces which have an incumbent mayor aligned with the ruling party, but reduce it in similar provinces with an incumbent mayor from the opposition parties. This effect only exists in corporate lending as opposed to consumer loans, suggesting that tactical redistribution targets job creation to increase electoral success. Political lending influences real outcomes as credit-constrained opposition areas suffer drops in employment and firm sales. There is substantial misallocation of financial resources as credit constraints most affect provinces and industries with high initial efficiency.

Seminar by Emre Karali @ MA-330 (MA Building, Umit Berkman Seminar Room)
Oct 11 @ 1:40 pm – 2:40 pm



“What about love? On love as a mechanism of trust in organizations”
by Emre Karali
Özyeğin University

Abstract

In this study, we explore how organizations vary in the extent to which they are governed through love and how this translates in how trust manifests within the organization. We do so by means of a vast comparative case study, spanning a wide variety of organizations, to capture differences related to organizations and industries. We find that organizations vary in the extent to which they are governed through love and trace this to managerial and organizational features. Organizations characterized as ‘loveful’ tend to also be governed more through trust. This study contributes to the discussion on whether organizations should be governed through control or trust, by illuminating the important role of love in this regard, and by bringing forward managerial and organizational boundary conditions to this.

Seminar by Mustafa Karataş @ MA-330 (MA Building, Umit Berkman Seminar Room)
Oct 18 @ 1:40 pm – 2:40 pm



“Feast or Famine?” The Impact of Vice Amount on the Attractiveness of Vice-Virtue Bundles”
by Mustafa Karataş
Koç University

Abstract

Vice-virtue bundles are becoming increasingly popular in the marketplace. This research investigates how an important aspect of vice-virtue bundles—the magnitude of the vice component—influences consumers’ evaluation of such bundles. Building on research on psychological licensing, the current research proposes that the comparability among payoffs associated with bundle components moderates the impact of vice magnitude on consumers’ evaluation of vice-virtue bundles. Results from four experiments show that, when payoffs are highly comparable, increasing the vice magnitude results in less positive evaluations of the bundle. In contrast, consumers evaluate a vice-virtue bundle with a larger vice more positively when payoffs of bundle components are less comparable. This effect is explained by distinct licensing mechanisms that come into play under high and low payoff comparability. More specifically, consumers license the vice component via psychological credits under high payoff comparability, and via psychological credentials under low comparability. This research significantly advances streams of research on vice-virtue bundles and psychological licensing, and offers substantive implications.

Bio

Mustafa Karataş is a Marketing Ph.D. student at the Koç University Graduate School of Business, Istanbul, Turkey. His research interests include consumers’ evaluation of product bundles, individual and social well-being, and the impact of foreign versus native language processing on consumer behavior. He holds B.S. and M.S. degrees in Management from Bilkent University and INSEAD.

Seminar by Prof. Dr. Andreas Zehetner @ MA-330 (MA Building, Umit Berkman Seminar Room)
Nov 1 @ 1:40 pm – 2:40 pm



“RECRUITMENT MARKETING: DO WE UNDERSTAND WHAT GENERATION Z EXPECTS FROM ITS FUTURE EMPLOYERS?”

by Prof. Dr. Andreas Zehetner

University of Applied Sciences Upper Austria

Abstract

The struggle for finding good employees in Austrian companies is in full swing, and it rests as a big problem on the desks of recruitment marketers and HR departments. Aside from a general shortage due to demographic developments, a new generation of future employees (the ‘Z’ generation) is growing up, and will be present on the labour markets in a very short time. These young people have been raised under completely different (technological, economic, and social) conditions and, in turn, have different expectations of their future job life and employers. Experience as well as literature on employment related expectations, motivation, and behaviours of Gen Z representatives is scarce, which makes it hard for companies to shape their job offerings in an efficient and effective way, matching the demands of this group. In order to contribute to a better understanding of this phenomenon, a large-scale mixed-method research was undertaken, six focus groups with 43 participants and 550 personal interviews with pupils and young students were conducted in Austria. The motivation was to identify and categorize criteria, which might distinguish an ‘attractive from an average job’ in the eyes of a Gen X candidate. Factor analysis methods were employed to reveal the categories that matter for this group. The findings suggest that the most important criteria for Gen X members are predominantly “social”, namely team spirit, working atmosphere, job-life-integration. “Factual” arguments like salary, job security, career advancement and task diversity only play a secondary role. The HOW is more important than the WHAT. A paradigm shift seems to gain momentum: Currently, most current job descriptions emphasize “what” statements: “What are your tasks?”; “what are opportunities for development?”; or “what is expected from you?”. However, Generation Z seems to be much more concerned about the “HOW”: “How does it feel to work here?”; “how does my team function?”; “How will my working day in this company look like?”; or “how diversified and exciting is my job?” Salary, job security and a financially stable company are still relevant, but they are not in the foreground. In addition, trends such as home office or high tech equipment of the office appeared to be not too catchy. The paper ends with recommendations for HR-representatives, including a better visualization of team spirit and working atmosphere, raising awareness for the social aspect of work, and establishing tangible elements of “how it is to work in that company”.

Prof. Dr. Andreas Zehetner

Vice President International Relations in University of Applied Sciences Upper Austria

Seminar by Dr. Christopher Amaral @ MA-330 (MA Building, Umit Berkman Seminar Room)
Nov 6 @ 1:40 pm – 2:40 pm



“The Impact of Discriminatory Pricing Based on Customer Risk: An Empirical Investigation using Indirect Lending through Retail Networks”

by Dr. Christopher Amaral
Queen’s University

Abstract

Consumer credit, which refers to loans and lines extended to individual consumers, is unique since pricing is often disperse, enabling lenders to customize pricing by consumer. One of the pricing strategies that has emerged within the consumer credit sector is risk-based pricing, which involves the classification of borrowers into consumer risk segments that are each priced differently (Magri 2015). In this paper, we investigate the profit implications of risk-based pricing in the context of indirect lending. Using individual-level loan data, we build a three-stage model of choice that accounts for the (1) agent’s decision to select a loan rate to offer the customer from the menu of prices (i.e. rate sheet), (2) lender’s decision to approve or not approve a loan application, and (3) the customer’s decision to accept or reject a loan offer. Given the estimation results, we optimize the loan rate and agent incentive for each risk segment and calculate the expected lift in profits for the lender. The results suggest that implementation of risk-based pricing leads to double digit increases in the financial institution’s profits.

Keywords: Price Discrimination, Price Optimization, Consumer Credit, Risk-Based Pricing, Financial Services, Sales Incentives

Seminar by Dr. Kerem Kılıç @ MA-330 (MA Building, Umit Berkman Seminar Room)

Nov 8 @ 1:40 pm – 2:40 pm



“Relative Performance Evaluation of Overconfident CEOs”

by Dr. Kerem Kılıç

HEC Paris

Abstract

This paper offers one of the first empirical tests of the relationship between performance evaluation mechanisms and risk-taking by biased chief executive officers (“CEO”s). The literature on CEO overconfidence exclusively focused on the perception of their abilities or an irrational belief in the positive outcomes. We show that overconfidence is not prevalent only in self-assessment, but also in the relative assessment. We compare the change in the overall risk levels of firms with overconfident CEOs with those with unbiased CEOs upon the introduction of explicit relative performance evaluation (“RPE”) contracts. Using an options-based measure of CEO overconfidence, we demonstrate that the use of RPE multiplies excessive risk-taking by biased CEOs. Finally, the size of the RPE peer set also increases risk-taking due to increased ambiguity in performance comparison. We propose that CEO biases are a critical determinant of the effects of incentive contracts and performance evaluation schemes.

Seminar by Prof. Zeynep Gürhan Canlı @ MA-330 (MA Building, Umit Berkman Seminar Room)
Nov 15 @ 1:40 pm – 2:40 pm



“Consumers’ Responses to Replica (vs. Genuine) Experiences”
by Prof. Zeynep Gürhan Canlı
Koç University

Abstract

A growing trend in marketing practice is the use of replica experiences, which are copies of genuine experiences. Yet, consumers’ responses to replica (vs. genuine) experiences are mostly overlooked in the literature. In this paper, we propose that consumers’ perceptions of authenticity of the replica (vs. genuine) experiences mediate their responses to these experiences. We further propose two sets of characteristics for the context — the experience characteristics (restricted experience vs. not restricted experience; distant vs. close proximity of the replica to the genuine) and the consumer characteristics (salient goal: collecting experiences vs. having fun/pleasure) that influence consumers’ authenticity perceptions of the experiences. Integrating theories and empirical findings in the experiences and authenticity literature, we found support for the proposed theory and hypotheses using two sets of field data from Egypt’s Luxor Tutankhamun tomb, one experimental study in a university art gallery, and four online experimental studies. The findings advance the literature on experiences and authenticity perceptions and generate actionable guidelines for managing, marketing, and consuming experiences.

Bio

Zeynep Gürhan-Canlı is Dean & Migros Professor of Marketing at the College of Administrative Sciences and Economics & Graduate School of Business at Koç University. Her research interests include consumer information processing in relation to branding and corporate image (brand relationships, co-branding, brand extensions, brand communications, corporate social responsibility), consumer experiences and inclusive business. She completed her Ph.D. in marketing at New York University, Stern School of Business in 1997. Prior to joining Koç University, she was a faculty member in the Ross School of Business at the University of Michigan. She has published several articles in leading academic journals. She received a number of awards and was tenured at the University of Michigan in recognition of her productivity and quality of her publications. She served as an associate editor for the Journal of Consumer Research and senior editor for International Journal of Research in Marketing. She is on the Editorial Review Boards of the Journal of Marketing, Journal of International Marketing, Journal of Consumer Psychology, Journal of Academy of Marketing Science, International Journal of Research in Marketing and Journal of Marketing Behavior.

Seminar by Yasemin Limon @ MA-330 (MA Building, Umit Berkman Seminar Room)

Nov 19 @ 1:40 pm – 2:40 pm



“Coordination and Strategic Challenges in Biopharmaceutical Supply Chains”
by Yasemin Limon

University of Wisconsin-Madison

Abstract

The biopharmaceutical industry has received significant attention in the recent years with the development of revolutionary therapies based on gene editing and recombinant proteins. The industry spent \$180 billion on the research and development of biopharmaceuticals in 2018. In this talk, we present models to address coordination and strategic challenges in the biopharmaceutical supply chain.

In the first part of the talk, we consider a coordination problem in the collaboration between biotechnology companies. Through effort-based contract models, we show that traditional incentive mechanisms fail to achieve coordination, although they are commonly used in the industry. We introduce a new contract model called fee-for-effort and output that encourages the parties to exert higher efforts by offering discounts on their operating costs, and coordinates efforts with appropriate selection of contract parameters.

In the second part, we analyze resource allocation strategies in biomanufacturing operations where differences in scientist capabilities can lead to significantly different outcomes. Using queuing models, we show that certain partial flexibility structures coupled with appropriate priority rules can yield efficient system performance. Our numerical experiments provide guidelines for the biomanufacturers to achieve higher profits and shorter lead times.

The talk will conclude with discussion of future research opportunities in the biopharmaceutical area.

Yasemin Limon is a Ph.D. Candidate in Industrial and Systems Engineering at the University of Wisconsin-Madison. Her research interests are stochastic modeling and game theory with their applications in operations and supply chain management. She has been working as a Research Assistant at the Center for Quick Response Manufacturing, University of Wisconsin-Madison, where she has been involved in industry projects, and co-supervised graduate students. She holds B.S. and M.S. degrees in Industrial Engineering from Middle East Technical University.

Seminar by Abdullah Daşçı @ MA-330 (MA Building, Umit Berkman Seminar Room)

Nov 29 @ 1:40 pm – 2:40 pm



“A Transshipment Problem at a Fast-Fashion Retailer”

by Abdullah Daşçı

Sabancı University

Abstract

Here, we present a transshipment problem for a large apparel retailer. The problem is inspired from the logistics operations of a very large fast fashion retailer in Turkey, LC Waikiki, with over 450 retail branches and thousands of products. The purpose of the transshipment is to rebalance stocks across the retail network to better match supply with demand. We formulate the problem as a mixed integer program. Due to the size of the formulation and complicating operational constraints, commercial optimizers cannot even solve small scale instances with reasonable optimality gaps. In response, we have developed a Lagrangian relaxation with a primal-dual approach to find upper bounds and a simulated annealing based metaheuristic to find promising solutions, both of which have proven to be quite effective. We have also conducted a set of numerical experiments to uncover implications of various operational practices of LC Waikiki on its system’s performance and important managerial insights.

Bio

Abdullah Dasci is an Associate Professor of Operations Management at the Sabanci Business School of Sabanci University. He obtained B.Sc. and M.S. degrees in Industrial Engineering from Bilkent University and Ph.D. in Management from McGill University. Prior to Sabanci, he taught at York University, University of North Carolina at Charlotte, and University of Alberta. His research interests include location theory and supply chain management. His work has appeared in leading management science journals such as Operations Research, Production and Operations Management, IIE Transactions, and European Journal of Operational Research.

Seminar by Olga Kravets @ MA-330 (MA Building, Umit Berkman Seminar Room)
Dec 6 @ 1:40 pm – 2:40 pm



“It’s No Joke: The Critical Power of a Laughing Chorus”
by Olga Kravets
University of London

Abstract

There is no known time in history, nor known human community without laughter. Yet, marketing paid little attention to laughter as a social phenomenon and a collective consumer (re)action. This research begins to address this neglect by introducing Mikhail Bakhtin’s notion of a laughing chorus. I use the notion as a way to understand the publics’ laughter directed at marketing. I contend that this seemingly nihilistic, irresponsible, and discordant laughter is nonetheless an efficacious form of social commentary. Furthermore, I draw on the works of Henri Bergson and Alenka Zupancic to argue that popular laughter involves a distinct mode of critique, which is not premised on discursive deliberation. I conclude with a reflection on theoretical implications and methodological opportunities in taking laughter seriously in marketing and consumer culture studies.

Seminar by Eda Yücel @ MA-330 (MA Building, Umit Berkman Seminar Room)

Dec 13 @ 1:40 pm – 2:40 pm



“Optimizing Onboard Catering Loading Locations and Plans for Airlines”

by Eda Yücel

TOBB University

Abstract

Airlines serve complimentary or for-purchase in-flight meals that vary depending on flight duration. These meals are prepared by airline catering companies and are ideally loaded immediately before the flight. However, as the loading process takes time and effort and it is costly to have the required amount of meals at the departure airport immediately before each flight, airline companies conduct catering loading at predetermined airports. In general, the catering loading sites, i.e. airports, can be classified into two types: normal or cross loading sites. At the normal-loading sites, the catering can be directly loaded to the aircraft with a fixed loading cost and a variable handling cost that depends on the loaded amount and personnel cost at the corresponding location. At the cross-loading sites, the catering is transported from a catering facility before the loading operation, incurring an additional transportation cost. During a flight, an aircraft may carry the catering demand for the next flights. The total amount of catering carried during a flight depends on the shelf life of the catering and the aircraft capacity and affects the fuel consumption during the flight. Although the flight plan might dynamically change, airlines determine catering loading sites before each flight season based on the established flight plan and estimated amount of catering consumed during each flight. In this study, given the flight plan of an airline for a specified planning horizon with the estimated demand for each catering type at each flight, we address the problem of determining the locations of normal- and cross-loading sites. The objective is to minimize total operational costs that include the fixed costs of opening normal or cross-loading sites, fixed and variable costs of loading, transportation costs for cross loading, and additional aircraft fuel costs that depend on the catering load of the aircraft such that the estimated catering demand for each flight is fully met. The aircraft catering capacity limits and lifetime for each catering type should be considered. We first develop a mixed integer programming formulation for the problem. As the planning horizon increases, it is not possible to obtain good solutions via the mathematical formulation over a reasonable time. Therefore, we propose a hybrid solution approach based on a tabu search algorithm and dynamic programming approach for realistic planning horizons. We analyze the performance of the proposed approaches on realistic problem instances obtained from an airline company based in Turkey.

Bio

Eda Yücel is an Assistant Professor in Industrial Engineering Department at TOBB University of Economics and Technology. She received her Ph.D. degree in Industrial Engineering and Operations Management from Koç University in 2011. She holds an M.Sc. in Industrial Engineering (Koç University, 2006) and a B.Sc. degree in Computer Engineering (Bilkent University, 2003). Prior to joining TOBB University of Economics and Technology, she worked as a Software Engineer, Project System Engineer, Project Manager, and Senior Optimization Engine Developer at different companies in IT sector. Her primary research interests involve mathematical programming and combinatorial optimization, especially in the areas of health care services, logistics, retail operations, and disaster management.

Seminar by Hayri Alper Arslan @ MA-330 (MA Building, Umit Berkman Seminar Room) Dec 24 @ 1:40 pm – 2:40 pm



“Scoring a Touchdown with Variable Pricing: Evidence from a Quasi-Experiment in the NFL Ticket Markets”

by Hayri Alper Arslan
Queen's University

Abstract

Event organizers are moving from fixed to variable pricing. Although this is theoretically shown to enable organizers to respond to changing demand across events, reports point to somewhat limited implementation due to the unpredictable nature of the popularity of an event and to the unaccounted-for dynamics of the resale market. In this paper, we study the implications of a switch to variable pricing using quasi-experimental data from the National Football League. Applying a difference-in-differences technique with propensity-score weighting, we find that teams switched to variable pricing sold 2.95% additional tickets per game through the primary market. We provide suggestive evidence that this positive effect is due to the quality-signaling nature of variable pricing for price-sensitive customers. Specifically, we find that variable pricing resulted in higher primary market sales at (i) games in hometowns with lower income levels and higher income diversity, and (ii) unattractive games. We also explore whether variable pricing led to any negative effects through the resale market. With variable pricing, although the number of ticket listings in the resale market went up for unattractive games, customers did not list their tickets at lower prices. This indicates that variable pricing did not lead to cannibalization from resale markets. For attractive games, the minimum listing price in the resale market increased. This shows that the display of popularity through teams' higher prices increased the option-value for these games, and explains why the primary market ticket sales remained steady for attractive games, even after the increase in prices.

Seminar by Kezban Yağcı Sokat @ MA-330 (MA Building, Umit Berkman Seminar Room)
Dec 27 @ 1:40 pm – 2:40 pm



“Understanding the Impact of Human Trafficking and Modern Slavery Allegations on Company Performance”

by Kezban Yağcı Sokat
Northwestern University

Abstract

Human trafficking and modern day slavery has become a global concern. In 2015, United Nations committed to eradicating human trafficking and modern slavery by 2030 by including it in three out of 17 Sustainable Development Goals. Following this, companies are now being rated and ranked for their risks and efforts to address human trafficking and modern day slavery in their practices. In this empirical multi-method study, we investigate the impact of human trafficking and modern slavery allegations on corporate performance, both operational and stock performance, in three areas; apparel, food and beverage, and information and communication technology. Utilizing web scraping, database management and propensity score matching, we collect allegations regarding human trafficking and modern day slavery in the global supply chains and compare the performance to a sample of control firms of similar size and from similar industries. Our results show that human trafficking and modern slavery allegations are negatively associated with sales, operating income and stock returns in the short term. Ethical focused corporate social responsibility can significantly reduce the financial impact. There is no association in the long term, which shows the need for better supply chain policies and laws for combatting human trafficking and modern slavery.