
YULIA NEVSKAYA

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Kingston, Ontario, Canada
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ACADEMIC APPOINTMENTS:

July 2023 – present Assistant Professor of Marketing
Smith School of Business, Queen's University

July 2013 – June 2023 Assistant Professor of Marketing
Olin Business School, Washington University in St. Louis

EDUCATION:

Ph.D. in Business Administration (Marketing)
University of Rochester

M.A. in Economics
University of Colorado

B.S. in Management
Kostroma State Technological University

RESEARCH INTERESTS:

Consumer response to rewards, social interactions and choice, gamification and habit formation, computational machine learning, dynamic structural choice models

PUBLICATIONS:

Nevskaya, Yulia and Paulo Albuquerque (2019), *How Should Firms Manage Excessive Product Use? A Continuous-Time Demand Model to Test Reward Schedules, Notifications, and Time Limits*, **Journal of Marketing Research**, Volume 56, Issue 3, pp. 379-400.

- Abstract: Several industries related to screen usage have recently been criticized by parents, think tanks, and governments for creating product environments that lead to excessive consumption. If firms do not properly manage product usage, demand may drop and public policy makers may intervene. We test alternative ways to manage the use of such products: re-designing the timing of rewards, introducing notifications to users, and imposing time limits. A continuous-time demand model to be empirically estimated with high frequency data. The methodology is flexible enough to simultaneously explain multiple usage decisions that happen in quick succession, such as when to start and stop usage and how to respond to rewards or messages from the firm. The approach is implemented on a dataset from the online gaming industry, where we observe usage decisions of a large sample of individuals. We find that improving reward schedules and imposing time limits leads to shorter usage sessions and longer product subscriptions—a win-win outcome. Notifications are found not to be useful to manage product usage.

– Select Media Coverage: *Harvard Business Review*, *American Marketing Association*

Gopalakrishnan, Arun, Zhenling Jiang, Yulia Nevskaya, and Raphael Thomadsen (2021), *Can Non-Tiered Loyalty Reward Programs be Profitable?* **Marketing Science**, Volume 40, Issue 3, pp. 395-591.

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- Abstract: We examine the effectiveness of a customer loyalty program with a non-tiered reward structure. We use a unique data set consisting of all transactions at a chain of hair salons from both before and after the implementation of a loyalty program. We find that the loyalty program is profitable despite the approximate linear structure of the reward that provides a 5% discount to members who regularly return. Importantly, the increased profitability would be hard to pinpoint if a researcher did not have data from both before and after the reward program introduction. Even after considering the loss of revenue from providing reward discount, the loyalty program is still profitable through increasing members' frequency of visit, and more importantly, from reducing attrition rate. We find that the de facto discount received by members who redeem rewards is only about 2.7% due to the incomplete redemption rates and slight increase in nominal spending. These redeeming members increase the frequency of visits by 1.9%. The program would appear to operate at a slight loss if we ignored the change in retention, but has a positive value once we account for its impact on retention. We estimate that the introduction of the loyalty program led to an about 3% increase in customer lifetime value.

Albuquerque, Paulo, and Yulia Nevskaya (2022), *The Impact of New Content and User Community Membership on Usage of Online Games*, **Customer Needs and Solutions** 9, 1-24.

- Abstract: We investigate the motivations behind product usage in categories characterized by frequent product updates and social interactions between users. The proposed approach builds on theoretical work on experiential products to define consumer utility as a function of intrinsic preferences, social interactions, the match of content with user experience, and future benefits. We empirically test our model using an individual data set from the online gaming industry on daily content consumption, product innovation, and group membership. The results show that usage of simpler features is primarily motivated by intrinsic preferences, while group interactions and future benefits of learning about the product are relatively more important to explain consumption of more complex content. We find that an early innovation schedule and lowering content complexity can motivate engagement in initial stages of the product lifecycle, while providing incentives to social interactions is useful to increase content consumption in later stages. Our approach can be used to optimize the schedule and content of new product updates.

PAPERS UNDER REVIEW:

The Company We Keep: Endogenous Network Formation and Peer Effects in Customer Churn
with Yijun Chen

- Abstract: Consumer social interactions are important built-in features in many connected products, from online video games to exercise bikes. The number of socially-connected products is growing. Social connections recovered from product use data are endogenous since connections get measured while peers interact with products. In other words, the recovered social ties are not independent from the outcomes a marketing analyst might be interested in, such as product use intensity or customer churn. For this reason, measuring causal peer effect, which is a managerially important metric, is challenging. This paper addresses the endogeneity in social connections in the empirical measurement of peer effect on customer churn. We first model the process of social network formation, which is based on observed consumer interactions during product use, and then model the consumers' choice to churn under peer influence. Modeling peer network formation allows us to recover the unobserved (to the researcher) individual-specific parameters that might both lead to the observed peer network structure and affect the decision to churn. The recovered latent individual-specific parameters correct for peer ties endogeneity in the peer effect model of churn. We apply the model to data from the popular massively-multiplayer online game 'World of Warcraft.' We find significant evidence of peer ties being explained by the latent characteristics

of gamers and strong evidence for gamers influencing each other's decisions to abandon the game. Based on our estimation results, we run counterfactual simulations to investigate how churn dynamics is affected by the structure of the peer network.

WORKING PAPERS:

Consumer Information Asymmetry in Online Product Reviews

- Abstract: Firms usually know the distribution of tastes and price sensitivities across the consumer population, or do their best to learn it. At the same time, individual consumers are unaware of this distribution. This constitutes an information asymmetry. This paper shows that when an individual makes a purchase decision using online consumer product reviews as her major source of information about the product quality, the lack of information about consumer heterogeneity does not allow her to correctly infer the true product quality from the reviews. The inferred product quality is systematically biased, and the bias depends on the consumer's characteristics. In the market with such information asymmetry, a strategic forward-looking firm is able to maximize its profits by setting the price to attract consumers who would give the product a high rating. This paper shows that the firm still earns higher profits if consumers are informed about the consumer heterogeneity distribution, i.e. in the market with no information asymmetry. The findings are in line with the empirical evidence that firms selling their products/services over the Internet (such as hotel booking web-sites) try to reduce the information asymmetry, for example, by disclosing the average product ratings by consumer types to their prospective customers.

WORK IN PROGRESS:

Advertising and Product Returns

with Peter Danaher and Bhoomija Ranjan

Leveraging the Predictive Power of Fashion Trendsetters

with Guangying Chen

TEACHING:

Text Mining (graduate, developed by me)

Spring 2018-present

Digital Marketing (MBA and undergraduate, developed by me)

Spring 2016-2018

Principles of Marketing (undergraduate)

Spring 2014, 2019

Seminar in Empirical Methods in Structural Modeling (doctoral level)

Spring 2015, 2017, 2018, 2020, 2022

CONFERENCE AND INVITED TALKS:

EMAC Annual Conference, Odense, Denmark, May 2023

ET Symposium for Canadian Marketing Strategy, Kingston, ON, May 2023 (discussant)

Marketing Dynamics Conference, Atlanta, GA, November 2022

Ohio State University, Fisher College of Business, November 2022

Bentley University, Waltham, MA, October 2022

University of Central Florida, Orlando, Florida, October 2022

Queen's University, Smith School of Business, Kingston, ON, September 2022
Quantitative Marketing and Economics Conference, Los Angeles, CA, October 2021 (discussant)
Management Science Workshop, Puerto Varas, Chile, January 2020 (accepted for presentation)
Monash University, Monash Business School, Melbourne, Australia, November 2019
Deakin University, Deakin Business School, Melbourne, Australia, November 2019
INFORMS Marketing Science Conference, Rome, Italy, June 2019*
Marketing Dynamics Conference, Baltimore, MD, June 2019
Washington University in St. Louis, Spring Seminar Series, May 2019
New Economic School, Moscow, Russia, September 2018
Summer Institute in Competitive Strategy (SICS), Berkeley, CA, June 2018*
Marketing Dynamics Conference, Hong Kong, August 2017
INFORMS Marketing Science Conference, Los Angeles, CA, June 2017
University of Missouri at Columbia Research Camp, Columbia, MO, April 2017
13th ZEW Conference on the Economics of Information and Communication Technologies, Mannheim, Germany, June 2015 (paper presenter and discussant)
Analytics Roundtable, Washington University in St. Louis, May 2015
Marketing Dynamics Conference, Las Vegas, NV, August 2014 (accepted for presentation)
Washington University in St. Louis, Spring Seminar Series, May 2014
Washington University in St. Louis, November 2012
Yale University, School of Management, October 2012
Northwestern University, Kellogg School of Management, October 2012
McGill University, October 2012
University of British Columbia, October 2012
Rice University, October 2012
Southern Methodist University, October 2012
Emory University, October 2012
Erasmus University, Department of Business Economics, September 2012
Tilburg University, September 2012
Summer Institute in Competitive Strategy (SICS), Berkeley, CA, June 2012*
INFORMS Marketing Science Conference, Boston, MA, June 2012
University of Rochester Seminar Series, October 2010
INFORMS Marketing Science Conference, Cologne, Germany, June 2010

* – presentation by a co-author

PHD ADVISING:

Bicheng Yang (dissertation committee member, initial placement: University of British Columbia)
Yijun Chen (dissertation committee member, initial placement: Imperial College London)
Fan Zhang (dissertation committee member, initial placement: Amazon)

AWARDS:

Teradata Data Challenge Competition Winner (faculty advisor), Las Vegas, NV, October 2018
AMA-Sheth Doctoral Consortium Fellow, Dallas-Fort Worth, TX, 2010
Institute on Computational Economics Fellow, University of Chicago, 2008
Doctoral Fellowship, Simon School of Business Administration, University of Rochester

IREX Russia-U.S. Young Leadership Fellow: Sponsored by the U.S. Department of State, 2001-2002

ACADEMIC SERVICE:

Ad hoc referee for Management Science, Marketing Science, Journal of Marketing Research, Alden G. Clayton Doctoral Dissertation Proposal Competition

CONFERENCE ORGANIZER:

Junior Scholars in Marketing Science - Faculty Development Forum, Washington University in St. Louis, 2019 and 2023