

Zirou Chen

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Rotman School of Management
University of Toronto
105 St. George Street, Toronto
ON M5S 3E6, Canada

Phone: +1 (416) 826-1720
Email: zirou.chen@rotman.utoronto.ca
Homepage: www.zirouchen.com
Status: Citizen@China & EAD@USA

Education

- 2020-Now Ph.D. Candidate in Marketing, University of Toronto
– Committee: Nitin Mehta (Chair), Matthew Osborne, Mengze Shi, Zachary Zhong
- 2015-2018 M.A. in Economics, University of Rochester
- 2011-2015 B.A. in Economics & B.S. in Mathematics, Wuhan University

Research Interests

Substantive: Economics of Digitization and AI, Media Consumption, Platform Strategy, Personalization
Methodological: Structural Modeling, Causal Inference, Game Theory, Experimental Methods

Job Market Paper

Competitive Gamification in Digital Consumption: Evidence from TikTok with Nitin Mehta and Matthew Osborne

Abstract: We study competition behavior among consumers and gamification design in digital consumption. Specifically, we focus on gifting behavior in the context of livestreaming. Leveraging real-time data from TikTok and high-frequency identification methods, we causally identify competitive motives in gifting behavior, besides showing appreciation. Competitive motive reflects the incentive to climb the leaderboard by out-gifting others, whereas showing appreciation only captures gifting tendency on popular content. Furthermore, the strength of the competitive motive depends on the intensity of the competition. When a consumer's score is substantially higher or lower than that of immediate competitors, the return from competing diminishes, reducing the incentive to gift competitively. We then build and estimate a continuous-time dynamic game model of consumers' gifting behavior. Our first counterfactual result reveals that competitive and appreciation motives account for 45% and 37% of total platform revenue, respectively. Our second and third counterfactuals take incentive design approaches on the leaderboard to manage competition intensity: (1) reducing the number of rewarded top ranks from three to two intensifies the competition among top-ranked consumers, increasing total revenue by 6.5%; and (2) revising the score rule to weigh recent gifting activity more heavily intensify the competition among all consumers, yielding a 45% increase in total revenue. Our findings underscore the role of competitive motives in driving engagement in digital consumption and highlight the importance of gamification design in optimizing platform revenue.

Working Papers

- Predictive Accuracy, Consumer Search, and Personalized Recommendation**
with Mengze Shi and Zachary Zhong
Invited for Resubmission to [Marketing Science](#)
- Product Relevance, Consumer Search, and Competition**
with Bing Jing and Mengze Shi
Invited for Resubmission to [Marketing Science](#)

3. **Preference for Diversity**
with Ying Zeng, Jiajia Liu, and Jingyi Lu
*Under Review at **Journal of Consumer Research***
4. Comparing Human-Only, AI-Assisted, and AI-Led Teams on Assessing Research Reproducibility in Quantitative Social Science, social science crowd-analysis with many coauthors
*Resubmitted to **Nature***

Work-In-Progress

1. Paid Subscription and Tipping on Live Streaming Platform
with Nitin Mehta and Clarice Zhao
2. Pricing Automation with Artificial Intelligence: Evidence from U.S. Retail Chains
with Carlos Estrada and Min Fang

Presentations

1. 2025/06 Summer Institute in Competitive Strategy, University of California, Berkeley*
2. 2025/06 INFORMS Marketing Science Conference, Washington D.C.*
3. 2024/03 TD MDAL Grant Research Roundtable
4. 2023/12 Conference on AI, ML, and Business Analytics, Temple University
5. 2023/06 INFORMS Marketing Science Conference, University of Miami
6. 2023/05 Empirical & Theoretical Symposium for Canadian Marketing Strategy, Queen's University
7. 2023/04 Marketing Brownbag, University of Toronto
8. 2022/04 Applied Theory Reading Group, University of Toronto
9. 2022/03 Marketing Brownbag, University of Toronto
10. 2021/09 Marketing Workshop, University of Toronto
11. 2021/06 INFORMS Marketing Science Conference, University of Rochester"
12. 2019/07 International Conference on Game Theory, Stony Brook University

* indicates "attending but a coauthor presented the paper" | "v" indicates "virtual"

Fellowships and Awards

1. 2025 ISMS Doctoral Consortium Fellow, Washington DC
2. 2024 Management Analytics Research Cluster Fund (\$7000), University of Toronto
3. 2023 TD MDAL Research Grant (\$4000), University of Toronto
4. 2023 ISMS Doctoral Consortium Fellow, Miami
5. 2022-2023 BEAR/BI-Org Ph.D. Research Grant (\$5000), University of Toronto
6. 2021-2022 BEAR/BI-Org Ph.D. Research Grant (\$2000), University of Toronto
7. 2020-2025 Rotman School of Management Fellowship, University of Toronto
8. 2018-2020 Wallis Institute Fellowship (\$25000), University of Rochester
9. 2015-2018 Graduate Fellowship, University of Rochester
10. 2011-2015 First Prize Undergraduate Scholarship (×4), Wuhan University

Research Experience

1. Research Assistant for Prof. Avi Goldfarb, University of Toronto, Fall 2021 - Spring 2022
2. Research Assistant for Prof. Mengze Shi, University of Toronto, Spring 2020 - Fall 2021
3. Research Assistant for Prof. Jeanine Miklós-Thal, University of Rochester, Spring 2019 - Spring 2020
4. Research Fellow, W. Allen Wallis Institute, University of Rochester, Fall 2018 - Spring 2020
5. Visiting Student, School of Management, Yale University, Summer 2019

Teaching Assistance

1. Introduction to Big Data Analysis (Master), University of Toronto, Fall 2022, Fall 2023
2. Prices and Markets (Master), University of Toronto, Fall 2022, Fall 2023
3. Principles of Marketing (Undergraduate), University of Toronto, Fall 2021
4. Quantitative Reasoning for Management (MBA), University of Toronto, Fall 2021
5. Pricing (MBA), University of Toronto, Summer 2021
6. Economics & Marketing Strategy (MBA), University of Rochester, Spring 2019
7. Marketing & Statistics (Undergraduate), University of Rochester, Spring 2019
8. Advanced Game Theory (PhD), University of Rochester, Spring 2018
9. Intermediate Microeconomics (Undergraduate), University of Rochester, Fall 2017

Miscellaneous

Languages: Chinese (native), English (fluent)

Computer Skills: Julia, R, Python, Stata, MATLAB, L^AT_EX

References

Nitin Mehta (Chair)

Ellison Professor of Marketing
Rotman School of Management
University of Toronto
E-mail: nitin.mehta@rotman.utoronto.ca
Phone: +1 (416) 978 4961

Matthew Osborne

Associate Professor of Marketing
Rotman School of Management
University of Toronto
E-mail: matthew.osborne@utoronto.ca
Phone: +1 (905) 569-5794

Mengze Shi

Yuk-Shee Chan Professor of Business
School of Business and Management
Hong Kong University of Science and Technology
E-mail: mengzeshi@ust.hk
Phone: +(852) 2358-7650

Zachary Zhong

Associate Professor of Marketing
Rotman School of Management
University of Toronto
E-mail: zachary.zhong@rotman.utoronto.ca
Phone: +1 (416) 946-3124

Selected Abstracts

Predictive Accuracy, Consumer Search, and Personalized Recommendation

with Mengze Shi and Zachary Zhong

Firms use predictive technology to attract and direct consumer search through personalized product recommendations. This paper examines the firm’s recommendation strategy by analyzing a key trade-off: accurate recommendations draw high-search-cost consumers into the search process (the “participation-drawing effect”) but may narrow the search intensity of moderate-search-cost consumers (the “search-narrowing effect”). When pricing is inflexible in response to environmental changes, the search-narrowing effect dominates in markets with intermediate predictive accuracy or limited search costs, leading firms to forgo recommendations despite their value in reducing search frictions. However, with pricing flexibility, the no-recommendation strategy is optimal only when both predictive accuracy and search costs are low. Flexible pricing enables firms to capture the surplus from accurate recommendations, strengthening the participation-drawing effect. It also shifts the firm’s strategic focus from managing search intensity to managing search participation, increasing the profitability of personalized recommendations. Our findings underscore the dual impacts of personalized recommendations on consumer search behavior and highlight the importance of pricing flexibility in optimizing recommendation strategies. This research provides actionable insights for firms leveraging predictive technologies in customer management.

Product Relevance, Consumer Search, and Competition

with Bing Jing and Mengze Shi

When consumers incur search costs to evaluate match, the product sampled first is more likely to make the sale. Product relevance (i.e., the probability of match) then becomes a source of competitive advantage because all else equal, consumers will first sample the product with greater relevance. We examine relevance and price competition in a duopoly. Interestingly, even when consumers have homogeneous search costs, the ex-ante symmetric firms choose different product relevance. The rationale is as follows. If the firms chose an identical relevance, the firm with even a slightly lower price would attract all consumers to first sample its product, intensifying price competition. Differentiation in relevance relaxes price rivalry, as a firm must undercut the competitor’s price by a sufficiently large amount to alter consumers’ search sequence. Moreover, relevance differentiation expands at low or high search costs but dwindles at intermediate search costs. When search costs are uniformly distributed, one firm chooses a greater relevance and a higher price than the other. Each product is prominent to a different segment of consumers: The consumers with relatively high (low) search costs first sample the product with greater (smaller) relevance.

Preference for Diversity

with Ying Zeng, Jiajia Liu, and Jingyi Lu

How do consumers navigate the ubiquitous competition? Prior research has focused on strategies that improve qualification factors that vertically differentiate consumers and determine competition outcomes (e.g., performance or exam scores). Our work uncovers another prevalent yet understudied strategy: diversification on alignment factors (e.g., constellation or token color), which horizontally differentiates consumers without affecting their relative rank. Eight preregistered experiments and a large-scale analysis on gifting decisions in TikTok Live consistently revealed diversification seeking in competitions: consumers prefer to diversify from their competitors, even when explicitly informed that alignment factors do not influence outcomes, when diversification is priced with a premium, and when diversification further disadvantages those already behind. Process evidence supports a motivated reasoning account of belief in obfuscation: when facing competitive disadvantage, consumers are motivated to believe that diversification reduces direct comparisons and obfuscates their disadvantages, thereby improving chances of winning. Consistently, diversification seeking attenuates when (1) competitive motives are weakened, (2) there are few or no competitive disadvantages to obscure, and (3) decisions are made for others (vs. oneself). This research contributes to the literature on consumer competition, motivated reasoning, and differentiation, while also making practical implications for practitioners and individual consumers in competitive contexts.