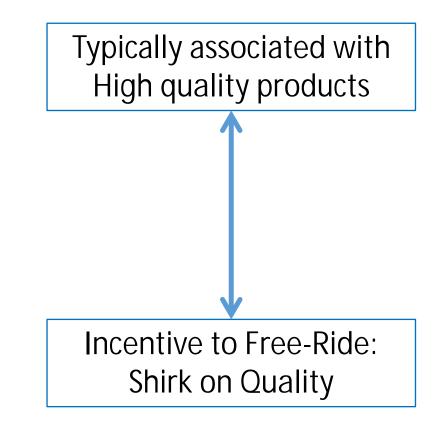
**Discussion of** 

# "The Benefit of Collective Reputation"

### Research Objective

- Common Phenomenon
  - Country of Origin (Watches/CH)
  - Region of Origin (Wine/Champagne, FR)
  - Franchises (Hotels/Holiday Inn)
  - Sharing Economy (Drivers/Uber)
- Collective Reputation
  - How does a collective reputation form?
  - When does it lead to higher quality?



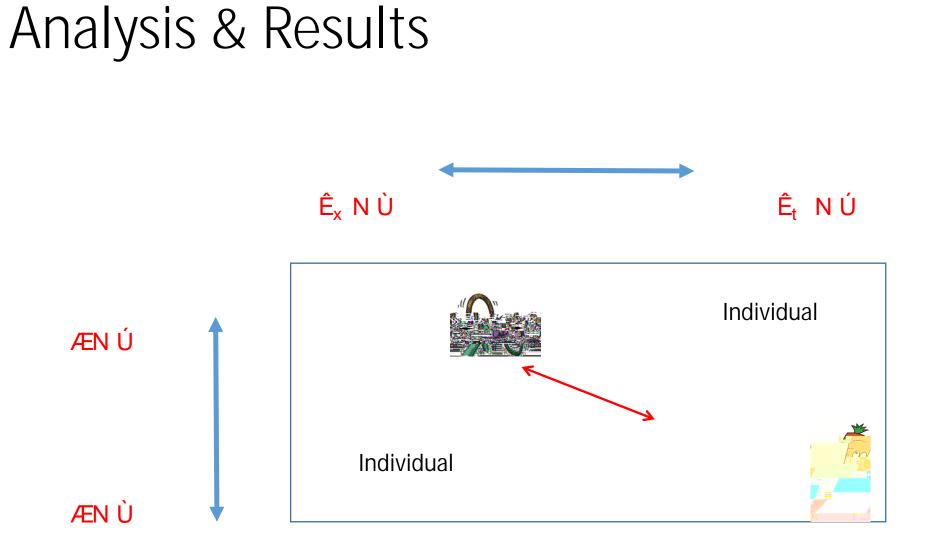
#### Theoretical Model Key Features

- Dynamics:
  - Short-run (t+1) versus long-run (t+2) benefits.

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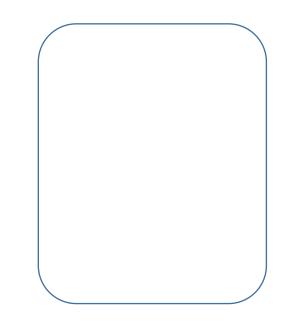
## Analysis & Results

- Analysis
  - Reputational Equilibrium
  - •



### Additional Results

- Arbitrarily Long Memory
  - Good for collectives
  - Help explains strength of older COO's
- Brand Formation
  - Collective branding attractive when ä N1
  - Sometimes include an incompetent firm!



#### Critical Comments Contribution

- Literature on "collective branding"
  - Co-branding
  - Umbrella branding
  - Guild branding
- Point of Departure
  - How do reputations form?
  - Careful treatment of reputation formation
- Relevance
  - Marketing: Should firms join?
  - Regulation: Does collective branding imply better quality?

Reputations as consumer beliefs

Reputations are already established

Critical Comments Going Forward: Period t+1

- Tedious reading (but worth it)
- Brand formation and profits
  - Nice start
  - Firm's decision to form/join collective: potentially informative?
  - Safer: COO labeling regulation avoids selection issue
- Positioning as an applied theory (subtle/more thought)

#### Critical Comments Going Forward: Period t+2

- Permeable reputations
  - Napa grapes in TX
  - Single malts from Banglore
- Heterogeneous priors (CA wine in Europe)