Panel Proposal: Explanatory vs. Predictive Modeling in eCommerce

The major focus of empirical eCommerce research has been explanatory. Some examples are:

- finding determinants of auction prices
- understanding relationships between online retailer characteristics and offer prices
- explaining the diffusion and non-diffusion of e-commerce among SMEs
- understanding the relationships between eCommerce investments and performance
- explaining attitudes towards online security and privacy
- understanding the antecedents and consequences of online trust
- explaining the impact of overlapping auctions

In contrast, there has been very little in the way of predictive modeling. One example is predicting the price of ongoing eBay auctions. Another is predicting future box-office sales based on online movie ratings. In some cases, although the goal of the research was predictive, e.g. predicting the adoption of a new online sales channel, the analysis adopted was in fact explanatory.

Explanatory and predictive goals are very different and require different modeling processes which often lead to different models. The panel will discuss reasons for the dominance of explanatory modeling in the field, the differences between the two tasks, the importance of identifying the research goal, and research possibilities in predictive modeling.