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EDUCATION

Ph.D.   **The Pennsylvania State University, University Park**   May 2017 (Expected)
Department of Supply Chain & Information Systems
Thesis: Essays on Product Returns in Closed-loop Supply Chain Setting
Advisors: V. Daniel R. Guide (Co-EIC of *JOM*), Margaret Meloy (University Endowed Fellow, Department of Marketing)

M.S.   **University of Michigan, Ann Arbor**   May 2012
Department of Industrial and Operations Engineering

M.B.A   **University of California, Riverside**   May 2010
Anderson Graduate School of Management

B.S.   **Central University of Finance and Economics, Beijing**   May 2008
School of Information

MANUSCRIPTS

Cheng, Y., B. Moritz, V.D.R. Guide. False failure returns: An experimental investigation of supply chain coordination. Under review at *Manufacturing & Service Operations Management*, Summer 2016.

Abstract: False failure returns are products with no functional or cosmetic defect that end consumers return to retailers. The cost of false failure returns is significant, and manufacturers incur most of the cost. Retailers can reduce false failure returns by working with consumers to understand their needs, recommending appropriate products, or assisting them with purchase or installation issues. Prior research has proposed that in such a setting, a target rebate contract can coordinate the supply chain and improve profits. We modify the contract model considering the conditionally optimal responses of a retailer to a proposed contract and test the performance of this contract in two experiments. While a range of contract parameters should equally coordinate the supply chain, we observe that manufacturers suffer from a midpoint bias effect when constructing target rebate contracts. We also show that inequality aversion tends to impact the retailer's behavior on exerting efforts because of consideration of the manufacturer's profit. Correspondingly, we suggest manufacturers consider the midpoint bias effect and use contracts with lower targets to generate higher profits.

MANUSCRIPTS (Continued)

Cheng, Y. 2007. Analysis of the current development situation and counter measure of ERP system in China. *Computer Applications and Software*, 24(10), 133-140.

WORKING PAPER

Cheng, Y., M. Meloy, V.D.R. Guide. 2016. Consumer perceptions of return policies. To be submitted to *Journal of Marketing*, Spring 2017.

Abstract: This study investigates consumer perceptions of return policies and the discount consumers require if a product carries a "No Return" policy. We test hypotheses in three experimental studies by using survey data collected from Mechanical Turk platform. First, we examine different forms of return policies, retailer return only, manufacturer return only and no return allowed. Consumers generally prefer a retailer return option (over a manufacturer return option) and dislike the no return option. In the second experiment, we introduce brand equity and examine whether perceptions of these return policies change by brand equity. Consumers require higher discounts with no return option than retailer/manufacturer return options when purchasing high brand equity products, because of the perceived purchase risk. However, for low brand equity products, consumers require lower discounts with no return option than manufacturer return option, because of the perceived sustainable concerns. In the last experiment, we reframe the question to test if consumers are willing to pay premiums to reinstate their ability to return products. Results show that consumers do not want to pay premiums and require even more discounts, so this strategy is not a good substitution for a product discount. We provide managerial insights for firms seeking to take advantage of "No Return" policies.

MANUSCRIPT IN PROGRESS

Cheng, Y., S. Bansal, V.D.R. Guide. Market segmentation using consumer return policies. To be submitted to *Manufacturing & Service Operations Management*, Spring 2017.

Abstract: This early-stage paper uses empirical research results from the Consumer Perception paper and develops an analytical model to determine the optimal return policies in the segmented markets. We propose to segment the market along two dimensions: values of products and values of return options. For instance, for low valuation consumers with certain demands, it might be optimal to offer a no return policy with a deeper price discount; for high valuation consumers with uncertain demands, it might be optimal to offer a lenient return policy with no discount.

CONFERENCE TALKS

Cheng, Y., M. Meloy, V.D.R. Guide. 2016. Consumer perceptions of return policies. To be presented at INFORMS 2016 Annual Conference, Nashville, TN, November 2016

Cheng, Y., B. Moritz, V.D.R. Guide. False failure returns: An experimental investigation. Presented at The 9th International Annual Conference of the Chinese Scholars Association for Management Science and Engineering (CSAME), China, July 2016

Cheng, Y., B. Moritz, V.D.R. Guide. Managerial insights of false failure returns. Presented at POMS 2016 Annual Conference, Orlando, FL, May 2016

Cheng, Y., B. Moritz, V.D.R. Guide. Experimental investigation of false failure returns. Presented at INFORMS 2015 Annual Conference, Philadelphia, PA, November 2015

Cheng, Y., B. Moritz, V.D.R. Guide. Introduction of false failure returns. Presented at POMS 2015 Annual Conference, Washington, DC, May 2015

RESEARCH PROJECTS

Product Service System related research	PSU	Nov.-Feb. 2013
A Decomposition Strategy for Designing Sustainable Supply Chain	UMAA	Jan.-May. 2012
Inventory Analysis and Control, Course project	UMAA	Sep.-Dec. 2011
SAP System Application in China review	CUFE	Jun.-Aug. 2009
The Trust Model of E-Business and IT- Application in Enterprise	CUFE	Jan.- Sep. 2007

TEACHING EXPERIENCE

SCM 404 Demand Fulfillment	Instructor (SRTE: 6.0 out of 7)	PSU	Fall 2015
BUS 100 Business Communications	Teaching Assistant	UCR	Jan. 2009-Jun. 2010

TECHNICAL SKILLS

Programming Languages: z-Tree, Qualtrics, SPSS, SAS, MATLAB, LATEX, Visual Basic

HONORS AND AWARDS

The Frank P. and Mary Jean Smeal Endowment Fund Scholarship	PSU	2012 -2016
Smeal Small Research Grants	PSU	2014, 2015
Smeal Summer Research Funding	PSU	2013, 2014
Outstanding Scholarship (Merit Awards, Professional Fee)	UCR	2008 -2010
Second-Prize Outstanding Scholarship	CUFE	2005, 2006
Second Prize in Social Practice	CUFE	2005, 2006

WORK EXPERIENCE

Technical Translator   Roush & Global Optimal LLC,   Summer 2011
Shanghai
- Translate patents of OPOC engine designed by EcoMotors
- Attend schedule meetings of engine design
- Work as a translator with foreign engineers

SAP Operator in Logistics   Siemens Industrial Automation   Summer 2009
Department   Ltd., Shanghai
- Airway Bill data update (word file)
- Goods Arrival: receive the goods in SAP system
- Transfer Posting: transfer goods to other locations in SAP system
- Material Movement Report: summarize goods delivery operations in SAP and related written files

REFERENCES

V. Daniel R. Guide, Jr.
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Co-EIC, *Journal of Operations Management*
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