Sticky Content and the Structure of the Web

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Workshop on the Economics of Networks, Systems, and Computation July 7, 2009

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What is "sticky content"?

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What is "sticky content"?

Sticky content is....

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What is "sticky content"?

Sticky content is website content which induces return traffic.

Sticky content is website content which induces return traffic and holds user attention.

news/weather updates

- news/weather updates
- horoscopes

- news/weather updates
- horoscopes
- webmail

- news/weather updates
- horoscopes
- webmail
- online games

Sticky content is website content which induces return traffic and holds user attention.

- news/weather updates
- horoscopes
- webmail
- online games

Observation

Sticky content is prevalent on the internet.

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Observation

Sticky content is prevalent on commercial sites/portals.

Sticky content is website content which induces return traffic and holds user attention.

- news/weather updates
- horoscopes
- webmail
- online games

Observation

Sticky content is prevalent on commercial sites/portals.

Why study sticky content?

Observation

Sticky content is prevalent on commercial sites/portals.

Observation

Sticky content is prevalent on commercial sites/portals.

Observation

Sticky content is prevalent on commercial sites/portals.

Moreover...

• Sticky content has received little attention

Why study sticky content?



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Why study sticky content?



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Observation

Sticky content is prevalent on commercial sites/portals.

Moreover...

• Sticky content has received little attention

Observation

Sticky content is prevalent on commercial sites/portals.

Moreover...

• Sticky content has received very little attention

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Observation

Sticky content is prevalent on commercial sites/portals.

- Sticky content has received very little attention
- Sticky content may be universally beneficial

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Sticky content is prevalent on commercial sites/portals.

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 - for content providers

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 - for consumers

Observation

Sticky content is prevalent on commercial sites/portals.

- Sticky content has received very little attention
- Sticky content may be universally beneficial
 - for content providers (marketers believe)
 - for consumers (conjectural)

Attracting vs. Entrapping

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Recall our examples of sticky content:

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- news/weather updates
- horoscopes
- webmail
- online games

Recall our examples of sticky content:

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- online games

Question

Which of these do you use daily?

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Question

Which of these do you use daily? Hourly?

Recall our examples of sticky content:

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Recall our examples of sticky content:

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Definitions

Recall our examples of sticky content:

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Definitions Attracting sticky content

Recall our examples of sticky content:

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Definitions Attracting sticky content – attracts

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Definitions

Attracting sticky content – attracts Entrapping sticky content

Recall our examples of sticky content:

- news/weather updates
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Definitions

Attracting sticky content – attracts Entrapping sticky content – attracts AND entraps

We will...

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We will...

Model sticky content

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- Model sticky content
 - Based upon Katona and Sarvary (2009)

- Model sticky content
 - Based upon Katona and Sarvary (2009)
- Discuss effects of sticky content

- Model sticky content
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 - Attracting

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 - Entrapping

- Model sticky content
 - Based upon Katona and Sarvary (2009)
- Discuss effects of sticky content
 - Attracting
 - Entrapping
- Conclude

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Two parties of interest

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Two parties of interest

• Content providers ("sites")

Two parties of interest

- Content providers ("sites")
- Consumers

Two parties of interest

- Content providers ("sites") finitely many, n
- Consumers

Two parties of interest

- Content providers ("sites") finitely many, n
- Consumers measure 1

The Model



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• commercial content parameter $c_i \in [0, 1]$

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• commercial content parameter $c_i \in [0, 1]$ (sale value)

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- commercial content parameter $c_i \in [0, 1]$ (sale value)
- sticky content parameter s_i



- commercial content parameter $c_i \in [0, 1]$ (sale value)
- sticky content parameter s_i

...and links

Sites

Parameters...

- commercial content parameter $c_i \in [0, 1]$ (sale value)
- sticky content parameter s_i

...and links

sold in a market

Sites

Parameters...

- commercial content parameter $c_i \in [0, 1]$ (sale value)
- sticky content parameter s_i

...and links

- sold in a market
 - $q_i :=$ per-click price of a link from site i

Sites

Parameters...

- commercial content parameter $c_i \in [0, 1]$ (sale value)
- sticky content parameter s_i

...and links

- sold in a market
 - $q_i :=$ per-click price of a link from site $i \left(\frac{\partial q_i}{\partial c_i} > 0 \right)$

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Measure 1 of consumers

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Measure 1 of consumers browse the web

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Measure 1 of consumers browse the web

Question

How can we track consumer traffic?

Measure 1 of consumers browse the web

Question *How can we track consumer traffic?*

Answer PageRank!

Measure 1 of consumers browse the web

Question How can we track consumer traffic?

Answer PageRank!

Measure 1 of consumers randomly walk the web

Question How can we track consumer traffic?

Answer PageRank!

Measure 1 of consumers randomly walk the web

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Measure 1 of consumers randomly walk the web, buying content from the sites they visit

Consumers

Measure 1 of consumers randomly walk the web, buying content from the sites they visit with probability 1

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• Starting distribution depends on stickiness:

Measure 1 of consumers randomly walk the web, buying content from the sites they visit with probability 1

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$$r^{(0)} = \left(\frac{s_1}{S}, \ldots, \frac{s_n}{S}\right),$$

Measure 1 of consumers randomly walk the web, buying content from the sites they visit with probability 1

• Starting distribution depends on stickiness:

$$r^{(0)}=\left(\frac{s_1}{S},\ldots,\frac{s_n}{S}\right),$$

where $S = \sum_{i=1}^{n} s_i$.

Measure 1 of consumers randomly walk the web, buying content from the sites they visit with probability 1

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$$M_{ij} = \begin{cases} \frac{1}{d_i^{\text{out}}+1} & i = j, \\ \frac{1}{d_i^{\text{out}}+1} & i \to j, \\ 0 & i \neq j. \end{cases}$$

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•
$$r^{(t+1)} = \delta \cdot r^{(t)} \cdot M + (1-\delta) \cdot r^{(0)}$$

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• In the case $s_i \equiv s$

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• In the case
$$s_i \equiv s$$
, $r^{(0)} = \left(\frac{1}{n}, \dots, \frac{1}{n}\right)$.

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- In the case $s_i \equiv s$, $r^{(0)} = \left(\frac{1}{n}, \dots, \frac{1}{n}\right)$.
- We recover the model of Katona and Sarvary (*Marketing Science*, 2009).

Results Attracting Sticky Content

Equilibrium Results

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Proposition

Set of network equilibria is independent of sticky content distribution.

Proposition

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Corollary

In equilibrium, out-degree weakly decreases in c_i.

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Corollary

In equilibrium, in-degree and limit traffic increase in c_i.

Results Attracting Sticky Content

Equilibrium Results

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Corollary

Attracting sticky content is strictly beneficial for sites.

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Attracting sticky content is strictly beneficial for sites.

And now for something...

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Corollary

Attracting sticky content is strictly beneficial for sites.

And now for something...

...surprisingly different.

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Measure 1 of consumers randomly walk the web, buying content from the sites they visit with probability 1

• Starting distribution depends on stickiness:

$$r^{(0)}=\left(\frac{s_1}{S},\ldots,\frac{s_n}{S}\right),$$

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$$M'_{ij} = \begin{cases} \frac{s_i}{d_i^{\text{out}} + s_i} & i = j, \\ \frac{1}{d_i^{\text{out}} + s_i} & i \to j, \\ 0 & i \not\to j. \end{cases}$$

•
$$r^{(t+1)} = \delta \cdot r^{(t)} \cdot M' + (1-\delta) \cdot r^{(0)}$$

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• In the case $s_i \equiv 1$

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• In the case
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• In the case $s_i \equiv 1$, $r^{(0)} = \left(\frac{1}{n}, \ldots, \frac{1}{n}\right)$ and M' = M.

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- In the case $s_i \equiv 1$, $r^{(0)} = \left(\frac{1}{n}, \dots, \frac{1}{n}\right)$ and M' = M.
- We again recover the model of Katona and Sarvary (2009) as a special case.

- In the case $s_i \equiv 1$, $r^{(0)} = \left(\frac{1}{n}, \ldots, \frac{1}{n}\right)$ and M' = M.
- We again recover the model of Katona and Sarvary (2009) as a special case.
- However, we do not recover any other cases of the attracting content model.

Results Entrapping Sticky Content



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Key Result

If s_i^* is site *i*'s optimal level of entrapping sticky content...

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If s_i^* is site *i*'s optimal level of entrapping sticky content...

Proposition

We have
$$\frac{\partial s_i^*}{\partial c_i} > 0$$
.

If s_i^* is site *i*'s optimal level of entrapping sticky content and $R_i := \sum_{j \to i} \frac{r_j}{S(d_j^{\text{out}} + s_j)}$

If s_i^* is site *i*'s optimal level of entrapping sticky content and $R_i := \sum_{j \to i} \frac{r_j}{S(d_j^{\text{out}} + s_j)}$ $(r_j = \lim_{t \to \infty} r_j^{(t)})$

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Proposition

•
$$s_i^*$$
 is well-defined when $R_i \leq \frac{(d_i^{\text{out}})^2}{S}$.

If s_i^* is site *i*'s optimal level of entrapping sticky content and $R_i := \sum_{j \to i} \frac{r_j}{S(d_j^{\text{out}} + s_j)}$ $(r_j = \lim_{t \to \infty} r_j^{(t)})$

Proposition

\$s_i^*\$ is well-defined when \$R_i \le \frac{(d_i^{\text{out}})^2}{S}\$.
 For any \$i\$ such that \$R_i \le \frac{(d_i^{\text{out}})^2}{S}\$, we have \$\frac{\partial s_i^*}{\partial c_i} > 0\$.

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If s_i^* is site *i*'s optimal level of entrapping sticky content and $R_i := \sum_{j \to i} \frac{r_j}{S(d_j^{\text{out}} + s_j)}$ $(r_j = \lim_{t \to \infty} r_j^{(t)})$

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Proposition

For $R_i < \frac{(d_i^{out})^2}{S}$ sufficiently large, site *i* would prefer not to have entrapping sticky content.

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If s_i^* is site *i*'s optimal level of entrapping sticky content and $R_i := \sum_{j \to i} \frac{r_j}{S(d_j^{\text{out}} + s_j)}$ $(r_j = \lim_{t \to \infty} r_j^{(t)})$

Proposition

For $R_i < \frac{(d_i^{out})^2}{S}$ sufficiently large, site *i* would prefer not to have entrapping sticky content.

• This is different from the result for *attracting* content!

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If s_i^* is site *i*'s optimal level of entrapping sticky content and $R_i := \sum_{j \to i} \frac{r_j}{S(d_j^{\text{out}} + s_j)}$ $(r_j = \lim_{t \to \infty} r_j^{(t)})$

Proposition

For $R_i < \frac{(d_i^{out})^2}{S}$ sufficiently large, site *i* would prefer not to have entrapping sticky content.

• This is different from the result for *attracting* content!

• But notice that this is an *ex post* comparative static....

If s_i^* is site *i*'s optimal level of entrapping sticky content and $R_i := \sum_{j \to i} \frac{r_j}{S(d_j^{\text{out}} + s_j)}$ $(r_j = \lim_{t \to \infty} r_j^{(t)})$

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Proposition

For $R_i < \frac{(d_i^{out})^2}{S}$ sufficiently large, site *i* would prefer not to have entrapping sticky content.

• This implies endogenous business model specialization

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Proposition

For $R_i < \frac{(d_i^{out})^2}{S}$ sufficiently large, site *i* would prefer not to have entrapping sticky content.

• This implies endogenous business model specialization

• Entrapping content \iff Little inlink traffic

Conclusion

Summary of Results

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Summary of Results

• attracting sticky content is always desired

Summary of Results

- attracting sticky content is always desired
- entrapping sticky content is sometimes desired

Summary of Results

- attracting sticky content is always desired
- entrapping sticky content is sometimes desired

... by site owners

- attracting sticky content is always desired
- entrapping sticky content is sometimes desired

... by site owners

- attracting sticky content is always desired
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• What about consumers?

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- What about consumers?
- Effects on Price Levels

- What about consumers?
- Effects on Price Levels
 Can we sign \frac{\partial q_i}{\partial s_i}?

- What about consumers?
- Effects on Price Levels
 Can we sign ∂q_i/∂s_i?
- Reference Links

- What about consumers?
- Effects on Price Levels
 - Can we sign $\frac{\partial q_i}{\partial s_i}$?
- Reference Links
 - Addressed briefly by Katona and Sarvary (2009)

- What about consumers?
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 - Can we sign $\frac{\partial q_i}{\partial s_i}$?
- Reference Links
 - Addressed briefly by Katona and Sarvary (2009)
- Non-commercial sites?

- What about consumers?
- Effects on Price Levels
 - Can we sign $\frac{\partial q_i}{\partial s_i}$?
- Reference Links
 - Addressed briefly by Katona and Sarvary (2009)
- Non-commercial sites?
- Update the Wikipedia page?

Questions?

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