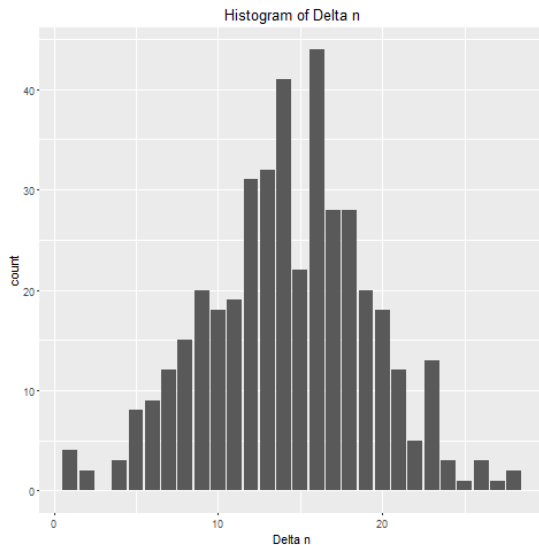# Bundling in Ecommerce a Case Study of the DSLX Camera Market

Xin Chen and Zemin Zachary Zhong
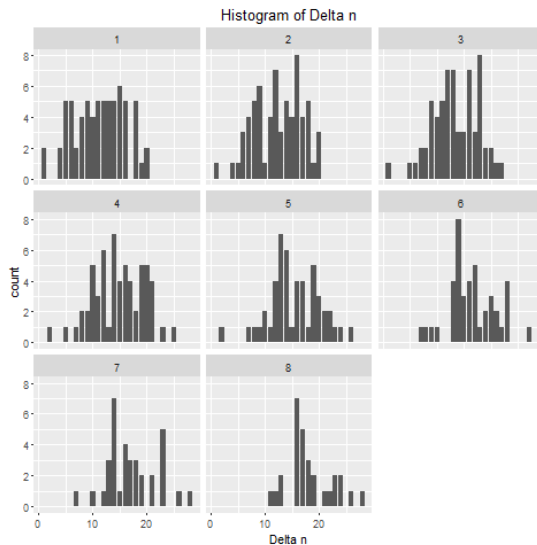
University of California – Berkeley

Mar. 30, 2016
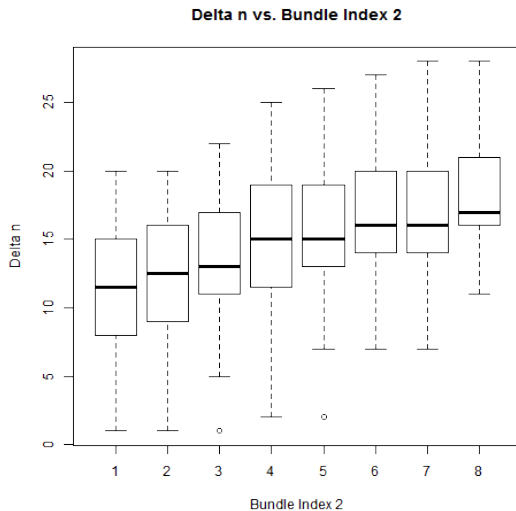
Relative to Bundle 0

Histogram of Delta n

Relative to Bundle 0

Histogram of Delta n

Relative to Bundle 0

Delta n vs. Bundle Index 2

Relative to Bundle 0

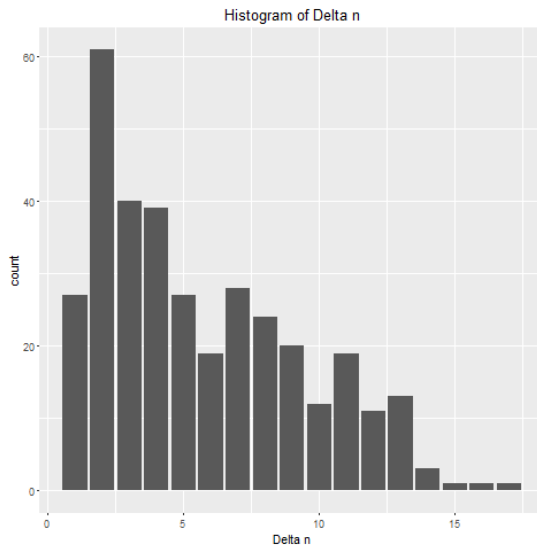2 column histogram of prem rel b0
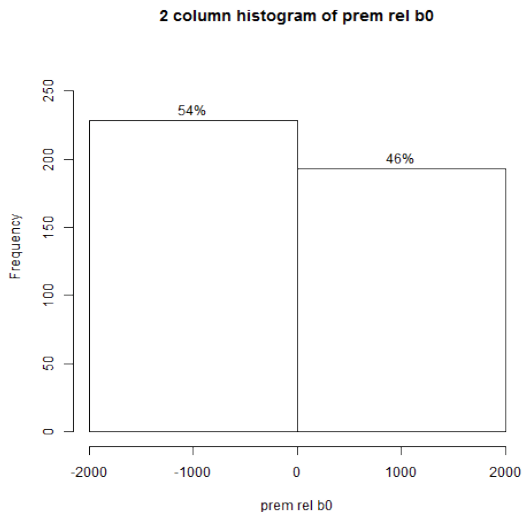
Relative to Bundle 1

Pause and think

Is it really the case that only half has positive premium?

Pause and think

Is it really the case that only half has positive premium?
Issue: Huge measurement error in street price of accessories

Pause and think

Is it really the case that only half has positive premium?
Issue: Huge measurement error in street price of accessories
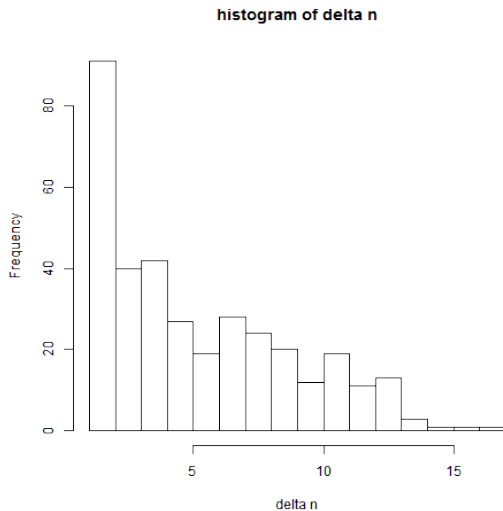Now we switch to a different reference point

Pause and think

Is it really the case that only half has positive premium?
Issue: Huge measurement error in street price of accessories
Now we switch to a different reference point
Bundle 1

Relative to Bundle 1
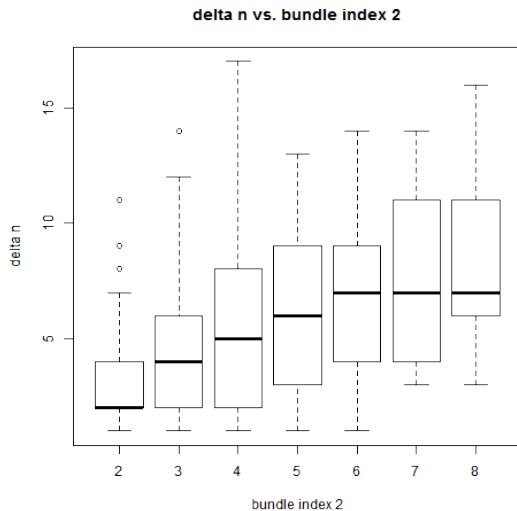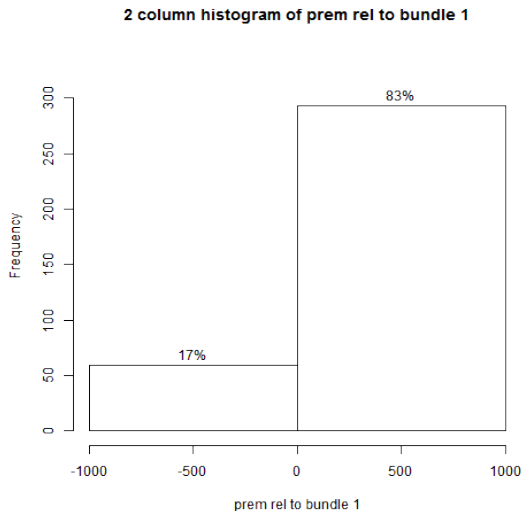
histogram of delta n

Relative to Bundle 1

delta n vs. bundle index 2

Relative to Bundle 1

2 column histogram of prem rel to bundle 1

Relative to Bundle 1

histogram of prem rel to bundle 1

Relative to Bundle 1

histogram of prem rel to bundle 1

Relative to Bundle 1

Premium rel to bundle 1 vs. bundle index

Relative to Bundle 1

Premium rel to bundle 1 vs. delta n
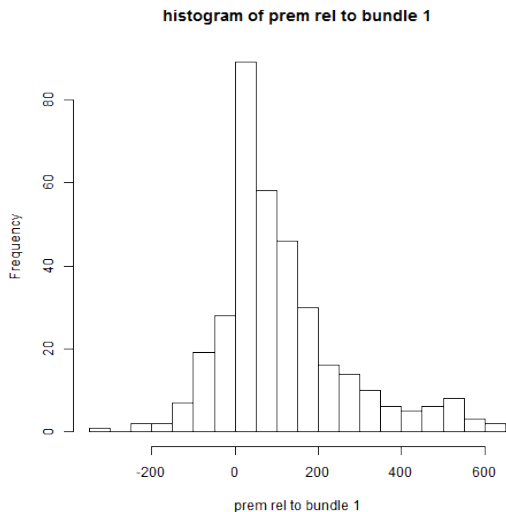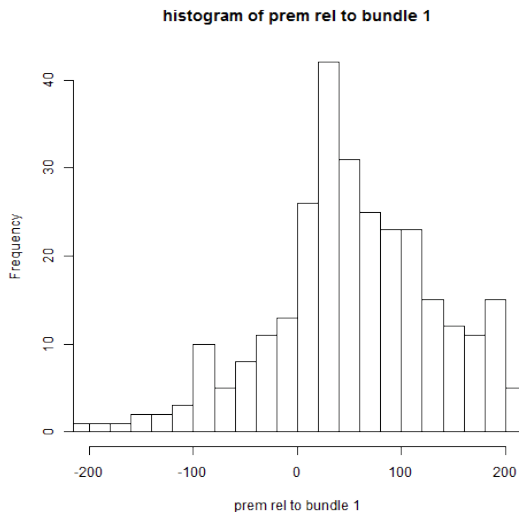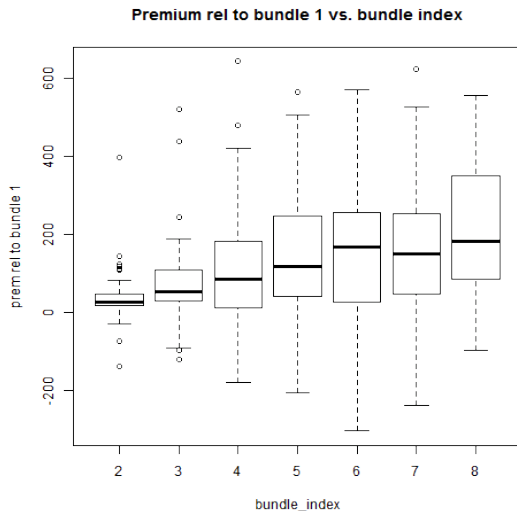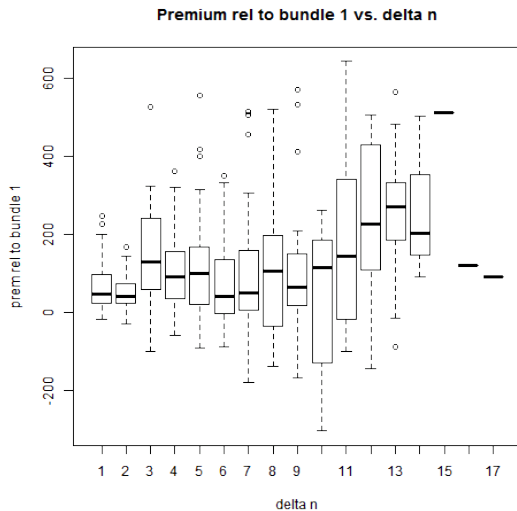
Regression

First Attempt

VARIABLES	(1) premrel	(2) premrel	(3) premrel	(4) premrel
diff	16.48***	15.79***	14.62***	12.29**
	(4.319)	(4.645)	(5.183)	(5.474)
cc		14.29	16.43	19.17
		(14.58)	(15.43)	(15.41)
uv			35.26	36.02
			(50.27)	(49.84)
xb				36.19
				(47.88)
Constant	18.22	9.862	6.113	5.997
	(24.30)	(21.62)	(21.12)	(21.35)
Observations	352	352	352	352
R-squared	0.132	0.133	0.137	0.141
Number of item_id	67	67	67	67

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Regression

Modification of First Attempt

VARIABLES	(1) premrel	(2) premrel
diff	-12.04**	-17.53***
	(5.701)	(6.413)
bundle_index2	41.67***	43.17***
	(4.671)	(4.798)
cc	34.86**	40.85***
	(13.85)	(13.90)
uv	88.87*	92.27**
	(45.91)	(45.18)
xb		70.41
		(47.25)
Constant	-58.23***	-60.78***
	(21.47)	(21.99)
Observations	352	352
R-squared	0.338	0.354
Number of item_id	67	67

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Regression

Verifying Assumption

VARIABLES	(1) bundle_index2	(2) bundle_index2	(3) bundle_index2
diff	0.597***	0.640***	0.691***
	(0.0360)	(0.0403)	(0.0574)
cc	-0.364**	-0.442***	-0.502***
	(0.154)	(0.154)	(0.169)
uv		-1.286***	-1.303***
		(0.377)	(0.378)
xb			-0.792**
			(0.380)
Constant	1.407***	1.544***	1.547***
	(0.190)	(0.178)	(0.176)
Observations	352	352	352
R-squared	0.576	0.592	0.599
Number of item_id	67	67	67

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1