

H. TAI LAM

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RESEARCH FIELDS

Primary: **Industrial Organization** Secondary: **Applied Microeconomics**

Consumer search; platform competition; antitrust; e-commerce; demand estimation

EDUCATION

Ph.D., Economics, Northwestern University 2022 (anticipated)

Dissertation: "Platform Search Design"

Committee: Prof. Robert Porter (Chair), Prof. Mar Reguant, Prof. Gaston Illanes, Prof. Vivek Bhattacharya

B.A. in Economics (Honours), University of New South Wales, Australia 2011

JOB MARKET PAPER

"Platform Search Design and Market Power"

Online retail platforms choose the subset of products that consumers see when they search, and consequently which customers the sellers on the platform can access. I develop a model of consumer search over product arrangements, and of firm pricing, to quantify this 'gatekeeper' market power that affects the ability of third-party sellers to reach customers. Products sold by the platform owner may be placed in better positions than those from third-party sellers. I show that consumer and seller outcomes are affected by this choice. The model yields structural consideration set probabilities that arise from search cost primitives and it is compatible with demand estimation using aggregate market shares. I estimate the model on Amazon data and show that not accounting for search and product arrangement leads to biased price elasticities. I consider counterfactual rules for arranging products, including an 'impartial gatekeeper' that randomizes the position of products in search results. This rule reduces Amazon's market power and increases that of third-party sellers, but it also reduces consumer welfare slightly, suggesting that the current arrangement of products is comparatively beneficial to consumers. I also consider the effect of vertical divestiture (i.e., preventing the platform owner from also being a seller) and show that it increases third-party seller profits, but reduces consumer welfare. An intermediate proposal, splitting the platform into an Amazon side and a third-party side, could alleviate the competitive barrier on third-party sellers without harming consumer welfare.

WORK IN PROGRESS

"Separating Equilibrium in Platforms Competing over Search Design"

Competing retail platforms (such as Amazon and eBay) choose different ways of arranging the products shown to consumers. Why does this occur, and is there an optimal arrangement of products? I propose a model of consumer search to model a retail platform's incentives to arrange products. I show that a monopoly platform may obfuscate search in equilibrium, using product arrangement to extract surplus from participants. However, under competing duopoly platforms, I show that pooling and separating equilibria are possible. Notably, there is a separating equilibrium where one platform groups similar products under intense price competition and the other platform does not, mirroring the observed search designs of Amazon and eBay. The two platforms use search design to

discriminate between consumers with different search costs. High search cost consumers prefer the platform that groups products as this minimizes searching, while low search cost consumers prefer the other platform since they can benefit from considering a wider range of products. The resulting pricing on each platform exhibits different dispersion that supports the separating equilibrium.

TEACHING EXPERIENCE

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|---|-------------|
| Teaching Assistant – <i>Northwestern University</i> | 2017 - 2020 |
| <ul style="list-style-type: none"> UG level: Industrial Economics; Behavioral Economics; Health Care Economics; Intermediate Micro | |
| Teaching Assistant – <i>University of New South Wales</i> | 2011 |
| <ul style="list-style-type: none"> UG level: Intermediate Micro; Behavioral Economics | |

WORK EXPERIENCE

- | | |
|---|---------------------|
| Research Assistant to Prof. Robert Porter , Northwestern University | Winter 2021 |
| Research Assistant to Prof. Vivek Bhattacharya , Northwestern University | 2018 - 2019 |
| Senior Analyst – Reserve Bank of Australia | Feb 2012 - Aug 2016 |
| <ul style="list-style-type: none"> Two-sided platform regulation; modeling of mortgage defaults in securitization vehicles | |
| Intern – Australian Government Department of the Treasury | Jan 2011 |
| <ul style="list-style-type: none"> Tax incidence and tax salience | |

INVITED PRESENTATIONS & CONFERENCES

- | | |
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| UCLA Anderson Marketing Seminar Series | Oct 2021 |
| Stanford GSB Marketing Seminar Series | Sept 2021 |
| Lear Competition Festival – Young Talent Competition Finalist | June 2021 |

SCHOLARSHIPS, GRANTS & AWARDS

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| Northwestern University Graduate Dissertation Year Fellowship | 2021 |
| Reserve Bank of Australia Study Grant | 2017 |
| Others: Reserve Bank of Australia Cadetship Award 2011; NSW Treasury Honours Scholarship 2011; UNSW Experimental Small Projects Grant 2011 | |

SKILLS

- R, SQL, Mathematica, Linux, Python, STATA, LaTeX

REFERENCES

Robert Porter

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