MIS7420

Seminar in Management Information Systems: Paper Replication with R

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1 Data Cleaning Process

In this section, we present our codes for data cleaning and panel data preparation. Package `dplyr` Wickham et al. (2015), `haven` Wickham and Miller (2018), `sqldf` Grothendieck (2017), `zoo` Zeileis and Grothendieck (2005), `plm` Croissant et al. (2008), are used in this process.

Notice that the provided data only contain users' browsing transactions with purchase. When we apply search engine filter on reference domain, besides google.com, yahoo.com, bing.com, some other search engines (msn.com, aol.com, live.com, mywebsearch.com) and five vendors (amazon.com, staples.com, dell.com, walmart.com, bestbuy.com) are also involved. For product categories, we only consider those sold at Circuit City and exclude three other types (Business machines, Office furniture, Office supplies).

For `CCStorePresent`, its value is the same as `Store_Close_Status` in original data. And we set `AfterStoreClosing` to 0 if the time of user transaction is before November, 2008 and 1 otherwise. For `BBStorePresent`, we set it as 1 for user transactions if there's any Best Buy stores around user's location and 0 otherwise, using the `bestbuyzipcodes_sample` dataset. `NoReferringDomain` is the variable we construct if the user directly came to the target website without any referring domain. And `ReferringDomainIsSearchEngine` is the variable we construct if the user was referred by search engine to the target website.

Finally, two panel data are constructed by concatenating `sales_allotherzipcode` with `sales_ccity0mile` and `sales_ccity5mile`. After the concatenation and aggregation, we found that the built panel data are unbalanced, in a sense that, for instance, `zip_code` 75080 only has 2 records, instead of 24 (2 years). It happens because (a) the provided data are a small sample from the whole original one; (b) the original data might not cover the full 2 years period. Unbalanced panel data has been studied by many researchers Baltagi and Song (2006), like unbalanced seemingly unrelated regression McDowell (2004). Here we adopt a naive solution: we impute the missing values for one `zip_code` by averaging those non-missing values of this `zip_code`.

```r
# load library
library('dplyr')
library('haven')
library('sqldf')
library('zoo')
library('plm')
library('stargazer')

# all data path
bb_zipcode_path <- 'data/bestbuyzipcodes_sample.sas7bdat'
sales_allother_zipcode_path <- 'data/sales_allotherzipcode_sample.sas7bdat'
sales_cc_0mile_path <- 'data/sales_ccity0milezipcode_sample.sas7bdat'
sales_cc_5miles_path <- 'data/sales_ccity5milezipcode_sample.sas7bdat'

# load data
bb_zipcode <- read_sas(bb_zipcode_path)
sales_allother_zipcode <- read_sas(sales_allother_zipcode_path)
sales_cc_0mile <- read_sas(sales_cc_0mile_path)
sales_cc_5miles <- read_sas(sales_cc_5miles_path)

# Data Mapping
sales_allother_zipcode$Store_Close_Status <- 0 # NaN means no CC in 5-miles radius, we change NaN to 0

# Exclude Data without purchase
# All data should be with purchase -> tran_flg == 1
```

```
sales_allother_zipcode <- sales_allother_zipcode[sales_allother_zipcode$tran_flg == 1,]
sales_cc_0mile <- sales_cc_0mile[sales_cc_0mile$tran_flg == 1,]
sales_cc_5miles <- sales_cc_5miles[sales_cc_5miles$tran_flg == 1,]

# Filter Referring Domain

# groupby ref_domain and count
groupby_ref_domain_result <- aggregate(machine_id ~ ref_domain_name, rbind(sales_allother_zipcode, sales_cc_0mile, sales_cc_5miles), FUN = "length"
      )
groupby_ref_domain_result <- groupby_ref_domain_result[order(-groupby_ref_domain_result$machine_id), ]
# we identify some search engines
search_engine_to_consider1 <- c("GOOGLE.COM", "YAHOO.COM", "google.com", "yahoo.com",
                            "MSN.COM", "msn.com", "aol.com", "AOL.COM", "LIVE.COM", "live.com",
                            "MYWEBSEARCH.COM", "ASK.COM", "MYWAY.COM", "mywebsearch.com",
                            "ask.com", "YAHOO.NET", "BIZRATE.COM", "bizrate.com",
                            "amazon.com", "staples.com", "dell.com", "walmart.com", "bestbuy.com",
                            "AMAZON.COM", "STAPLES.COM", "DELL.COM", "WALMART.COM", "BESTBUY.COM")

search_engine_to_consider2 <- c("GOOGLE.COM", "YAHOO.COM", "BING.COM", "google.com", "yahoo.com", "bing.com")

ref_domain_to_consider1 <- c("", "GOOGLE.COM", "YAHOO.COM", "google.com", "yahoo.com",
                            "MSN.COM", "msn.com", "aol.com", "AOL.COM", "LIVE.COM", "live.com",
                            "MYWEBSEARCH.COM", "ASK.COM", "MYWAY.COM", "mywebsearch.com",
                            "ask.com", "YAHOO.NET", "BIZRATE.COM", "bizrate.com",
                            "amazon.com", "staples.com", "dell.com", "walmart.com", "bestbuy.com",
                            "AMAZON.COM", "STAPLES.COM", "DELL.COM", "WALMART.COM", "BESTBUY.COM")

ref_domain_to_consider2 <- c("", "GOOGLE.COM", "YAHOO.COM", "BING.COM", "google.com", "yahoo.com", "bing.com")

# Then we filter data by refer domain name
sales_allother_zipcode <- sales_allother_zipcode[(sales_allother_zipcode$ref_domain_name %in% ref_domain_to_consider1),]
sales_cc_0mile <- sales_cc_0mile[(sales_cc_0mile$ref_domain_name %in% ref_domain_to_consider1),]
sales_cc_5miles <- sales_cc_5miles[(sales_cc_5miles$ref_domain_name %in% ref_domain_to_consider1),]

# Filter Target Domain Name
groupby_target_domain_result <- aggregate(machine_id ~ domain_name, rbind(sales_allother_zipcode, sales_cc_5miles), FUN = "length")
groupby_target_domain_result <- groupby_target_domain_result[order(-groupby_target_domain_result$machine_id), ]
five_target_domain_to_consider <- c("amazon.com", "staples.com", "dell.com", "walmart.com", "bestbuy.com")
two_target_domain_to_consider <- c("amazon.com","bestbuy.com")

# we can choose what filter to apply
sales_allother_zipcode <- sales_allother_zipcode[sales_allother_zipcode$domain_name %in% five_target_domain_to_consider,]
sales_cc_0mile <- sales_cc_0mile[sales_cc_0mile$domain_name %in% five_target_domain_to_consider,]
sales_cc_5miles <- sales_cc_5miles[sales_cc_5miles$domain_name %in% five_target_domain_to_consider,]

# Product Categories
# 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40
# Jay removed 28, 30, 39, 40
# We choose to remove 38 39 40
sort(unique(rbind(sales_allother_zipcode, sales_cc_0mile, sales_cc_5miles)$prod_category_id))
category_to_consider <- c(22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37)
experience_product <- c(24, 25, 26, 27, 28, 31, 32, 33, 34, 36, 37)
search_product <- c(22, 23, 24, 29, 30, 35)

sales_allother_zipcode <- sales_allother_zipcode[sales_allother_zipcode$prod_category_id %in% category_to_consider,]
sales_cc_0mile <- sales_cc_0mile[sales_cc_0mile$prod_category_id %in% category_to_consider,]
sales_cc_5miles <- sales_cc_5miles[sales_cc_5miles$prod_category_id %in% category_to_consider,]

# Date Transform
sales_allother_zipcode$event_date <- as.Date(sales_allother_zipcode$event_date)
sales_cc_0mile$event_date <- as.Date(sales_cc_0mile$event_date)
sales_cc_5miles$event_date <- as.Date(sales_cc_5miles$event_date)

# construct MonthYear - month of year
sales_allother_zipcode$MonthYear <- format(sales_allother_zipcode$event_date, "%Y-%m")
sales_cc_0mile$MonthYear <- format(sales_cc_0mile$event_date, "%Y-%m")
sales_cc_5miles$MonthYear <- format(sales_cc_5miles$event_date, "%Y-%m")

# Mark CC Closure

# CCStorePresent
# it is the same as Store_Close_Status
```

```r
sales_allother_zipcode$CCStorePresent <- sales_allother_zipcode$Store_Close_Status
sales_cc_0mile$CCStorePresent <- sales_cc_0mile$Store_Close_Status
sales_cc_5miles$CCStorePresent <- sales_cc_5miles$Store_Close_Status

# AfterStoreClosing
sales_allother_zipcode$AfterStoreClosing <- ifelse(sales_allother_zipcode$MonthYear < "2008-11", 0, 1)
sales_cc_0mile$AfterStoreClosing <- ifelse(sales_cc_0mile$MonthYear < "2008-11", 0, 1)
sales_cc_5miles$AfterStoreClosing <- ifelse(sales_cc_5miles$MonthYear < "2008-11", 0, 1)

# BBStorePresent
sales_allother_zipcode <- merge(sales_allother_zipcode, bb_zipcode, by.x ="Zip_Code", by.y = "Zip_Code", all.x = TRUE)
sales_cc_0mile <- merge(sales_cc_0mile, bb_zipcode, by.x ="Zip_Code", by.y = "Zip_Code", all.x = TRUE)
sales_cc_5miles <- merge(sales_cc_5miles, bb_zipcode, by.x ="Zip_Code", by.y = "Zip_Code", all.x = TRUE)

sales_allother_zipcode$BBStorePresent <- na.fill(sales_allother_zipcode$BB_Store_Status, 0)
sales_cc_0mile$BBStorePresent <- na.fill(sales_cc_0mile$BB_Store_Status, 0)
sales_cc_5miles$BBStorePresent <- na.fill(sales_cc_5miles$BB_Store_Status, 0)

# Mark Referring Domain
# Question: How to group data?
sales_allother_zipcode$NoReferringDomain <- ifelse(sales_allother_zipcode$ref_domain_name == "", 1, 0)
sales_cc_0mile$NoReferringDomain <- ifelse(sales_cc_0mile$ref_domain_name == "", 1, 0)
sales_cc_5miles$NoReferringDomain <- ifelse(sales_cc_5miles$ref_domain_name == "", 1, 0)

sales_allother_zipcode$ReferringDomainIsSearchEngine <- ifelse(sales_allother_zipcode$ref_domain_name %in% search_engine_to_consider1, 1, 0)
sales_cc_0mile$ReferringDomainIsSearchEngine <- ifelse(sales_cc_0mile$ref_domain_name %in% search_engine_to_consider1, 1, 0)
sales_cc_5miles$ReferringDomainIsSearchEngine <- ifelse(sales_cc_5miles$ref_domain_name %in% search_engine_to_consider1, 1, 0)

# Aggregate Data
concat_data1 <- rbind(sales_allother_zipcode, sales_cc_0mile)
concat_data2 <- rbind(sales_allother_zipcode, sales_cc_5miles)
concat_data1_exp <- concat_data1[concat_data1$prod_category_id %in% experience_product, ]
concat_data1_search <- concat_data1[concat_data1$prod_category_id %in% search_product, ]
concat_data2_exp <- concat_data2[concat_data2$prod_category_id %in% experience_product, ]
concat_data2_search <- concat_data2[concat_data2$prod_category_id %in% search_product, ]
```

Code 1: Data Preprocess

2 Paper Replication

In this section, we provide our replication for this paper. Names for subsections correspond to the tables in the published paper. Package `stargazer` Hlavac (2015) and `estout` Jann (2004) are used to export estimation into LaTeX format.

2.1 Table 1

Table 1 shows the summary statistics of top five vendors by sales volume.

Table 1: Summary Statistics of Top Five Vendors by Sales Volume

Domain Name	Total Transactions	Total Sales	Total Pages Viewed	Pages Per Dollar	Total Duration	Mins Per Dollar
dell.com	1,620	483,703.300	66,953	0.138	57,225.660	0.118
amazon.com	10,904	354,573.300	464,383	1.310	369,227.900	1.041
staples.com	5,927	236,982.300	247,163	1.043	166,189.900	0.701
walmart.com	1,977	156,606.100	80,397	0.513	68,434.890	0.437
bestbuy.com	1,230	149,950.400	50,627	0.338	36,735.900	0.245

Codes for generating Table 1 are listed below.

```
# Table 1
table1_raw <-  rbind(read_sas(sales_allother_zipcode_path), read_sas(sales_cc_0mile_path))
table1 <- sqldf("SELECT domain_name as DomainName, count(*) as TotalTransaction, SUM(prod_totprice) AS TotalSales, SUM(pages_viewed) AS
      TotalPagesViewed, SUM(pages_viewed)/SUM(prod_totprice) AS PagesPerDollar, SUM(duration) AS TotalDuration, SUM(duration)/SUM(prod_totprice) AS
       MinsPerDollar FROM table1_raw GROUP BY domain_name ORDER BY TotalSales DESC")
stargazer(table1[1:5,], align=TRUE, summary = FALSE, rownames = FALSE, title="Summary Statistics of Top Five Vendors by Sales Volume")
```

Code 2: Table 1 Generation

2.2 Table 2

Table 2 summarizes the frequency of referral channels for various online retailers.

Table 2: Summary Statistics of Referring Domain Categories

Domain Name	**Total Transactions**	**Referred by Search Engine**	**Direct to Website**	**Referred by Others**
amazon.com	10,904	2,955(27.1%)	7,018(64.4%)	931(8.6%)
bestbuy.com	1,230	258(21.0%)	901(73.3%)	71(5.8%)
All Others	36,794	6,999(19.0%)	25,483(69.3%)	4,312(11.7%)
All Transactions	48,928	10,212(20.9%)	33,402(68.3%)	5,314(10.9%)

Codes for generating Table 2 are listed below.

```
# Table 2

table2_raw <-  rbind(read_sas(sales_allother_zipcode_path), read_sas(sales_cc_0mile_path))
table2_raw$direct_to_website <- ifelse(table2_raw$ref_domain_name == '', 1, 0)
table2_raw$referred_by_search <- ifelse(table2_raw$ref_domain_name %in% search_engine_to_consider1, 1, 0)
table2_raw$referred_by_other <- ifelse(!(table2_raw$ref_domain_name %in% ref_domain_to_consider1), 1, 0)
table2_raw$domain_name[!(table2_raw$domain_name %in% c('amazon.com', 'bestbuy.com'))] <- "All Others"
```

Code 3: Table 2 Generation

2.3 Table 3

Table 3 reports the model-free average DID values for some outcome variables.

Table 3: Average Difference-in-Difference (DID) of the Outcome Variables

Outcome Variable	**Groups**	**After Store Closure**	**Before Store Closure**	**First Difference** (se)	**DID**
Amazon Sales	Control	3.418	3.303	0.115 (0.031)	-0.167
	Treatment	3.351	3.403	-0.052 (0.212)	
Amazon PagesPerDollar	Control	1.188	1.147	0.041 (0.025)	0.257
	Treatment	1.363	1.065	0.298 (0.153)	
Amazon MinsPerDollar	Control	1.016	0.975	0.041 (0.025)	0.263
	Treatment	1.187	0.882	0.304 (0.137)	
bestbuy.com Sales	Control	3.418	3.303	0.354 (0.031)	0.623
	Treatment	3.351	3.403	0.976 (0.212)	
bestbuy.com PagesPerDollar	Control	1.188	1.147	-0.109 (0.025)	0.074
	Treatment	1.363	1.065	-0.035 (0.153)	
bestbuy.com MinsPerDollar	Control	1.016	0.975	-0.084 (0.025)	-0.012
	Treatment	1.187	0.882	-0.096 (0.137)	

Codes for generating Table 3 are listed below.

```
# Table 3
temp <- read_sas(sales_allother_zipcode_path)
temp$Store_Close_Status <- 0
table3_0m_raw <-  rbind(temp, read_sas(sales_cc_0mile_path))
table3_5m_raw <-  rbind(temp, read_sas(sales_cc_5miles_path))

# Date Transform
table3_0m_raw$event_date <- as.Date(table3_0m_raw$event_date)
table3_5m_raw$event_date <- as.Date(table3_5m_raw$event_date)

# construct MonthYear - month of year
table3_0m_raw$MonthYear <- format(table3_0m_raw$event_date, "%Y-%m")
table3_5m_raw$MonthYear <- format(table3_5m_raw$event_date, "%Y-%m")

# Mark CC Closure

# CCStorePresent
```

```
# it is the same as Store_Close_Status
table3_0m_raw$CCStorePresent <- table3_0m_raw$Store_Close_Status
table3_5m_raw$CCStorePresent <- table3_5m_raw$Store_Close_Status

# AfterStoreClosing
table3_0m_raw$AfterStoreClosing <- ifelse(table3_0m_raw$MonthYear < "2008-11", 0, 1)
table3_5m_raw$AfterStoreClosing <- ifelse(table3_5m_raw$MonthYear < "2008-11", 0, 1)

# BBStorePresent
table3_0m_raw <- merge(table3_0m_raw, bb_zipcode, by.x ="Zip_Code", by.y = "Zip_Code", all.x = TRUE)
table3_5m_raw <- merge(table3_5m_raw, bb_zipcode, by.x ="Zip_Code", by.y = "Zip_Code", all.x = TRUE)

table3_0m_raw$BBStorePresent <- na.fill(table3_0m_raw$BB_Store_Status, 0)
table3_5m_raw$BBStorePresent <- na.fill(table3_5m_raw$BB_Store_Status, 0)

# aggregate data

table3_0m_aggregate <- sqldf("SELECT Zip_Code, MonthYear, domain_name, count(*) AS TotalTransactions, SUM(pages_viewed) as TotalPages, SUM(prod_
      totprice) as TotalMonthlySales, SUM(duration) as TotalMins, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(
      prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS
      AfterStoreClosing FROM table3_0m_raw GROUP BY Zip_Code, MonthYear, domain_name")
table3_5m_aggregate <- sqldf("SELECT Zip_Code, MonthYear, domain_name, count(*) AS TotalTransactions, SUM(pages_viewed) as TotalPages, SUM(prod_
      totprice) as TotalMonthlySales, SUM(duration) as TotalMins, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(
      prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS
      AfterStoreClosing FROM table3_5m_raw GROUP BY Zip_Code, MonthYear, domain_name")

# Table 3 Gen Func
table3_gen <- function(table3_raw, domain_name_used, print_name){
  # Amazon Sales
  # for control
  amazonsales_control_before <- table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_raw$
      AfterStoreClosing == 0),]$TotalMonthlySales
  amazonsales_control_after <- table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_raw$
      AfterStoreClosing == 1),]$TotalMonthlySales

  amazonsales_control_before <- log(amazonsales_control_before + 1)
  amazonsales_control_after <- log(amazonsales_control_after + 1)
  # t test
  t_test.amazonsales_control <- t.test(amazonsales_control_after, amazonsales_control_before)
  amazonsales_control_mean_diff_se <- t_test.amazonsales_control$stderr
  t_test.amazonsales_control$p.value
  amazonsales_control_after_mean <- t_test.amazonsales_control$estimate[["mean of x"]]
  amazonsales_control_before_mean <- t_test.amazonsales_control$estimate[["mean of y"]]
  amazonsales_control_mean_diff <- t_test.amazonsales_control$estimate[["mean of x"]] - t_test.amazonsales_control$estimate[["mean of y"]]

  # Amazon Sales
  # for treatment
  amazonsales_treatment_before <- table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$
      AfterStoreClosing == 0),]$TotalMonthlySales
  amazonsales_treatment_after <- table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$
      AfterStoreClosing == 1),]$TotalMonthlySales

  amazonsales_treatment_before <- log(amazonsales_treatment_before + 1)
  amazonsales_treatment_after  <- log(amazonsales_treatment_after + 1)
  # t test
  t_test.amazonsales_treatment <- t.test(amazonsales_treatment_after, amazonsales_treatment_before)
  amazonsales_treatment_mean_diff_se <- t_test.amazonsales_treatment$stderr
  t_test.amazonsales_treatment$p.value
  amazonsales_treatment_after_mean <- t_test.amazonsales_treatment$estimate[["mean of x"]]
  amazonsales_treatment_before_mean <- t_test.amazonsales_treatment$estimate[["mean of y"]]
  amazonsales_treatment_mean_diff <- t_test.amazonsales_treatment$estimate[["mean of x"]] - t_test.amazonsales_treatment$estimate[["mean of y"]]

  # Amazon Sales DID
  amazonsales_did <- amazonsales_treatment_mean_diff - amazonsales_control_mean_diff

  # Amazon PagesPerDollar
  # for control
  amazonppd_control_before <- table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_raw$
      AfterStoreClosing == 0),]$TotalPages / table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_
      raw$AfterStoreClosing == 0),]$TotalMonthlySales
  amazonppd_control_after <- table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_raw$
      AfterStoreClosing == 1),]$TotalPages / table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_
```

```
    raw$AfterStoreClosing == 1),]$TotalMonthlySales

amazonppd_control_before <- log(amazonppd_control_before + 1)
amazonppd_control_after  <- log(amazonppd_control_after + 1)
# t test
t_test.amazonppd_control <- t.test(amazonppd_control_after, amazonppd_control_before)
amazonppd_control_mean_diff_se <- t_test.amazonppd_control$stderr
t_test.amazonppd_control$p.value
amazonppd_control_after_mean <- t_test.amazonppd_control$estimate[["mean of x"]]
amazonppd_control_before_mean <- t_test.amazonppd_control$estimate[["mean of y"]]
amazonppd_control_mean_diff <- t_test.amazonppd_control$estimate[["mean of x"]] - t_test.amazonppd_control$estimate[["mean of y"]]

# Amazon PagesPerDollar
# for treatment
amazonppd_treatment_before <- table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 0),]$TotalPages / table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 0),]$TotalMonthlySales
amazonppd_treatment_after  <- table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 1),]$TotalPages / table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 1),]$TotalMonthlySales

amazonppd_treatment_before <- log(amazonppd_treatment_before + 1)
amazonppd_treatment_after  <- log(amazonppd_treatment_after + 1)
# t test
t_test.amazonppd_treatment <- t.test(amazonppd_treatment_after, amazonppd_treatment_before)
amazonppd_treatment_mean_diff_se <- t_test.amazonppd_treatment$stderr
t_test.amazonppd_treatment$p.value
amazonppd_treatment_after_mean <- t_test.amazonppd_treatment$estimate[["mean of x"]]
amazonppd_treatment_before_mean <-t_test.amazonppd_treatment$estimate[["mean of y"]]
amazonppd_treatment_mean_diff <- t_test.amazonppd_treatment$estimate[["mean of x"]] - t_test.amazonppd_treatment$estimate[["mean of y"]]

# Amazon PagesPerDollar DID
amazonppd_did <- amazonppd_treatment_mean_diff - amazonppd_control_mean_diff

# Amazon MinsPerDollar
# for control
amazonmpd_control_before <- table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 0),]$TotalMins / table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 0),]$TotalMonthlySales
amazonmpd_control_after  <- table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 1),]$TotalMins / table3_raw[(table3_raw$CCStorePresent == 0) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 1),]$TotalMonthlySales

amazonmpd_control_before <- log(amazonmpd_control_before + 1)
amazonmpd_control_after  <- log(amazonmpd_control_after + 1)
# t test
t_test.amazonmpd_control <- t.test(amazonmpd_control_after, amazonmpd_control_before)
amazonmpd_control_mean_diff_se <- t_test.amazonmpd_control$stderr
t_test.amazonmpd_control$p.value
amazonmpd_control_after_mean <- t_test.amazonmpd_control$estimate[["mean of x"]]
amazonmpd_control_before_mean <- t_test.amazonmpd_control$estimate[["mean of y"]]
amazonmpd_control_mean_diff <- t_test.amazonmpd_control$estimate[["mean of x"]] - t_test.amazonmpd_control$estimate[["mean of y"]]

# Amazon MinsPerDollar
# for treatment
amazonmpd_treatment_before <- table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 0),]$TotalMins / table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 0),]$TotalMonthlySales
amazonmpd_treatment_after  <- table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 1),]$TotalMins / table3_raw[(table3_raw$CCStorePresent == 1) & (table3_raw$domain_name == domain_name_used) & (table3_raw$AfterStoreClosing == 1),]$TotalMonthlySales

amazonmpd_treatment_before <- log(amazonmpd_treatment_before + 1)
amazonmpd_treatment_after  <- log(amazonmpd_treatment_after + 1)
# t test
t_test.amazonmpd_treatment <- t.test(amazonmpd_treatment_after, amazonmpd_treatment_before)
amazonmpd_treatment_mean_diff_se <- t_test.amazonmpd_treatment$stderr
t_test.amazonmpd_treatment$p.value
amazonmpd_treatment_after_mean <- t_test.amazonmpd_treatment$estimate[["mean of x"]]
amazonmpd_treatment_before_mean <- t_test.amazonmpd_treatment$estimate[["mean of y"]]
amazonmpd_treatment_mean_diff <- t_test.amazonmpd_treatment$estimate[["mean of x"]] - t_test.amazonmpd_treatment$estimate[["mean of y"]]
```

```
  # Amazon MinsPerDollar DID
  amazonmpd_did <- amazonmpd_treatment_mean_diff - amazonmpd_control_mean_diff

  # construct table
  return(rbind(c(paste(print_name,"Sales"),"Control", amazonsales_control_after_mean, amazonsales_control_before_mean, amazonsales_control_mean_diff, amazonsales_control_mean_diff_se, amazonsales_did),
               c(paste(print_name,"Sales"),"Treatment", amazonsales_treatment_after_mean, amazonsales_treatment_before_mean, amazonsales_treatment_mean_diff, amazonsales_treatment_mean_diff_se, amazonsales_did),
               c(paste(print_name,"PagesPerDollar"),"Control", amazonppd_control_after_mean, amazonppd_control_before_mean, amazonppd_control_mean_diff, amazonppd_control_mean_diff_se, amazonppd_did),
               c(paste(print_name,"PagesPerDollar"),"Treatment", amazonppd_treatment_after_mean, amazonppd_treatment_before_mean, amazonppd_treatment_mean_diff, amazonppd_treatment_mean_diff_se, amazonppd_did),
               c(paste(print_name,"MinsPerDollar"),"Control", amazonmpd_control_after_mean, amazonmpd_control_before_mean, amazonmpd_control_mean_diff, amazonmpd_control_mean_diff_se, amazonmpd_did),
               c(paste(print_name,"MinsPerDollar"),"Treatment", amazonmpd_treatment_after_mean, amazonmpd_treatment_before_mean, amazonmpd_treatment_mean_diff, amazonmpd_treatment_mean_diff_se, amazonmpd_did))
  )
}

# generate table
amazon_table3 <- table3_gen(table3_0m_aggregate, "amazon.com", "Amazon")
bestbuy_table3 <- table3_gen(table3_0m_aggregate, "bestbuy.com", "bestbuy.com")

#
stargazer(rbind(amazon_table3, bestbuy_table3), align=TRUE, summary = FALSE, rownames = FALSE, title="Summary Statistics of Top Five Vendors by Sales Volume")
```

Code 4: Table 3 Generation

2.4 Table 4

In order to examine whether a competing online retailer benefits from the presence of a local showroom, we run the following regressions for Amazon.com and BestBuy.com:

$$\begin{aligned}
&\log\left(\texttt{TotalMonthlySales}+1\right)_{i,t}\\
&=\mu_i+\tau_t\\
&+\beta_1\ \texttt{CCStorePresent}_i\times\texttt{AfterStoreClosing}_t\\
&+\beta_2\ \texttt{CCStorePresent}_i\times\texttt{AfterStoreClosing}_t\times\texttt{BBStorePresent}_i\\
&+\epsilon_{i,t}
\end{aligned}\tag{1}$$

Table 4: Results of the Sales Effect (All Product Categories)

	log(TotalMonthlySales + 1)			
	Amazon-0 Mile	Amazon-5 Miles	BestBuy-0 Mile	BestBuy-5 Miles
	(1)	(2)	(3)	(4)
β_1	0.014	−0.005	−0.002	−0.002
	(0.015)	(0.008)	(0.033)	(0.008)
β_2	−0.033	0.003	0.009	0.002
	(0.022)	(0.010)	(0.036)	(0.010)
Observations	68,472	75,096	14,664	16,848
R^2	0.00003	0.00001	0.00002	0.00000
Adjusted R^2	-0.044	-0.044	-0.045	-0.045
F Statistic	1.091 (df = 2; 65594)	0.278 (df = 2; 71942)	0.154 (df = 2; 14028)	0.035 (df = 2; 16121)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 4 are listed below.

```r
# Table 4 Data
data_0m_t4 <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(prod_totprice) AS TotalMonthlySales, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1 GROUP BY Zip_Code, MonthYear, domain_name")
data_5m_t4 <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(prod_totprice) AS TotalMonthlySales, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data2 GROUP BY Zip_Code, MonthYear, domain_name")
# manually construct DID and THREEINTERACTION
data_0m_t4$DID <- data_0m_t4$CCStorePresent * data_0m_t4$AfterStoreClosing
data_0m_t4$THREEINTER <- data_0m_t4$CCStorePresent * data_0m_t4$AfterStoreClosing * data_0m_t4$BBStorePresent
data_5m_t4$DID <- data_5m_t4$CCStorePresent * data_5m_t4$AfterStoreClosing
data_5m_t4$THREEINTER <- data_5m_t4$CCStorePresent * data_5m_t4$AfterStoreClosing * data_5m_t4$BBStorePresent
# Table 4
ama.t4.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t4[data_0m_t4$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t4.5mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_5m_t4[data_5m_t4$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t4.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t4[data_0m_t4$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t4.5mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_5m_t4[data_5m_t4$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
```

Code 5: Table 4 Generation

2.5 Table 5

To measure the impact of the exit of local showrooms on consumer online search intensity and the moderating effect of Best Buy Stores as an alternative local showroom, we run the following regressions:

$$\begin{aligned}
&\log\left(\texttt{PagesPerDollar}+1,\ \texttt{MinsPerDollar}+1\right)_{i,t}\\
&=\mu_i+\tau_t\\
&+\beta_1\ \texttt{CCStorePresent}_i\times\texttt{AfterStoreClosing}_t\\
&+\beta_2\ \texttt{CCStorePresent}_i\times\texttt{AfterStoreClosing}_t\times\texttt{BBStorePresent}_i\\
&+\epsilon_{i,t}
\end{aligned}\tag{2}$$

Table 5: Results of the Search Effect (All Product Categories)

	log(PagesPerDollar + 1)				log(MinsPerDollar + 1)			
	Amazon-0 Mile	Amazon-5 Miles	BestBuy-0 Mile	BestBuy-5 Miles	Amazon-0 Mile	Amazon-5 Miles	BestBuy-0 Mile	BestBuy-5 Miles
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
β_1	0.003	−0.019***	0.001	0.002	0.004	−0.021***	0.001	0.003
	(0.012)	(0.007)	(0.016)	(0.004)	(0.012)	(0.007)	(0.013)	(0.003)
β_2	−0.068***	0.018**	0.003	−0.001	−0.057***	0.022***	0.0004	−0.002
	(0.018)	(0.009)	(0.018)	(0.005)	(0.017)	(0.008)	(0.014)	(0.004)
Observations	68,472	75,096	14,664	16,848	68,472	75,096	14,664	16,848
R^2	0.0004	0.0001	0.00003	0.00004	0.0003	0.0001	0.00001	0.0001
Adjusted R^2	-0.043	-0.044	-0.045	-0.045	-0.044	-0.044	-0.045	-0.045
F Statistic	12.530*** (df = 2; 65594)	3.985** (df = 2; 71942)	0.202 (df = 2; 14028)	0.337 (df = 2; 16121)	8.867*** (df = 2; 65594)	5.187*** (df = 2; 71942)	0.046 (df = 2; 14028)	0.451 (df = 2; 16121)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 5 are listed below.

```r
# Table 5 Data
data_0m_t5 <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1 GROUP BY Zip_Code, MonthYear, domain_name")
data_5m_t5 <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data2 GROUP BY Zip_Code, MonthYear, domain_name")
# manually construct DID and THREEINTERACTION
data_0m_t5$DID <- data_0m_t5$CCStorePresent * data_0m_t5$AfterStoreClosing
data_0m_t5$THREEINTER <- data_0m_t5$CCStorePresent * data_0m_t5$AfterStoreClosing * data_0m_t5$BBStorePresent
data_5m_t5$DID <- data_5m_t5$CCStorePresent * data_5m_t5$AfterStoreClosing
data_5m_t5$THREEINTER <- data_5m_t5$CCStorePresent * data_5m_t5$AfterStoreClosing * data_5m_t5$BBStorePresent
# Table 5
# For PagesPerDollar
ama.t5.pagesperdollar.0mile <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t5[data_0m_t5$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t5.pagesperdollar.5mile <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t5[data_5m_t5$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t5.pagesperdollar.0mile  <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t5[data_0m_t5$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t5.pagesperdollar.5mile  <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t5[data_5m_t5$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
# For MinsPerDollar
ama.t5.minsperdollar.0mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t5[data_0m_t5$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t5.minsperdollar.5mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t5[data_5m_t5$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t5.minsperdollar.0mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t5[data_0m_t5$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t5.minsperdollar.5mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t5[data_5m_t5$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
```

Code 6: Table 5 Generation

2.6 Table 6

To capture the expected change in the odds ratio of the impact of Circuit City store closures and the moderating effect of Best Buy stores as an alternative local showroom, we run the following regressions:

$$\begin{aligned}
&\text{Logit}\left(\texttt{ReferringDomainIsSearchEngine}, \texttt{NoReferringDomain}\right)_{i,t} \\
&= \mu_i + \tau_t \\
&+ \beta_1\ \texttt{CCStorePresent}_i \times \texttt{AfterStoreClosing}_t \\
&+ \beta_2\ \texttt{CCStorePresent}_i \times \texttt{AfterStoreClosing}_t \times \texttt{BBStorePresent}_i \\
&+ \epsilon_{i,t}
\end{aligned} \tag{3}$$

Table 6: Results of the Sales Effect: Experience and Search Products

	log(TotalMonthlySales + 1)							
	Amazon-0 Mile-Exp	Amazon-5 Miles-Exp	Amazon-0 Mile-Search	Amazon-5 Miles-Search	BestBuy-0 Mile-Exp	BestBuy-5 Miles-Exp	BestBuy-0 Mile-Exp	BestBuy-5 Miles-Search
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
β_1	0.005	−0.007	0.005	−0.008	−0.011	−0.009	−0.001	−0.010
	(0.017)	(0.010)	(0.013)	(0.006)	(0.009)	(0.007)	(0.023)	(0.008)
β_2	−0.043*	0.009	−0.002	0.009		0.013	0.000	0.009
	(0.024)	(0.012)	(0.018)	(0.008)		(0.008)	(0.028)	(0.010)
Observations	32,112	35,568	52,392	57,648	10,224	11,712	5,664	6,600
R^2	0.0002	0.00002	0.00000	0.00003	0.0001	0.0002	0.00000	0.0002
Adjusted R^2	-0.044	-0.044	-0.044	-0.044	-0.046	-0.045	-0.048	-0.047
F Statistic	2.775* (df = 2; 30749)	0.318 (df = 2; 34061)	0.101 (df = 2; 50184)	0.774 (df = 2; 55221)	1.377 (df = 1; 9774)	1.297 (df = 2; 11199)	0.004 (df = 2; 5403)	0.746 (df = 2; 6300)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 6 are listed below.

```r
# Table 6 Data
data_0m_t6_exp <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(prod_totprice) AS TotalMonthlySales, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1_exp GROUP BY Zip_Code, MonthYear, domain_name")
data_0m_t6_search <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(prod_totprice) AS TotalMonthlySales, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1_search GROUP BY Zip_Code, MonthYear, domain_name")
data_5m_t6_exp <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(prod_totprice) AS TotalMonthlySales, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data2_exp GROUP BY Zip_Code, MonthYear, domain_name")
data_5m_t6_search <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(prod_totprice) AS TotalMonthlySales, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data2_search GROUP BY Zip_Code, MonthYear, domain_name")
# manually construct DID and THREEINTERACTION
data_0m_t6_exp$DID <- data_0m_t6_exp$CCStorePresent * data_0m_t6_exp$AfterStoreClosing
data_0m_t6_exp$THREEINTER <- data_0m_t6_exp$CCStorePresent * data_0m_t6_exp$AfterStoreClosing * data_0m_t6_exp$BBStorePresent
data_0m_t6_search$DID <- data_0m_t6_search$CCStorePresent * data_0m_t6_search$AfterStoreClosing
data_0m_t6_search$THREEINTER <- data_0m_t6_search$CCStorePresent * data_0m_t6_search$AfterStoreClosing * data_0m_t6_search$BBStorePresent
data_5m_t6_exp$DID <- data_5m_t6_exp$CCStorePresent * data_5m_t6_exp$AfterStoreClosing
data_5m_t6_exp$THREEINTER <- data_5m_t6_exp$CCStorePresent * data_5m_t6_exp$AfterStoreClosing * data_5m_t6_exp$BBStorePresent
data_5m_t6_search$DID <- data_5m_t6_search$CCStorePresent * data_5m_t6_search$AfterStoreClosing
data_5m_t6_search$THREEINTER <- data_5m_t6_search$CCStorePresent * data_5m_t6_search$AfterStoreClosing * data_5m_t6_search$BBStorePresent
# Table 6
# AmazonTotalMonthlySales & BBTotalMonthlySale vs Experience and Search Product
ama.t6.0mile.exp <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t6_exp[data_0m_t6_exp$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t6.5mile.exp <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_5m_t6_exp[data_5m_t6_exp$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t6.0mile.search <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t6_search[data_0m_t6_search$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
```

```
ama.t6.5mile.search <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_5m_t6_search[data_5m_t6_search$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t6.0mile.exp <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t6_exp[data_0m_t6_exp$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t6.5mile.exp <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_5m_t6_exp[data_5m_t6_exp$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t6.0mile.search <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t6_search[data_0m_t6_search$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t6.5mile.search <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_5m_t6_search[data_5m_t6_search$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
```

Code 7: Table 6 Generation

2.7 Table 7

We then test whether the show-rooming effect is stronger for experience goods, by grouping products into physical experience goods and search goods. Table 7 and 8 presents the results for sales model on physical experience products and search products separately.

Table 7: Results of the Online Search Effect: Experience Products

	log(PagesPerDollar + 1)				log(MinsPerDollar + 1)			
	Amazon-0 Mile	Amazon-5 Miles	BestBuy-0 Mile	BestBuy-5 Miles	Amazon-0 Mile	Amazon-5 Miles	BestBuy-0 Mile	BestBuy-5 Miles
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
β_1	0.007	-0.037^{***}	0.006^{**}	0.001	0.006	-0.039^{***}	0.003	0.001
	(0.015)	(0.008)	(0.002)	(0.002)	(0.015)	(0.008)	(0.002)	(0.001)
β_2	-0.077^{***}	0.030^{***}		-0.0001	-0.067^{***}	0.034^{***}		-0.001
	(0.020)	(0.010)		(0.002)	(0.020)	(0.010)		(0.002)
Observations	32,112	35,568	10,224	11,712	32,112	35,568	10,224	11,712
R^2	0.001	0.001	0.001	0.00003	0.001	0.001	0.0003	0.0001
Adjusted R^2	-0.043	-0.044	-0.045	-0.046	-0.044	-0.044	-0.046	-0.046
F Statistic	12.857^{***} (df = 2; 30749)	10.009^{***} (df = 2; 34061)	5.763^{**} (df = 1; 9774)	0.143 (df = 2; 11199)	10.349^{***} (df = 2; 30749)	11.626^{***} (df = 2; 34061)	2.508 (df = 1; 9774)	0.438 (df = 2; 11199)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 7 are listed below.

```
# Table 7 & 8 Data
data_0m_t7_exp    <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1_exp GROUP BY Zip_Code, MonthYear, domain_name")
data_0m_t8_search <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1_search GROUP BY Zip_Code, MonthYear, domain_name")
data_5m_t7_exp    <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data2_exp GROUP BY Zip_Code, MonthYear, domain_name")
data_5m_t8_search <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data2_search GROUP BY Zip_Code, MonthYear, domain_name")
# manually construct DID and THREEINTERACTION
data_0m_t7_exp$DID <- data_0m_t7_exp$CCStorePresent * data_0m_t7_exp$AfterStoreClosing
data_0m_t7_exp$THREEINTER <- data_0m_t7_exp$CCStorePresent * data_0m_t7_exp$AfterStoreClosing * data_0m_t7_exp$BBStorePresent
data_0m_t8_search$DID <- data_0m_t8_search$CCStorePresent * data_0m_t8_search$AfterStoreClosing
data_0m_t8_search$THREEINTER <- data_0m_t8_search$CCStorePresent * data_0m_t8_search$AfterStoreClosing * data_0m_t8_search$BBStorePresent
data_5m_t7_exp$DID <- data_5m_t7_exp$CCStorePresent * data_5m_t7_exp$AfterStoreClosing
data_5m_t7_exp$THREEINTER <- data_5m_t7_exp$CCStorePresent * data_5m_t7_exp$AfterStoreClosing * data_5m_t7_exp$BBStorePresent
data_5m_t8_search$DID <- data_5m_t8_search$CCStorePresent * data_5m_t8_search$AfterStoreClosing
data_5m_t8_search$THREEINTER <- data_5m_t8_search$CCStorePresent * data_5m_t8_search$AfterStoreClosing * data_5m_t8_search$BBStorePresent
# Table 7
ama.t7.pagesperdollar.0mile.exp <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t7_exp[data_0m_t7_exp$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t7.pagesperdollar.5mile.exp <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t7_exp[data_5m_t7_exp$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t7.pagesperdollar.0mile.exp  <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t7_exp[data_0m_t7_exp$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t7.pagesperdollar.5mile.exp  <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t7_exp[data_5m_t7_exp$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t7.minsperdollar.0mile.exp  <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t7_exp[data_0m_t7_exp$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t7.minsperdollar.5mile.exp  <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t7_exp[data_5m_t7_exp$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t7.minsperdollar.0mile.exp   <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t7_exp[data_0m_t7_exp$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t7.minsperdollar.5mile.exp   <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t7_exp[data_5m_t7_exp$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
```

Code 8: Table 7 Generation

2.8 Table 8

Table 8: Results of the Online Search Effect: Search Products

	log(PagesPerDollar + 1)				log(MinsPerDollar + 1)			
	Amazon-0 Mile	Amazon-5 Miles	BestBuy-0 Mile	BestBuy-5 Miles	Amazon-0 Mile	Amazon-5 Miles	BestBuy-0 Mile	BestBuy-5 Miles
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
β_1	0.001	0.006	0.001	0.009*	0.003	0.004	0.0001	0.009*
	(0.012)	(0.006)	(0.014)	(0.005)	(0.012)	(0.006)	(0.012)	(0.005)
β_2	−0.019	−0.002	−0.000	−0.007	−0.019	0.001	−0.000	−0.008
	(0.017)	(0.008)	(0.017)	(0.006)	(0.017)	(0.008)	(0.015)	(0.006)
Observations	52,392	57,648	5,664	6,600	52,392	57,648	5,664	6,600
R^2	0.00005	0.00002	0.00000	0.001	0.00004	0.00003	0.00000	0.001
Adjusted R^2	-0.044	-0.044	-0.048	-0.047	-0.044	-0.044	-0.048	-0.047
F Statistic	1.138 (df = 2; 50184)	0.553 (df = 2; 55221)	0.011 (df = 2; 5403)	1.590 (df = 2; 6300)	0.935 (df = 2; 50184)	0.696 (df = 2; 55221)	0.0001 (df = 2; 5403)	1.927 (df = 2; 6300)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 8 are listed below.

```
# Table 8
ama.t8.pagesperdollar.0mile.search <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t8_search[data_0m_t8_search$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t8.pagesperdollar.5mile.search <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t8_search[data_5m_t8_search$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t8.pagesperdollar.0mile.search  <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t8_search[data_0m_t8_search$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t8.pagesperdollar.5mile.search  <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t8_search[data_5m_t8_search$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t8.minsperdollar.0mile.search  <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t8_search[data_0m_t8_search$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t8.minsperdollar.5mile.search  <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t8_search[data_5m_t8_search$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t8.minsperdollar.0mile.search   <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t8_search[data_0m_t8_search$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t8.minsperdollar.5mile.search   <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_5m_t8_search[data_5m_t8_search$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
```

Code 9: Table 8 Generation

2.9 Table 9

Table 9 presents the effect of store closure on referring domain.

Table 9: Results of Logistic Regression for Referring Domain

	ReferringDomainIsSearchEngine		NoReferringDomain	
	Amazon-0 Mile	BestBuy-0 Mile	Amazon-0 Mile	BestBuy-0 Mile
	(1)	(2)	(3)	(4)
β_1	-0.817^{*}	-15.12^{***}	0.325	-0.223
	(0.337)	(0.611)	(0.346)	(1.259)
β_2	0.697	14.43^{***}	-0.415	0.916
	(0.564)	(0.944)	(0.544)	(1.615)
Observations	10,791	1,225	10,791	1,225

Note: *p<0.05; **p<0.01; ***p<0.001

Stata codes for generating Table 9 are listed below.

```
* build variables
gen DID =  CCStorePresent *  AfterStoreClosing
gen THREEINTER = DID *  BBStorePresent
egen Code_Time = group(Zip_Code MonthYear)

* Amazon - ReferringDomainIsSearchEngine & NoReferringDomain
eststo: logit ReferringDomainIsSearchEngine DID THREEINTER if domain_name == "amazon.com", vce(cluster Code_Time) noconstant
eststo: logit NoReferringDomain DID THREEINTER if domain_name == "amazon.com", vce(cluster Code_Time) noconstant
* BestBuy - ReferringDomainIsSearchEngine & NoReferringDomain
eststo: logit ReferringDomainIsSearchEngine DID THREEINTER if domain_name == "bestbuy.com", vce(cluster MonthYear) noconstant
eststo: logit NoReferringDomain DID THREEINTER if domain_name == "bestbuy.com", vce(cluster MonthYear) noconstant
```

Code 10: Table 9 Generation

2.10 Table 10

By applying more traditional online search measures, we perform the same DID analysis for Amazon and bestbuy.com, to further investigate if the increase in search intensity manifests itself independent of sales amount.

Table 10: Results of the Online Sales and Search Effect (All Product Categories)

	log(SalesPerTransaction + 1)		log(PagesPerTransaction + 1)		log(MinsPerTransaction + 1)	
	Amazon-0 Mile	BestBuy-0 Mile	Amazon-0 Mile	BestBuy-0 Mile	Amazon-0 Mile	BestBuy-0 Mile
	(1)	(2)	(3)	(4)	(5)	(6)
β_1	0.012	−0.001	0.004	0.0002	0.006	0.0002
	(0.013)	(0.032)	(0.009)	(0.017)	(0.011)	(0.020)
β_2	−0.018	0.010	−0.021*	0.005	−0.021	−0.003
	(0.019)	(0.034)	(0.013)	(0.018)	(0.016)	(0.021)
Observations	68,472	14,664	68,472	14,664	68,472	14,664
R^2	0.00002	0.00003	0.0001	0.00004	0.00003	0.00001
Adjusted R^2	-0.044	-0.045	-0.044	-0.045	-0.044	-0.045
F Statistic	0.539 (df = 2; 65594)	0.213 (df = 2; 14028)	1.867 (df = 2; 65594)	0.304 (df = 2; 14028)	0.939 (df = 2; 65594)	0.066 (df = 2; 14028)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 10 are listed below.

```
# Table 10 Data
data_0m_t10 <- sqldf("SELECT Zip_Code, MonthYear, domain_name, AVG(pages_viewed) AS PagesPerTransaction, AVG(duration) AS MinsPerTransaction, AVG(prod_totprice) AS SalesPerTransaction, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1 GROUP BY Zip_Code, MonthYear, domain_name")

data_0m_t10$DID <- data_0m_t10$CCStorePresent * data_0m_t10$AfterStoreClosing
data_0m_t10$THREEINTER <- data_0m_t10$CCStorePresent * data_0m_t10$AfterStoreClosing * data_0m_t10$BBStorePresent
# Table 10
# SalesPerTransaction; PagesPerTransaction; MinsPerTransaction; for Ama & BB
ama.t10.0mile.SalesPerTransaction <- plm(log(SalesPerTransaction + 1) ~ DID + THREEINTER, data = data_0m_t10[data_0m_t10$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t10.0mile.SalesPerTransaction  <- plm(log(SalesPerTransaction + 1) ~ DID + THREEINTER, data = data_0m_t10[data_0m_t10$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t10.0mile.PagesPerTransaction <- plm(log(PagesPerTransaction + 1) ~ DID + THREEINTER, data = data_0m_t10[data_0m_t10$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t10.0mile.PagesPerTransaction  <- plm(log(PagesPerTransaction + 1) ~ DID + THREEINTER, data = data_0m_t10[data_0m_t10$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t10.0mile.MinsPerTransaction <- plm(log(MinsPerTransaction + 1) ~ DID + THREEINTER, data = data_0m_t10[data_0m_t10$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t10.0mile.MinsPerTransaction  <- plm(log(MinsPerTransaction + 1) ~ DID + THREEINTER, data = data_0m_t10[data_0m_t10$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
```

Code 11: Table 10 Generation

2.11 Table 11

To further investigate if the increase in search intensity has a causal link to the Circuit City store closures and not due to other endogenous reasons, we adopt coarsened exact matching algorithm to match each zip code from the treatment group with an equivalent zip code from the control group, using zip code level demographics (average household age, average income and average household size). The matching results left us with 56 zip codes in each group. Using the data from the combined 112 zip codes, we ran the models for sales and search.

Table 11: Results of the Online Sales and Search Effect After Matching Zip Codes: TotalMonthlySales, PagesPerDollar, and MinsPerDollar (All Product Categories)

	log(TotalMonthlySales + 1)		log(PagesPerDollar + 1)		log(MinsPerDollar + 1)	
	Amazon-0 Mile	BesyBuy-0 Mile	Amazon-0 Mile	BesyBuy-0 Mile	Amazon-0 Mile	BesyBuy-0 Mile
	(1)	(2)	(3)	(4)	(5)	(6)
β_1	0.019	−0.0002	0.006	−0.001	0.003	−0.0002
	(0.019)	(0.002)	(0.012)	(0.003)	(0.011)	(0.002)
β_2	−0.026		−0.023		−0.024*	
	(0.024)		(0.016)		(0.013)	
Observations	1,776	384	1,776	384	1,776	384
R^2	0.001	0.00002	0.001	0.0001	0.002	0.00003
Adjusted R^2	-0.058	-0.113	-0.057	-0.113	-0.056	-0.113
F Statistic	0.740 (df = 2; 1677)	0.008 (df = 1; 344)	1.183 (df = 2; 1677)	0.030 (df = 1; 344)	1.931 (df = 2; 1677)	0.012 (df = 1; 344)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 11 are listed below.

```
library(cem)
#matching based on zipcode demographics (cross-sectional)
data_0m_t11 <- sqldf("SELECT Zip_Code, SUM(prod_totprice) AS TotalMonthlySales,
                      AVG(CCStorePresent) AS CCStorePresent,
                      AVG(household_size) AS HoHSize,
                      AVG(hoh_oldest_age) AS HoHAge,
                      AVG(household_income) AS HoHIncome,
                      AVG(children) AS HoHChildren,
                      AVG(connection_speed) AS HoHSpeed
                      FROM concat_data1 GROUP BY Zip_Code")

#check imblance within data set
vars <- c("HoHSize", "HoHAge", "HoHIncome", "HoHChildren", "HoHSpeed")
imbalance(group=data_0m_t11$CCStorePresent, data = data_0m_t11[vars])

# Default is not 1-1 matching in CEM. Use k2k = "True" to enforce 1 to 1 matching.
todrop <- c("TotalMonthlySales")
todrop2 <- c("TotalMonthlySales", "Zip_Code")
# mat <- cem(treatment = "CCStorePresent", data = data_0m_t11, drop = todrop, k2k ="True")

mat <- cem(treatment = "CCStorePresent",
           data = data_0m_t11,
           drop = todrop2,
           k2k = TRUE,
           method = "euclidean")
mat
```

```

# We got 110 zipcodes in total. We checked 2 dataframe from CEM results, "w" and "matched", and both have 110 values.
# Fortunately, they are the same. In the future, just use data from "matched". Note that this is only ID of row value of Zipcode

# assign ID of row value of zipcode from "matched"
zipcheck <- c()

for (i in 1:length(mat$matched)){
  if (mat$matched[i] == "TRUE") zipcheck <-c(zipcheck,i)
}

data.frame(zipcheck)

# assign ID of row value of zipcode from "w"
zipcheck1 <- c()

for (i in 1:length(mat$w)){
  if (mat$w[i] == 1) zipcheck1 <-c(zipcheck1,i)
}

data.frame(zipcheck1)

# Test both dataframe, and they are same.
all.equal(zipcheck,zipcheck1)

# add specific Zipcode by mapping from ID of row of matched zipcode
ziplist <- c()
for (i in 1:length(data_0m_t11$Zip_Code)){
  if ( i %in% zipcheck) ziplist <-c(ziplist,data_0m_t11$Zip_Code[i])
}

data.frame(ziplist)

# assign matched zipcode to dataset
concat_data1$Zipmatch <- ifelse(concat_data1$Zip_Code %in% ziplist, 1, 0)
data_0m_t11 <- sqldf("SELECT Zip_Code, Zipmatch, MonthYear, domain_name, SUM(prod_totprice) AS TotalMonthlySales, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1 GROUP BY Zip_Code, MonthYear, domain_name")
data_0m_t11$DID <- data_0m_t11$CCStorePresent * data_0m_t11$AfterStoreClosing
data_0m_t11$THREEINTER <- data_0m_t11$DID * data_0m_t11$BBStorePresent

# result for Amazon regarding TotalMonthlySales, PagesPerDollar, MinsPerDollar
ama.t11.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t11[(data_0m_t11$domain_name == "amazon.com") & (data_0m_t11$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t11.pagesperdollar.0mile <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t11[(data_0m_t11$domain_name == "amazon.com") & (data_0m_t11$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t11.minsperdollar.0mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t11[(data_0m_t11$domain_name == "amazon.com") & (data_0m_t11$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
# result for Bestbuy regarding TotalMonthlySales, PagesPerDollar, MinsPerDollar
bb.t11.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t11[(data_0m_t11$domain_name == "bestbuy.com") & (data_0m_t11$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t11.pagesperdollar.0mile <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t11[(data_0m_t11$domain_name == "bestbuy.com") & (data_0m_t11$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t11.minsperdollar.0mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t11[(data_0m_t11$domain_name == "bestbuy.com") & (data_0m_t11$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
```

Code 12: Table 11 Generation

2.12 Table 12

To examine the possible heterogeneity within the geographic zip code area which may be unaccounted for, we add location specific demographics in the regression equations as interaction terms with DID term.

Table 12: Results of the Online Sales and Search Effect with Zip Code Demographics as Interactions and Time Fixed Effects (All Product Categories)

	log(TotalMonthlySales + 1)		log(PagesPerDollar + 1)		log(MinsPerDollar + 1)	
	Amazon-0 Mile	BestBuy-0 Mile	Amazon-0 Mile	BestBuy-0 Mile	Amazon-0 Mile	BestBuy-0 Mile
	(1)	(2)	(3)	(4)	(5)	(6)
β_1	−0.00001	−0.00001	0.0001	0.00001	0.0001	0.00000
	(0.0001)	(0.0002)	(0.0001)	(0.0001)	(0.0001)	(0.0001)
β_2	−0.00001	−0.0001	−0.0002*	0.00002	−0.0002	0.00001
	(0.0002)	(0.0002)	(0.0001)	(0.0001)	(0.0001)	(0.0001)
Observations	68,472	14,664	68,472	14,664	68,472	14,664
R^2	0.00000	0.00004	0.00005	0.00002	0.00003	0.00001
Adjusted R^2	-0.044	-0.045	-0.044	-0.045	-0.044	-0.045
F Statistic	0.019 (df = 2; 65594)	0.255 (df = 2; 14028)	1.478 (df = 2; 65594)	0.114 (df = 2; 14028)	1.131 (df = 2; 65594)	0.053 (df = 2; 14028)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 12 are listed below.

```
# Table 12 Data
data_0m_t12 <- sqldf("SELECT Zip_Code, MonthYear, domain_name, SUM(prod_totprice) AS TotalMonthlySales, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(prod_totprice) AS MinsPerDollar, AVG(household_size) AS HoHSize, AVG(hoh_oldest_age) AS HoHAge, AVG(household_income) AS HoHIncome, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1 GROUP BY Zip_Code, MonthYear, domain_name")
data_0m_t12$DID <- data_0m_t12$CCStorePresent * data_0m_t12$AfterStoreClosing * data_0m_t12$HoHSize * data_0m_t12$HoHAge * data_0m_t12$HoHIncome
data_0m_t12$THREEINTER <- data_0m_t12$CCStorePresent * data_0m_t12$AfterStoreClosing * data_0m_t12$BBStorePresent
# Table 12
ama.t12.0m.PagesPerDollar <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t12[data_0m_t12$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t12.0m.MinsPerDollar <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t12[data_0m_t12$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.t12.0m.TotalMonthlySales <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t12[data_0m_t12$domain_name == "amazon.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t12.0m.PagesPerDollar <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t12[data_0m_t12$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t12.0m.MinsPerDollar <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t12[data_0m_t12$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.t12.0m.TotalMonthlySales <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t12[data_0m_t12$domain_name == "bestbuy.com",], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
```

Code 13: Table 12 Generation

2.13 Table 13

In order to address the serial correlation issue, the first solution is to ignore the time series and the results is in Table 13.

Table 13: Results of the Online Sales and Search Effect After Matching Zip Codes: TotalMonthlySales, PagesPerDollar, and MinsPerDollar (All Product Categories)

	log(TotalMonthlySales + 1)		log(PagesPerDollar + 1)		log(MinsPerDollar + 1)	
	Amazon-0 Mile	BesyBuy-0 Mile	Amazon-0 Mile	BesyBuy-0 Mile	Amazon-0 Mile	BesyBuy-0 Mile
	(1)	(2)	(3)	(4)	(5)	(6)
β_1	0.023	−0.001	0.007	−0.003	0.009	−0.001
	(0.015)	(0.003)	(0.010)	(0.006)	(0.008)	(0.004)
β_2	−0.026		−0.023		−0.024*	
	(0.024)		(0.015)		(0.013)	
Observations	1,776	208	1,776	208	1,776	208
R^2	0.001	0.0003	0.001	0.001	0.002	0.0004
Adjusted R^2	-0.043	-0.083	-0.043	-0.083	-0.042	-0.083
F Statistic	1.169 (df = 2; 1700)	0.052 (df = 1; 191)	1.182 (df = 2; 1700)	0.197 (df = 1; 191)	1.663 (df = 2; 1700)	0.078 (df = 1; 191)
Note:						*p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 13 are listed below.

```
library(cem)
#matching based on zipcode demographics (cross-sectional)
data_0m_t11 <- sqldf("SELECT Zip_Code, SUM(prod_totprice) AS TotalMonthlySales,
                      AVG(CCStorePresent) AS CCStorePresent,
                      AVG(household_size) AS HoHSize,
                      AVG(hoh_oldest_age) AS HoHAge,
                      AVG(household_income) AS HoHIncome,
                      AVG(children) AS HoHChildren,
                      AVG(connection_speed) AS HoHSpeed
                      FROM concat_data1 GROUP BY Zip_Code")
# CEM
todrop2 <- c("TotalMonthlySales", "Zip_Code")
mat <- cem(treatment = "CCStorePresent",
           data = data_0m_t11,
           drop = todrop2,
           k2k = TRUE,
           method = "euclidean")
mat

# Check Matching
zipcheck <- c()

for (i in 1:length(mat$matched)){
  if (mat$matched[i] == "TRUE") zipcheck <-c(zipcheck,i)
}

data.frame(zipcheck)

# assign ID of row value of zipcode from "w"
zipcheck1 <- c()

for (i in 1:length(mat$w)){
  if (mat$w[i] == 1) zipcheck1 <-c(zipcheck1,i)
}
```

```

data.frame(zipcheck1)

# Test both dataframe, and they are same.
all.equal(zipcheck,zipcheck1)

# add specific Zipcode by mapping from ID of row of matched zipcode
ziplist <- c()
for (i in 1:length(data_0m_t11$Zip_Code)){
  if ( i %in% zipcheck) ziplist <-c(ziplist,data_0m_t11$Zip_Code[i])
}

data.frame(ziplist)

# Assign matched zipcode to dataset
concat_data1$Zipmatch <- ifelse(concat_data1$Zip_Code %in% ziplist, 1, 0)
data_0m_t13 <- sqldf("SELECT Zip_Code, Zipmatch, MonthYear, domain_name, SUM(prod_totprice) AS TotalMonthlySales, SUM(pages_viewed) / SUM(prod_totprice) AS PagesPerDollar, SUM(duration) / SUM(prod_totprice) AS MinsPerDollar, AVG(CCStorePresent) AS CCStorePresent, AVG(BBStorePresent) AS BBStorePresent, AVG(AfterStoreClosing) AS AfterStoreClosing FROM concat_data1 GROUP BY Zip_Code, MonthYear, domain_name")
data_0m_t13$DID <- data_0m_t13$CCStorePresent * data_0m_t13$AfterStoreClosing
data_0m_t13$THREEINTER <- data_0m_t13$DID * data_0m_t13$BBStorePresent

# Table 13
ama.0m.t13.sales <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "amazon.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code"), model = "within")
ama.0m.t13.ppd   <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "amazon.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code"), model = "within")
ama.0m.t13.mpd   <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "amazon.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code"), model = "within")

bb.0m.t13.sales <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "bestbuy.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code"), model = "within")
bb.0m.t13.ppd   <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "bestbuy.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code"), model = "within")
bb.0m.t13.mpd   <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "bestbuy.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code"), model = "within")
```

Code 14: Table 13 Generation

2.14 Table 14

For the serial correlation issue, another solution is to to use a White-like estimator to calculate the variance-covariance matrix of the error term.The results is in Table 14.

Table 14: Results of the Online Sales and Search Effect with Arbitrary Variance-Covariance Matrix Corrections (All Product Categories)

	log(TotalMonthlySales + 1)		log(PagesPerDollar + 1)		log(MinsPerDollar + 1)	
	Amazon-0 Mile	BestBuy-0 Mile	Amazon-0 Mile	BestBuy-0 Mile	Amazon-0 Mile	BestBuy-0 Mile
	(1)	(2)	(3)	(4)	(5)	(6)
β_1	0.019	−0.001	0.006	−0.003	0.003	−0.001
	(0.019)	(0.003)	(0.006)	(0.006)	(0.011)	(0.004)
β_2	−0.026		-0.023^{***}		-0.024^{***}	
	(0.028)		(0.001)		(0.006)	
Observations	1,776	208	1,776	208	1,776	208
R^2	0.001	0.0002	0.001	0.001	0.002	0.0003
Adjusted R^2	-0.058	-0.156	-0.057	-0.156	-0.056	-0.156
F Statistic	0.740 (df = 2; 1677)	0.036 (df = 1; 179)	1.183 (df = 2; 1677)	0.136 (df = 1; 179)	1.931 (df = 2; 1677)	0.054 (df = 1; 179)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 14 are listed below.

```
# Table 14
library(lmtest)
library(sandwich)

# Create Baseline
ama.0m.t14.sale.base <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "amazon.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.0m.t14.ppd.base  <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "amazon.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
ama.0m.t14.mpd.base  <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "amazon.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")

bb.0m.t14.sale.base <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "bestbuy.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.0m.t14.ppd.base  <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "bestbuy.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")
bb.0m.t14.mpd.base  <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_t13[(data_0m_t13$domain_name == "bestbuy.com") & (data_0m_t13$Zipmatch == 1),], index = c("Zip_Code", "MonthYear"), model = "within", effect = "twoways")

# Correlation
coeftest(ama.0m.t14.sale.base, vcovDC)
coeftest(ama.0m.t14.ppd.base, vcovDC)
coeftest(ama.0m.t14.mpd.base, vcovDC)
```

Code 15: Table 14 Generation

2.15 Table C1

Table 15: Change in Demographics after Circuit City Store Closure

Group	Before Store Closure			After Store Closure			First Difference of Mean (p-value)		
	Mean Age	Mean Income	Mean Education	Mean Age	Mean Income	Mean Education	Mean Age	Mean Income	Mean Education
Control	7.048	4.479	97.957	6.937	4.498	97.999	-0.111 (<0.0001)	0.019 (0.300)	0.042 (0.639)
Treated	7.68	4.971	98.632	6.645	4.739	96.843	-1.035 (<0.0001)	-0.232 (0.029)	-1.789 (0.004)

Codes for generating Table 15 are listed below.

```
temp <- read_sas(sales_allother_zipcode_path)
temp$Store_Close_Status <- 0
table_C1_0m_raw <-  rbind(temp, read_sas(sales_cc_0mile_path))
table_C1_5m_raw <-  rbind(temp, read_sas(sales_cc_5miles_path))

# Date Transform
table_C1_0m_raw$event_date <- as.Date(table_C1_0m_raw$event_date)
table_C1_5m_raw$event_date <- as.Date(table_C1_5m_raw$event_date)

# construct MonthYear - month of year
table_C1_0m_raw$MonthYear <- format(table_C1_0m_raw$event_date, "%Y-%m")
table_C1_5m_raw$MonthYear <- format(table_C1_5m_raw$event_date, "%Y-%m")

# Mark CC Closure

# CCStorePresent
# it is the same as Store_Close_Status
table_C1_0m_raw$CCStorePresent <- table_C1_0m_raw$Store_Close_Status
table_C1_5m_raw$CCStorePresent <- table_C1_5m_raw$Store_Close_Status

# AfterStoreClosing
table_C1_0m_raw$AfterStoreClosing <- ifelse(table_C1_0m_raw$MonthYear < "2008-11", 0, 1)
table_C1_5m_raw$AfterStoreClosing <- ifelse(table_C1_5m_raw$MonthYear < "2008-11", 0, 1)

# BBStorePresent
table_C1_0m_raw <- merge(table_C1_0m_raw, bb_zipcode, by.x ="Zip_Code", by.y = "Zip_Code", all.x = TRUE)
table_C1_5m_raw <- merge(table_C1_5m_raw, bb_zipcode, by.x ="Zip_Code", by.y = "Zip_Code", all.x = TRUE)

table_C1_0m_raw$BBStorePresent <- na.fill(table_C1_0m_raw$BB_Store_Status, 0)
table_C1_5m_raw$BBStorePresent <- na.fill(table_C1_5m_raw$BB_Store_Status, 0)

# t test
control_before_age    <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 0)&(table_C1_0m_raw$AfterStoreClosing==0),]$hoh_oldest_age
control_before_income <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 0)&(table_C1_0m_raw$AfterStoreClosing==0),]$household_income
control_before_edu    <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 0)&(table_C1_0m_raw$AfterStoreClosing==0),]$hoh_most_education

control_after_age    <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 0)&(table_C1_0m_raw$AfterStoreClosing==1),]$hoh_oldest_age
control_after_income <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 0)&(table_C1_0m_raw$AfterStoreClosing==1),]$household_income
control_after_edu    <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 0)&(table_C1_0m_raw$AfterStoreClosing==1),]$hoh_most_education

test.control.age <- t.test(control_before_age, control_after_age)
test.control.income <- t.test(control_before_income, control_after_income)
test.control.edu <- t.test(control_before_edu, control_after_edu)

treated_before_age    <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 1)&(table_C1_0m_raw$AfterStoreClosing==0),]$hoh_oldest_age
treated_before_income <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 1)&(table_C1_0m_raw$AfterStoreClosing==0),]$household_income
treated_before_edu    <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 1)&(table_C1_0m_raw$AfterStoreClosing==0),]$hoh_most_education
```

```

treated_after_age    <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 1)&(table_C1_0m_raw$AfterStoreClosing==1),]$hoh_oldest_age
treated_after_income <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 1)&(table_C1_0m_raw$AfterStoreClosing==1),]$household_income
treated_after_edu    <- table_C1_0m_raw[(table_C1_0m_raw$CCStorePresent == 1)&(table_C1_0m_raw$AfterStoreClosing==1),]$hoh_most_education

test.treated.age <- t.test(treated_before_age, treated_after_age)
test.treated.income <- t.test(treated_before_income, treated_after_income)
test.treated.edu <- t.test(treated_before_edu, treated_after_edu)

# Construct Variables
test.control.age.before.mean    <- test.control.age$estimate[["mean of x"]]
test.control.income.before.mean <- test.control.income$estimate[["mean of x"]]
test.control.edu.before.mean    <- test.control.edu$estimate[["mean of x"]]

test.control.age.after.mean    <- test.control.age$estimate[["mean of y"]]
test.control.income.after.mean <- test.control.income$estimate[["mean of y"]]
test.control.edu.after.mean    <- test.control.edu$estimate[["mean of y"]]

test.control.age.diff    <- test.control.age.after.mean - test.control.age.before.mean
test.control.age.diff.se <- test.control.age$p.value
test.control.income.diff    <- test.control.income.after.mean - test.control.income.before.mean
test.control.income.diff.se <- test.control.income$p.value
test.control.edu.diff    <- test.control.edu.after.mean - test.control.edu.before.mean
test.control.edu.diff.se <- test.control.edu$p.value

test.treated.age.before.mean    <- test.treated.age$estimate[["mean of x"]]
test.treated.income.before.mean <- test.treated.income$estimate[["mean of x"]]
test.treated.edu.before.mean    <- test.treated.edu$estimate[["mean of x"]]

test.treated.age.after.mean    <- test.treated.age$estimate[["mean of y"]]
test.treated.income.after.mean <- test.treated.income$estimate[["mean of y"]]
test.treated.edu.after.mean    <- test.treated.edu$estimate[["mean of y"]]

test.treated.age.diff    <- test.treated.age.after.mean - test.treated.age.before.mean
test.treated.age.diff.se <- test.treated.age$p.value
test.treated.income.diff    <- test.treated.income.after.mean - test.treated.income.before.mean
test.treated.income.diff.se <- test.treated.income$p.value
test.treated.edu.diff    <- test.treated.edu.after.mean - test.treated.edu.before.mean
test.treated.edu.diff.se <- test.treated.edu$p.value

# Construct Table
tabc1 <- rbind(c("Control", test.control.age.before.mean, test.control.income.before.mean, test.control.edu.before.mean,
                   test.control.age.after.mean, test.control.income.after.mean, test.control.edu.after.mean,
                   test.control.age.diff, test.control.age.diff.se, test.control.income.diff, test.control.income.diff.se, test.control.edu.diff,
       test.control.edu.diff.se),
      c("Treated", test.treated.age.before.mean, test.treated.income.before.mean, test.treated.edu.before.mean,
                   test.treated.age.after.mean, test.treated.income.after.mean, test.treated.edu.after.mean,
                   test.treated.age.diff, test.treated.age.diff.se, test.treated.income.diff, test.treated.income.diff.se, test.treated.edu.diff,
       test.treated.edu.diff.se))
```

Code 16: Table C1 Generation

2.16 Table D1-D3

In this section, we further investigate the relationship between search and sales to understand the underlying conversion.

2.16.1 Table D1

In order to capture how much time a user would spend on a page on average before making a purchase, we define a new search intensity measure called minutes per page. And we run the following model to explore the relationship between search intensity and change in sales:

$$\begin{aligned}
&\log(\texttt{Sales}+1)_{i,t} \\
&= \mu_i + \tau_t \\
&+ \beta_1\ \texttt{MinsPerPage}_{i,t} \\
&+ \beta_2\ \texttt{ExperienceGood}_{i,t} \\
&+ \beta_3\ \texttt{MinsPerPage}_{i,t} \times \texttt{ExperienceGood}_{i,t} \\
&+ \epsilon_{i,t}
\end{aligned} \tag{4}$$

Table 16: Search Intensity Effects on Sales for Amazon

	(1) Log(Sales + 1)
β_1	2.376***
	(0.0435)
β_2	3.194***
	(0.0675)
β_3	-2.153***
	(0.0744)
Observations	10791

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Stata codes for generating Table 16 are listed below.

```
eststo: reg LogSales MinsPerPage ExperienceGood if domain_name == "amazon.com", vce(cluster Code_Time) noconstant

esttab using tableD1.tex, se label replace booktabs title(Search Intensity Effects on Sales for Amazon\label{tab:tabD1})

eststo clear
```

Code 17: Table D1 Generation

2.16.2 Table D2

Next, we explored the correlation between product characteristics and search intensity during a transaction for Amazon sales:

$$\begin{aligned}
&\log\left(\texttt{PagesViewed}, \texttt{MinsSpent} + 1\right)_{i,t} \\
&= \mu_i + \tau_t \\
&+ \beta_1\ \texttt{ProductPrice}_{i,t} \\
&+ \beta_2\ \texttt{ExperienceGood}_{i,t} \\
&+ \epsilon_{i,t}
\end{aligned} \tag{5}$$

Table 17: Product Characteristics Effects on Search Intensity for Amazon

	(1)	(2)
	Log(PagesViewed)	Log(MinsSpent + 1)
β_1	0.00465***	0.00450***
	(0.000843)	(0.000785)
β_2	3.156***	2.923***
	(0.0581)	(0.0558)
Observations	10791	10791

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Stata codes for generating Table 17 are listed below.

```
eststo: reg LogPagesViewed prod_totprice ExperienceGood if domain_name == "amazon.com", vce(cluster Code_Time) noconstant

eststo: reg LogMinsSpent prod_totprice ExperienceGood if domain_name == "amazon.com", vce(cluster Code_Time) noconstant

esttab using tableD2.tex, se label replace booktabs title(Product Characteristics Effects on Search Intensity for Amazon\label{tab:tabD2})

eststo clear
```

Code 18: Table D2 Generation

2.16.3 Table D3

To study the search path used by experienced goods buyers, we run the following regression to assess whether experience goods buyers come directly to Amazon or through a search engine:

$$\begin{aligned}
&\text{Logit}\left(\texttt{RefDomainIsAmazon}, \texttt{RefDomainIsSearchEngine}\right)_{i,t} \\
&= \tau_t \\
&+ \beta_1 \ \texttt{ExperienceGood}_{i,t} \\
&+ \epsilon_{i,t}
\end{aligned} \tag{6}$$

Table 18: Product Characteristics Effects on Search Intensity for Amazon

	(1) RefDomainIsAmazon	(2) ReferringDomainIsSearchEngine
ExperienceGood	-4.274***	-0.828***
	(0.310)	(0.0672)
Observations	10791	10791

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Stata codes for generating Table 18 are listed below.

```
eststo: logit RefDomainIsAmazon ExperienceGood if domain_name == "amazon.com", vce(cluster MonthYear) noconstant

eststo: logit ReferringDomainIsSearchEngine ExperienceGood if domain_name == "amazon.com", vce(cluster MonthYear) noconstant

esttab using tableD3.tex, se label replace booktabs title(Product Characteristics Effects on Search Intensity for Amazon\label{tab:tabD3})

eststo clear
```

Code 19: Table D3 Generation

2.17 Table E1-E3

In this section, we examine the effect of a physical store closure on some other online retailers, to investigate concern that the effect of the Circuit City store may also be felt by the other smaller online consumer electronic stores.

2.17.1 Table E1

In order to check which online seller benefits due to the exit of the offline Circuit City store, we run the following regression model:

$$\begin{aligned}
&\log(\texttt{TotalMonthlySales}+1)_{i,t} \\
&= \mu_i + \tau_t \\
&+ \beta_1\ \texttt{CCStorePresent}_i \times \texttt{AfterStoreClosing}_t \\
&+ \beta_2\ \texttt{CCStorePresent}_i \times \texttt{AfterStoreClosing}_t \times \texttt{BBStorePresent}_i \\
&+ \epsilon_{i,t}
\end{aligned} \tag{7}$$

Table 19: Results of the Sales Effect (All Product Categories)

	log(TotalMonthlySales + 1)			
	staples.com-0 Mile	walmart.com-0 Mile	dell.com-0 Mile	circuitcity.com-0 Mile
	(1)	(2)	(3)	(4)
β_1	−0.027	0.026	−0.006	0.003
	(0.064)	(0.018)	(0.018)	(0.036)
β_2	0.082	−0.034	−0.018	0.013
	(0.075)	(0.022)	(0.026)	(0.051)
Observations	8,352	24,912	19,440	3,940
R^2	0.0003	0.0001	0.0001	0.0001
Adjusted R^2	-0.046	-0.044	-0.045	-0.058
F Statistic	1.004 (df = 2; 7979)	1.332 (df = 2; 23849)	0.834 (df = 2; 18605)	0.094 (df = 2; 3722)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 19 are listed below.

```r
# Table E1
staple.tE1.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "staples.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
walmart.tE1.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "walmart.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
dell.tE1.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "dell.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
cc.tE1.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "circuitcity.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
```

Code 20: Table E1 Generation

2.17.2 Table E2

We run the following regression model to investigate if the change in search intensity as seen for amazon.com is also prevalent in the other major online seller categories.

$$\begin{aligned}
&\log\left(\texttt{PagesPerDollar}+1,\texttt{MinsPerDollar}+1\right)_{i,t}\\
&=\mu_i+\tau_t\\
&+\beta_1\ \texttt{CCStorePresent}_i\times\texttt{AfterStoreClosing}_t\\
&+\beta_2\ \texttt{CCStorePresent}_i\times\texttt{AfterStoreClosing}_t\times\texttt{BBStorePresent}_i\\
&+\epsilon_{i,t}
\end{aligned} \tag{8}$$

The results of the search models are presented in Table 20 and 21.

Table 20: Results of the Online Search Effect (All Product Categories)

	log(PagesPerDollar + 1)			
	staples.com-0 Mile	walmart.com-0 Mile	dell.com-0 Mile	circuitcity.com-0 Mile
	(1)	(2)	(3)	(4)
β_1	0.010	0.004	0.001	−0.002
	(0.027)	(0.009)	(0.004)	(0.012)
β_2	−0.017	−0.002	−0.002	0.0002
	(0.031)	(0.011)	(0.005)	(0.016)
Observations	8,352	24,912	19,440	3,940
R^2	0.00004	0.00001	0.00001	0.00002
Adjusted R^2	-0.047	-0.045	-0.045	-0.058
F Statistic	0.171 (df = 2; 7979)	0.123 (df = 2; 23849)	0.083 (df = 2; 18605)	0.030 (df = 2; 3722)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 20 are listed below.

```
# Table E2
staple.tE2.0mile <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "staples.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
walmart.tE2.0mile <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "walmart.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
dell.tE2.0mile <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "dell.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
cc.tE2.0mile <- plm(log(PagesPerDollar + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "circuitcity.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
```

Code 21: Table E2 Generation

2.17.3 Table E3

Table 21: Results of the Online Search Effect (All Product Categories)

	log(MinsPerDollar + 1)			
	staples.com-0 Mile	walmart.com-0 Mile	dell.com-0 Mile	circuitcity.com-0 Mile
	(1)	(2)	(3)	(4)
β_1	−0.011	0.002	−0.001	−0.002
	(0.022)	(0.008)	(0.003)	(0.010)
β_2	0.008	−0.001	−0.001	0.00003
	(0.027)	(0.010)	(0.005)	(0.014)
Observations	8,352	24,912	19,440	3,940
R^2	0.00003	0.00000	0.00001	0.00002
Adjusted R^2	-0.047	-0.045	-0.045	-0.058
F Statistic	0.137 (df = 2; 7979)	0.056 (df = 2; 23849)	0.124 (df = 2; 18605)	0.037 (df = 2; 3722)
Note:				*p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 21 are listed below.

```
# Table E3
staple.tE3.0mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "staples.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
walmart.tE3.0mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "walmart.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
dell.tE3.0mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "dell.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
cc.tE3.0mile <- plm(log(MinsPerDollar + 1) ~ DID + THREEINTER, data = data_0m_tE_balanced[data_0m_tE_balanced$domain_name == "circuitcity.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
```

Code 22: Table E3 Generation

2.18 Table G1-G3

2.18.1 Table G1

In order to further rule out other alternate explanations, we extracted the product categories most purchased by returning customers. We accordingly run the following regressions (with the selected product category sales as the outcome variable), for all the focal online competitors to Circuit City.

$$
\begin{aligned}
&\log\left(\texttt{TotalMonthlySales}+1\right)_{i,t} \\
&= \mu_i + \tau_t \\
&+ \beta_1\ \texttt{CCStorePresent}_i \times \texttt{AfterStoreClosing}_t \\
&+ \beta_2\ \texttt{CCStorePresent}_i \times \texttt{AfterStoreClosing}_t \times \texttt{BBStorePresent}_i \\
&+ \epsilon_{i,t}
\end{aligned}
\tag{9}
$$

Table 22: Results of the Sales Effect (Music, Movies and Videos, Console Video Games)

	log(TotalMonthlySales + 1)		
	amazon.com-0 Mile	bestbuy.com-0 Mile	circuitcity.com-0 Mile
	(1)	(2)	(3)
β_1	0.005	−0.001	−0.002
	(0.013)	(0.024)	(0.043)
β_2	0.008	0.000	
	(0.019)	(0.028)	
Observations	52,416	5,808	810
R^2	0.00002	0.00000	0.00000
Adjusted R^2	-0.044	-0.048	-0.092
F Statistic	0.535 (df = 2; 50207)	0.004 (df = 2; 5541)	0.001 (df = 1; 741)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 22 are listed below.

```r
# Table G1
ama.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "amazon.com",],
      index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
bb.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "bestbuy.com",],
      index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
stp.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "staples.com",],
      index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
walmart.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "dell.com",],
      index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
cc.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "circuitcity.com"
      ,], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
```

Code 23: Table G1 Generation

2.18.2 Table G2

We further, included all the zip codes in our dataset even if they did not have any sale at one of the five top online competitors. The results are given below:

Table 23: Results of the Sales Effect (All Products; All Online Sellers in the Control Group)

	log(TotalMonthlySales + 1)				
	amazon.com-0 Mile	bestbuy.com-0 Mile	staples.com-0 Mile	walmart.com-0 Mile	circuitcity.com-0 Mile
	(1)	(2)	(3)	(4)	(5)
β_1	0.014	−0.002	−0.027	−0.006	0.003
	(0.015)	(0.033)	(0.064)	(0.018)	(0.036)
β_2	−0.033	0.009	0.082	−0.018	0.013
	(0.022)	(0.036)	(0.075)	(0.026)	(0.051)
Observations	68,472	14,664	8,352	19,440	3,940
R^2	0.00003	0.00002	0.0003	0.0001	0.0001
Adjusted R^2	-0.044	-0.045	-0.046	-0.045	-0.058
F Statistic	1.091 (df = 2; 65594)	0.154 (df = 2; 14028)	1.004 (df = 2; 7979)	0.834 (df = 2; 18605)	0.094 (df = 2; 3722)

Note: *p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 23 are listed below.

```
# Table G2
# Do not filter control group on target_domain_to_consider and no category filtering
ama.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "amazon.com",],
      index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
bb.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "bestbuy.com",],
      index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
stp.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "staples.com",],
      index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
walmart.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "dell.com",],
      index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
cc.tG.0mile <- plm(log(TotalMonthlySales + 1) ~ DID + THREEINTER, data = data_0m_tG_balanced[data_0m_tG_balanced$domain_name == "circuitcity.com"
      ,], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
```

Code 24: Table G2 Generation

2.18.3 Table G3

There might also be a concern that we use individual level transactions to tease out how customers landed into Amazon's site after the store closure, not the zip code level aggregated data. Hence, we aggregated all the sales per zip code per month and calculated the ratio of sales navigation originating from a search engine and also those going directly to amazon.com. We then run a regression on both ratios as outcome variables.

$$\begin{aligned}
&(\texttt{AmazonReferringDomainIsSearchEngine Ratio}, \texttt{NoReferringDomain Ratio})_{i,t} \\
&= \mu_i + \tau_t \\
&+ \beta_1 \ \texttt{CCStorePresent}_i \times \texttt{AfterStoreClosing}_t \\
&+ \beta_2 \ \texttt{CCStorePresent}_i \times \texttt{AfterStoreClosing}_t \times \texttt{BBStorePresent}_i \\
&+ \epsilon_{i,t}
\end{aligned} \tag{10}$$

Table 24: Effect Referring Domain on Amazon Sales

	ReferringDomainIsSearchEngineRatio	NoReferringDomainRatio
	Amazon	Amazon
	(1)	(2)
β_1	-0.010^{**}	0.009^{*}
	(0.005)	(0.005)
β_2	0.011	-0.008
	(0.007)	(0.007)
Observations	73,416	73,416
R^2	0.0001	0.00004
Adjusted R^2	-0.044	-0.044
F Statistic (df = 2; 70332)	1.961	1.422
Note:		*p<0.1; **p<0.05; ***p<0.01

Codes for generating Table 24 are listed below.

```
# Table G3
ama.tG3.0mile.r1 <- plm(ReferringDomainIsSearchEngineRatio ~ DID + THREEINTER, data = data_0m_tG3_balanced[data_0m_tG3_balanced$domain_name == "amazon.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
ama.tG3.0mile.r2 <- plm(NoReferringDomainRatio ~ DID + THREEINTER, data = data_0m_tG3_balanced[data_0m_tG3_balanced$domain_name == "amazon.com",], index = c("Zip_Code", "Time"), model = "within", effect = "twoways")
```

Code 25: Table G3 Generation

3 Advanced Method

In this section, we present some advanced methods on the provided data.

3.1 Generalized Synthetic Control Method

3.2 PSM and LA-PSM

3.3 Causal Forest

In this section we focus on transaction level data and our treated group is determined by using a variable called `treatment` which takes value of 1 if `CCStorePresent` and `AfterStoreClosing` are 1 and takes value of 0 otherwise. We have 2 different datasets: one including transactions from zip code areas where a Circuit City store was closed and the other one including the transactions from zip code areas where a Circuit city store was in five-mile radius before its closure which we call zero-mile and five-mile datasets, respectively. There are some duplicate observations in these datasets therefore we decide to remove them from our analysis. We also create a third data set combining these two and dropping the duplicate observations because there are some observations in zero-mile dataset we fail to observe in the five-mile dataset.

Codes for constructing treatment variable are listed below.

```
cf_d1 <- concat_data1 %>%
  mutate(treatment = ifelse(CCStorePresent==1 & AfterStoreClosing==1, 1, 0)) %>%
  select(-Store_Close_Status, -domain_id, -ref_domain_name, -MinsPerDollar,
         -event_date,-event_time,-tran_flg,-prod_name, -MonthYear,
         -CCStorePresent,- AfterStoreClosing,-BB_Store_Status, -PagesPerDollar,
         -site_session_id, -prod_category_id, -basket_tot, -machine_id, -Zip_Code)

cf_d2 <- concat_data2  %>%
  mutate(treatment=ifelse(CCStorePresent==1 & AfterStoreClosing==1, 1, 0)) %>%
  select(-Store_Close_Status,-domain_id, -ref_domain_name, -MinsPerDollar,
         -event_date,-event_time,-tran_flg,-prod_name, -MonthYear,
         -CCStorePresent, -AfterStoreClosing,-BB_Store_Status, -PagesPerDollar,
         -site_session_id,-prod_category_id, -basket_tot, -machine_id, -Zip_Code)

cf_all <- concat_all_data  %>%
  mutate(treatment=ifelse(CCStorePresent==1 & AfterStoreClosing==1, 1, 0)) %>%
  select(-Store_Close_Status,-domain_id, -ref_domain_name, -MinsPerDollar,
         -event_date,-event_time,-tran_flg,-prod_name, -MonthYear,
         -CCStorePresent, -AfterStoreClosing,-BB_Store_Status, -PagesPerDollar,
         -site_session_id,-prod_category_id, -basket_tot, -machine_id, -Zip_Code)
```

Code 26: Constructing Treatment Variable

We first investigate the treatment effects on Amazon sales using the transactions within the zip code where a Circuit City store was closed. For each transaction $i = 1, \cdots, n$, we observe a binary treatment indicator `treatment` (W_i), a real valued outcome `prod_totprice` (Y_i), as well as 10 categorical covariates which are `hoh_most_education`, `census_region`, `household_size`, `hoh_oldest_age`, `children`, `racial_background`, `connection_speed`, `country_of_origin`, `prod_category_type` and `BBStorePresent`; and 4 real-valued covariates which are `pages_viewed`, `duration`, `prod_qty`, `household_income`. We expanded out categorical random variables via one-hot encoding, thus resulting in covariates $X_i \in \mathbb{R}^p$ with $p = 38$.

We define causal effects via the potential outcomes model Imbens and Rubin (2015): For each sample i, the potential outcomes denoted by $Y_i(0)$ and $Y_i(1)$ corresponding to the outcome we would have observed if the i-th sample was in control or treatment group, and assume that we observe $Y_i = Y_i(Wi)$. The average treatment effect is then defined as $\tau = \mathbb{E}[Y_i(1) - Y_i(0)]$, and the conditional average treatment effect function is $\tau(x) = \mathbb{E}[Y_i(1) - Y_i(0) \mid X_i] = x$.

Codes for estimating treatment effects on Amazon sales within the zip code where a Circuit City store was closed are listed below.

```
## Amazon Sales Effect using Zero Mile Data
set.seed(1)

ama_cf_d1 <- cf_d1 %>%
  filter(domain_name=="amazon.com") %>%
  select(-domain_name)

W1_ama <- ama_cf_d1$treatment
Y1_ama <- ama_cf_d1$prod_totprice

d1_ama <- ama_cf_d1 %>%
  select(-pages_viewed, -duration, -prod_qty,
         -prod_totprice, -household_income, -treatment)

d1_ama_exp <-model.matrix(~.+0, d1_ama)

X1_ama <- cbind(ama_cf_d1[,-c(4, 16, which(colnames(ama_cf_d1) %in% colnames(d1_ama)))], d1_ama_exp)

Y1_f_ama <- regression_forest(X1_ama, Y1_ama)
Y1_hat_ama <- predict(Y1_f_ama)$predictions

W1_f_ama <- regression_forest(X1_ama, W1_ama)
W1_hat_ama <- predict(W1_f_ama)$predictions

cf1_raw_ama <- causal_forest(X1_ama, Y1_ama, W1_ama,
                             Y.hat = Y1_hat_ama, W.hat = W1_hat_ama)

varimp1_ama <- variable_importance(cf1_raw_ama)
selected1_idx_ama <- which(varimp1_ama > mean(varimp1_ama))

cf1_ama <- causal_forest(X1_ama[,selected1_idx_ama], Y1_ama, W1_ama,
                         Y.hat = Y1_hat_ama, W.hat = W1_hat_ama,
                         tune.parameters = "all")

tau1_hat_ama <- predict(cf1_ama)$predictions
```

Code 27: Estimating Treatment Effects on Amazon Sales (Zero Mile) with Causal Forests

We use the package **grf** Tibshirani et al. (2018) to apply causal forest on our data and also to estimate the average treatment effect. The confidence interval for the average treatment effect is presented in Table 25. Since the 90% confidence interval do not include zero we can say that the average treatment effect is negative and statistically significant at the 0.1 level. We also perform the same analysis when the radius is increased by five miles. Our findings are not significant therefore we do not report our results for the larger dataset. As seen in Figure 1, the causal forest CATE estimates exhibit variation; but this does not automatically imply that $\tau^{-i}(X_i)$ is a better estimate of $\tau(X_i)$ than the overall average treatment effect estimate $\hat{\tau}$ that we

Table 25: 90% CI for the ATE on Amazon Sales (Zero Mile Data)

5%	Estimate	95%
-21.35	-11.57	-1.78

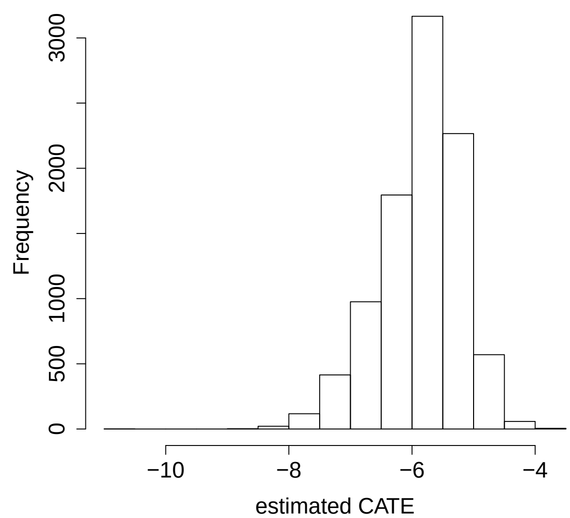

Figure 1: Histogram of out-of-bag estimates of CATE on Amazon Sales (Zero-Mile Data)

obtain using the doubly robust approach (Table 25). We try a test for heterogeneity, motivated by the "best linear predictor" method of Chernozhukov et al. (2018), that seeks to fit the CATE as a linear function of the the out-of-bag causal forest estimates $\hat{\tau}^{-i}(X_i)$. The results of this test is presented in Table 26. Since differential forest prediction is not significant we cannot say anything about heterogeneity.

Next, we consider the effect of store closure on customers' online shopping behaviors. We run two different causal forest using dependent variables `PagesPerDollar` which captures the number of pages viewed for every dollar worth of products either on amazon.com or bestbuy.com and `MinsPerDollar` which captures the minutes spent at the website for every purchase dollar.

We first investigate the treatment effect on`PagesPerDollar` using the amazon.com transactions within the zip code where a Circuit City store was closed. The average treatment effect and the 99% confidence interval is presented in Table (27) Since the 99% confidence interval do not include zero we can say that the average treatment effect is negative and statistically significant at the 0.01 level. We also perform the same analysis when the radius is increased by five miles. Our findings for five miles dataset are not significant therefore we do not report our results for the larger dataset.

Table 26: Best linear fit using forest predictions for CATE on Amazon Sales (Zero-mile dataset)

	CATE
mean.forest.prediction	2.375***
	(0.725)
differential.forest.prediction	−53.205
	(24.006)
Note:	*p<0.1; **p<0.05; ***p<0.01

Table 27: 99% CI for the ATE on `PagesPerDollar` (Zero Mile Data)

0.5%	Estimate	99.5%
-44.48	-25.43	-6.38

Codes for estimating treatment effect on `PagesPerDollar` using the transactions within the zip code where a Circuit City store was closed are listed below

```r
# Online Search Effect
## Search Breadth and Depth
### Amazon Pages Per Dollar using Zero Mile Data

cf_d3 <- concat_data1 %>%
  mutate(treatment=ifelse(CCStorePresent==1 & AfterStoreClosing==1, 1, 0)) %>%
  select(-Store_Close_Status, -domain_id, -ref_domain_name, -MinsPerDollar,
         -event_date,-event_time,-tran_flg,-prod_name, -MonthYear, -prod_totprice,
         -CCStorePresent,- AfterStoreClosing,-BB_Store_Status, -pages_viewed,
         -site_session_id, -prod_category_id, -basket_tot, -machine_id, -Zip_Code)

set.seed(1)

ama_cf_d3 <- cf_d3 %>%
  filter(domain_name=="amazon.com") %>%
  select(-domain_name)

W3_ama <- ama_cf_d3$treatment
Y3_ama <- ama_cf_d3$PagesPerDollar

d3_ama <- ama_cf_d3 %>%
  select(-duration, -prod_qty,
         -PagesPerDollar,
         -household_income,
         -treatment)

d3_ama_exp <-model.matrix(~.+0, d3_ama)

X3_ama <- cbind(ama_cf_d3[,-c(14, 15, which(colnames(ama_cf_d3) %in% colnames(d3_ama)))], d3_ama_exp)
```

```

Y3_f_ama <- regression_forest(X3_ama, Y3_ama)
Y3_hat_ama <- predict(Y3_f_ama)$predictions

W3_f_ama <- regression_forest(X3_ama, W3_ama)
W3_hat_ama <- predict(W3_f_ama)$predictions

cf3_raw_ama <- causal_forest(X3_ama, Y3_ama, W3_ama,
                             Y.hat = Y3_hat_ama, W.hat = W3_hat_ama)

varimp3_ama <- variable_importance(cf3_raw_ama)
selected3_idx_ama <- which(varimp3_ama > mean(varimp3_ama))

cf3_ama <- causal_forest(X3_ama[,selected3_idx_ama], Y3_ama, W3_ama,
                         Y.hat = Y3_hat_ama, W.hat = W3_hat_ama,
                         tune.parameters = "all")

tau3_hat_ama <- predict(cf3_ama)$predictions
```

Code 28: Estimating Treatment Effects on `PagesPerDollar` (Zero Mile) with Causal Forests

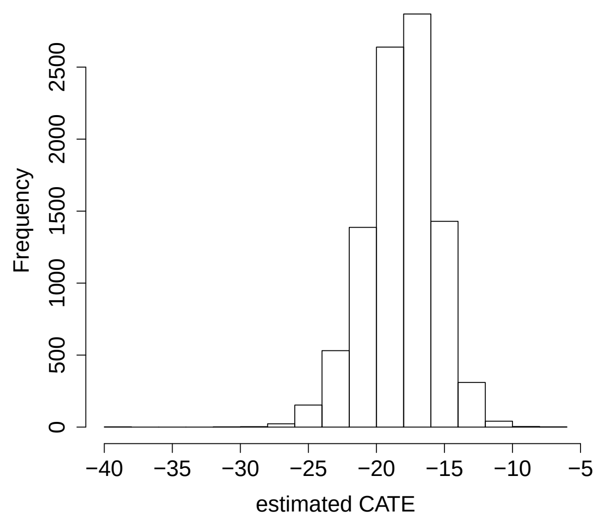

Figure 2: Histogram of out-of-bag estimates of CATE on `PagesPerDollar` (Zero-Mile Data)

We can see in Figure 2, the causal forest CATE estimates on `PagesPerDollar` exhibit variation. We test for heterogeneity and report its the results in Table 28. Since differential forest prediction is not significant we cannot say anything about heterogeneity.

Again to investigate the treatment effect on online search behaviors we use `MinsPerDollar` using the amazon.com transactions within the zip code where a Circuit City store was closed. The average treatment effect and the 99% confidence interval is presented in Table (29) Since the 99% confidence interval do not include zero we can say that the average treatment effect is negative and statistically significant at the 0.01 level. We also perform the same analysis when the radius is increased by five miles. Our findings for five miles

Table 28: Best linear fit using forest predictions for CATE on `AmazonPagesPerDollar` (Zero-mile data)

	CATE
mean.forest.prediction	−4.286
	(3.912)
differential.forest.prediction	−175.484
	(64.470)
Note:	*p<0.1; **p<0.05; ***p<0.01

dataset are not significant therefore we do not report our results for the larger dataset.

Table 29: 99% CI for the ATE on `MinsPerDollar` (Zero Mile Data)

0.5%	Estimate	99.5%
-43.03	-25.38	-7.74

Codes for estimating treatment effect on `MinsPerDollar` using the transactions within the zip code where a Circuit City store was closed are listed below

```
### Amazon Minutes Per Dollar using Zero Mile Data
cf_d5 <- concat_data1 %>%
  mutate(treatment=ifelse(CCStorePresent==1 & AfterStoreClosing==1, 1, 0)) %>%
  select(-Store_Close_Status, -domain_id, -ref_domain_name, -PagesPerDollar,
         -event_date,-event_time,-tran_flg,-prod_name, -MonthYear, -prod_totprice,
         -CCStorePresent,- AfterStoreClosing,-BB_Store_Status, -duration,
         -site_session_id, -prod_category_id, -basket_tot, -machine_id, -Zip_Code)

cf_all3 <- concat_all_data %>%
  mutate(treatment=ifelse(CCStorePresent==1 & AfterStoreClosing==1, 1, 0)) %>%
  select(-Store_Close_Status, -domain_id, -ref_domain_name, -PagesPerDollar,
         -event_date,-event_time,-tran_flg,-prod_name, -MonthYear, -prod_totprice,
         -CCStorePresent,- AfterStoreClosing,-BB_Store_Status, -duration,
         -site_session_id, -prod_category_id, -basket_tot, -machine_id, -Zip_Code)


### Amazon Minutes Per Dollar using Zero Mile Data
set.seed(1)

ama_cf_d5 <- cf_d5 %>%
  filter(domain_name=="amazon.com") %>%
  select(-domain_name)

W5_ama <- ama_cf_d5$treatment
Y5_ama <- ama_cf_d5$MinsPerDollar

d5_ama <- ama_cf_d5 %>%
```

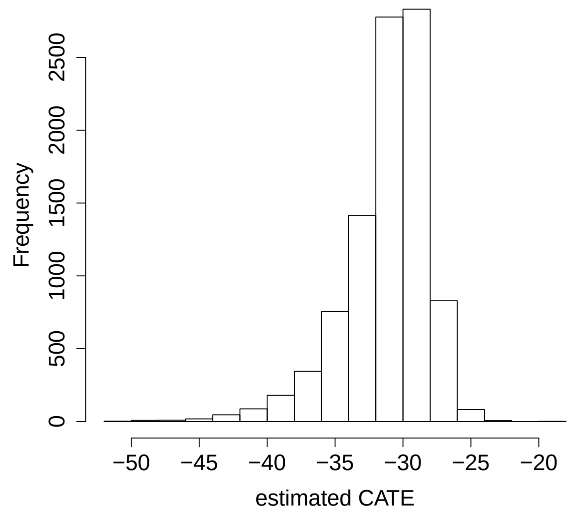

Figure 3: Histogram of out-of-bag estimates of CATE on `MinsPerDollar` (Zero-Mile Data)

```
  select(-pages_viewed,
         -prod_qty,
         -MinsPerDollar,
         -household_income,
          -treatment)

d5_ama_exp <-model.matrix(~.+0, d5_ama)

X5_ama <- cbind(ama_cf_d5[,-c(14, 15, which(colnames(ama_cf_d5) %in% colnames(d5_ama)))], d5_ama_exp)

Y5_f_ama <- regression_forest(X5_ama, Y5_ama)
Y5_hat_ama <- predict(Y5_f_ama)$predictions

W5_f_ama <- regression_forest(X5_ama, W5_ama)
W5_hat_ama <- predict(W5_f_ama)$predictions

cf5_raw_ama <- causal_forest(X5_ama, Y5_ama, W5_ama,
                             Y.hat = Y5_hat_ama, W.hat = W5_hat_ama)

varimp5_ama <- variable_importance(cf5_raw_ama)
selected5_idx_ama <- which(varimp5_ama > mean(varimp5_ama))

cf5_ama <- causal_forest(X5_ama[,selected5_idx_ama], Y5_ama, W5_ama,
                         Y.hat = Y5_hat_ama, W.hat = W5_hat_ama,
                         tune.parameters = "all")

tau5_hat_ama <- predict(cf5_ama)$predictions
```

Code 29: Estimating Treatment Effects on `PagesPerDollar` (Zero Mile) with Causal Forests

4 References

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