Discussion of Online Commerce Dynamics by Adrian Moreno Maria

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Contribution

- Takes advantage of a novel dataset with richer data classification of different types of online stores.
- Very relevant topic that is shaping our world and that we are concerned about.
- Ability for counterfactual modeling to understand the impacts of market players.

Modeling

- Assumes channel preference to be linear and additive in utility.
- Does not choose to model platform effects.
- Assumes oligopoly model (extract markups!)
- Coefficients on product qualities (sanity check!)

I could use more context

- I don't feel like the reason this difference between click-and-mortar and pure online is important is spelled out.
- Are some brands more sold in some channels? Fixed effect on brand might absorb some of your channel variation, which is your main interest.
- Your main outcome seems to be almost forgotten in the initial analysis of demand estimation – people prefer brick and mortar all things considered!

Modeling ideas!

- Why is channel preference just additive? Maybe people generally prefer brick and mortar, but they want more selection and variability of online? Or lower price of online? What are you really trying to say about the decision between channel, besides individual preference? You have a lot of complex modeling, but your question of interest is left simple and forgotten.

- Dropping channel random coefficients because not "significant"—these are presumably nuisance parameters, significance is not well defined.

Modeling ideas!

- Who are your actors? You lay out a world of resellers and consumers, but then model a world of producers and consumers. Your core actor of interest doesn't any agency, there's no interaction between the resellers. You model complex interaction between producers, who aren't really your subject of study.

- Doing a counterfactual is really incredible, but I need to believe the model strongly before going into the counterfactual, because it's a leap of faith! If your modelling the counterfactual of channel, I want to understand channel. Who are these actors and why is your modelling of them interesting?