Fan Zhang

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Haas School of Business

University of California at Berkeley

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I am a third year PhD student at Haas School of Business in the marketing department.

Relevant graduate courses completed at UC Berkeley:

2017:

ECON204 Mathematical Tools for Economics

ECON201A Economic Theory

ECON219A Foundations of Psychology and Economics

ECON240A Econometrics

ECON220B Industrial Organization

2018:

ECON201B Economic Theory

ECON206 Mechanism Design and Agency Theory

ECON240B Econometrics

PHDBA279B The Political Economy of Capitalism

ECON207A Mathematical Economics

ECON244 Applied Econometrics

PHDBA269A Seminar in Marketing: Buyer Behavior

PHDBA269C Seminar in Marketing: Marketing Strategy

2019:

ECON220A Industrial Organization

ECON220C Selected Topics in Industrial Organization

PHDBA269B Seminar in Marketing: Choice Modeling

PHDBA297T Doctoral Topics in Business Administration

Research interest: Consumer Search, Online Platform, Network Economics

Research projects:

Estimate Consumer Search Cost with Purchase Outcome Data

Utilizing the theoretical result of *Choi et al (2018)*, I estimate consumer search cost with purchase outcome data in this paper. I analyze a model where consumers search sequentially for the best option based on advertised price and partial product information. I verify the model's ability to recover the structural parameters by a numerical experiment. Then using Nielson Consumer Panel Data, I estimate the product specific search costs for the top five brands in 32oz refrigerated yogurt market. I find that after controlling for the prices, the private labeled brand has the lowest search cost. Counterfactual analysis shows that eliminating the search cost increases overall purchase and decreases the price sensitivity. Incorrectly ignoring search frictions leads to an overestimation of own-price elasticity.

Industry Consolidation on Airline Networks

Coauthored with Sergei Severinov

What is the effect of a merger between non-overlapping carriers on airline networks? In this paper we study the airline industry consolidation in a networked environment to examine such effect. Distinct characteristics of the airline industry- costly, observable and transferable capacity investment, and multimarket contact- influence the nature of strategic interactions on airline networks in a substantive way. We identify a novel *strategic flexibility* effect that is the key channel through which the airline network structure determines the equilibrium outcome. We highlight a non-monotonic relationship between industry consolidation level and the efficiency of equilibrium outcome. Our results reveal a new dimension of industry consolidation and provide an important supplement to the traditional horizontal merger analysis. We also reconsider the efficiency and effectiveness of frequently used antitrust policies such as divestiture and deconsolidation in the context of networks.

Committee members:

J. Miguel Villas-Boas

Przemyslaw Jeziorski

Benjamin Handel

Kei Kawai

Giovanni Compiani

Reference

Choi, Michael, Anovia Yifan Dai, and Kyungmin Kim. "Consumer search and price competition." *Econometrica* 86.4 (2018): 1257-1281.