Application to NBER Economics of Digitization Tutorial, March 2020

Renata Gaineddenova
Phone: +1 (608) 571-90-20
e-mail: gaineddenova@wisc.edu

Department of Economics
William H. Sewell Social Science Building
1180 Observatory Drive
Madison, WI 53706-1393

Course of Study:

I am a fifth-year Ph.D. student in the Department of Economics at the University of Wisconsin – Madison. My primary field is Industrial Organization. During my studies, I completed the full sequence of IO classes taught by Alan Sorensen, Lorenzo Magnolfi, and Jean-François Houde. I have two minors: Econometrics (taught by Bruce Hansen, Jack Porter, and Joachim Freyberger) and Macroeconomics (taught by Dean Corbae, Enghin Atalay, and Noah Williams). In the first year of my studies, I completed the full core sequence of Microeconomics, Macroeconomics, and Econometrics.

I am currently at the dissertator stage of my studies. My committee members are: Alan Sorensen, Jean-François Houde, and Kenneth Hendricks. The tentative title of my dissertation is: "Pricing and Economic Efficiency in Ride-Hailing Platforms."

Research interests/projects:

I attended the NBER Digitization Tutorial in 2019, and it was an excellent opportunity to connect with the people who are working in the digitization area. Within the fields of industrial organization and the economics of digitization, I am especially interested in studying search, the impact of digital platforms, and the mechanisms these platforms employ to alleviate search frictions and promote economic efficiency. I am currently working on a project that is tightly related to these topics.

Specifically, I study how different pricing mechanisms affect efficiency in ride-hailing apps. To study this question, I use a proprietary dataset from a unique ride-hailing app – inDriver. The

platform originated in Russia in 2013 and as of November 2019 operates in 26 countries across the world. Instead of setting the prices and allocating drivers in a centralized manner, this platform allows passengers and drivers to engage in a structured negotiation process with well-defined rules and timeline. Using this unique framework, I recover the primitives of a demand model and show that inDriver's bargaining algorithm allows for better signalling on the consumers' side relative to more centralized systems such as Uber, which leads to a higher consumer surplus. At the moment, I explore how this mechanism affects the supply side (drivers) and the total surplus as a result.

I would very much appreciate it if you consider my application. I look forward to hearing from you.