Application for NBER Digitization Tutorial 2025

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Personal Information:

- Affiliation: Department of Economics, University of Maryland, College Park
- Years of enrollment into Ph.D. program: 3
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Graduate Courses:

- Empirical Studies in Industrial Organization (by Prof. Ginger Jin): covering topics on price discrimination, cartels and collusion, demand estimation, entry and market structure, information economics, and digital platform design
- Computational Economics (by Prof. Andrew Sweeting): covering modelling techniques in static games, discussing topics on productivity, demand estimation, and supply conduct
- Theory of Industrial Organization (by Prof. Chenyu Yang): covering estimation and inference techniques in dynamic models, discussing related topics on endogenous product choice, matching and market design
- Advanced Microeconomics I (by Prof. Daniel Vincent): covering advanced game theory and mechanism design
- Advanced Microeconomics II (by Prof. Lawrence Ausubel): covering auction theory, matching theory, sequential bargaining, and equilibrium refinements
- I have also completed the first-year core courses on microeconomics, macroeconomics, and econometric theory
- Apart from the graduate courses that I have taken, I have served as a teaching assistant for undergraduate courses on digital economy and antitrust regulation (Economics of Big Data, and Economics of Regulation and Antitrust)

Committee members:

- Andrew Sweeting
- Ginger Zhe Jin

Research Interests:

- Industrial Organization
- Digital Economy
- Competition and Regulation

Selected Research Project in Process: Price Salience, Consumer Choice, and Seller Strategy: Insights from California's Honest Pricing Law

Sellers use drip pricing to lure consumers but consumers are obfuscated by the incremental charges in the final price. To enhance price salience, California has implemented the "Honest Pricing Law" (SB478) since July 2024, which requires that mandatory fees must be disclosed upfront in the advertised price rather than being added at the final stage of the purchase process. This law is considered the first statewide law to ban drip pricing in the U.S. It prohibits most businesses from advertising or listing a price for goods or services that does not include all mandatory fees or charges. The purposes are to "allow consumers to make accurate price comparisons" and "help business compete fairly on price" through truthful price advertising. Therefore, understanding the demand and supply responses triggered by the Honest Pricing Law is crucial for strengthening consumer protection and promoting fair competition, especially for online platforms.

This project aims to analyze the effects of this law on consumers' product choice, sellers' pricing and quality strategies, as well as market competition within a single digital platform. The research context is Airbnb, a short-term rental platform. Before the law, Airbnb featured several add-on fees, such as cleaning and service charges, and only disclosed them in the final price. The new law requires Airbnb to display an all-inclusive price upfront for all listings based in California, enabling a causal analysis of the law's effects. Airbnb's extensive and geographically diverse listings across the U.S. also provide a unique research opportunity to construct control groups for the treatment in California and build a robust econometric framework.

By leveraging large-scale data on Airbnb listings and performance, we are able to address key policy-related questions. For the demand side, we examine whether consumers would reduce their demand for higher-priced products when prices become more transparent and upfront. For the supply side, we analyze how sellers would adapt their add-on fees (such as cleaning fees) and service quality (such as amenities inside the property) in response to the ban of drip pricing. We also look into how the platform would adjust its own service fees, and the implications for seller competition. Moreover, we investigate heterogeneous effects across different types of sellers, listings, target consumers, and local competition conditions to gain a comprehensive understanding of overall market outcomes. These insights will contribute to creating a platform environment that upholds consumer rights while supporting honest sellers.

This project makes several contributions to the literature. First, the current literature on price salience focuses primarily on the demand side, with limited attention given to supply-side responses. We fill this gap by conducting a comprehensive examination of how sellers react to changes in price transparency, particularly in terms of strategic adjustments to pricing structures, product offerings, and how it affects the competition environment. Second, previous studies often conduct short-term experiments of different salience strategies in an academic experimental lab or on an online marketplace. However, the implications of their findings beyond the hypothetical lab setting or the specific focal marketplace remain uncertain. By contrast, our study faces minimal issues with external validity. Our analysis is based on a statewide law enforced by the full power of the California state government, which applies uniformly across multiple industries, such as property rentals, ticket resales, flight and hotel bookings. This broad applicability enables our findings can be generalized to diverse market contexts, providing consistent insights into the effects of banning drip pricing on both buyers and sellers.