Contact information

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Applicants' Description

I am a third year PhD student in Economics at Harvard University. My main field is Industrial Organization, and I focus my research on competition among firms in markets for digital goods or services. In particular, I am interested in: 1) how firms compete for user engagement in digital markets; 2) how goods are endogenously determined in the presence of vertical relationships among firms, and 3) how markets within platforms (e.g., cosmetics for digital avatars in videogames) organize and how their firms compete.

I am currently working on two projects. In the first, I investigate how vertical integrations of videogame publishers and developers affects the endogenous provision of goods in the market for digital PC videogames on Steam. A specialization argument suggests that vertical integration should decrease the variety of goods if integrated firms are more profitable and induce the foreclosing of firms far away in characteristics space. However, if games close in characteristics space are more likely to be substitutes, publishers might integrate with more diverse developers, potentially mitigating the reductions in game variety. I also analyze the impact of these integrations on game quality and consumer welfare.

In my second project, I analyze the optimal pricing strategies for "add-ons" in situations where the base product as well as the add-on exhibit network effects. A classic example of this setting are cosmetics or "pay-to-win" elements in multiplayer games (e.g., character skins in Fortnite or cards in Marvel SNAP). The traditional price discrimination literature argues that the add-ons are priced at the monopoly price (e.g. Lal & Matutes, 1994). However, the presence of network effects can change this result. In particular, if the add-on exhibits negative network effects, then firms might be disuaded from offering the add-on altogether. On the contrary, if the add-on exhibits positive network effects, then the firm might subsidize the price of the base product to increase the user base and consequently increase the value of the add-on. These forces might explain why many firms developing multiplayer games (which exhibit positive network effects) have chosen to offer cosmetics and move away from "pay-to-win" microtransactions.

References

Lal, R., & Matutes, C. (1994). Retail pricing and advertising strategies. *The Journal of Business*, *67*(3), 345–370.
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