

H. TAI LAM

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RESARCH FIELDS

Primary: **Industrial Organization**

Secondary: **Applied Microeconomics**

Consumer search; antitrust; platform competition; e-commerce; demand estimation

EDUCATION

Ph.D., Economics, Northwestern University

2022 (anticipated)

Dissertation: “Platform Search Design”

Committee: Prof. Robert Porter (Chair), Prof. Mar Reguant, Prof. Gaston Illanes, Prof. Vivek Bhattacharya

B.A. in Economics (Honours), University of New South Wales, Australia

2011

JOB MARKET PAPER

“Platform Search Design and Market Power”

Amazon.com is a marketplace where both Amazon and small businesses compete in offering retail products. However, Amazon chooses what products consumers see when they search. Products sold by Amazon may be advantageously positioned compared to small business products, but the effects on consumers and sellers are unclear. Policymakers have expressed antitrust concerns about this, suspecting “self-preferencing” and “gatekeeper” market power. To study this, I develop a model where heterogeneous consumers search over product arrangements and firms price in response—highlighting how search design determines market structure. My model endogenizes consideration set formation and is compatible with popular demand estimation techniques. Estimated on Amazon data, I show that not accounting for product arrangement (e.g., search results and BuyBox) leads to biased estimates. I pose three counterfactual product arrangements to shed light on market power and antitrust policy. (1) To isolate the effect of Amazon’s position advantage, I remove it through a “neutral arrangement”. Profits shift from Amazon to small businesses, confirming Amazon’s sizable market power. However, consumer welfare falls, which suggests Amazon’s incentives and consumers’ preferences are aligned, weakening the claim of self-preferencing. (2) The proposed ban on the platform owner from also being a seller materially reduces consumer welfare. (3) I propose an alternate policy, splitting the platform into an Amazon side and a small-business side. Giving consumers a choice to “support small businesses” would alleviate the market power imbalance without harming consumer welfare.

WORK IN PROGRESS

“Separating Equilibrium in Platforms Competing over Search Design”

Competing retail platforms (such as Amazon and eBay) choose different ways of arranging the products shown to consumers. Why does this occur, and is there an optimal arrangement of products? I propose a model of consumer search to model a retail platform’s incentives to arrange products. I show that a monopoly platform may obfuscate search in equilibrium, using product arrangement to extract surplus from participants. However, under competing duopoly platforms, I show that pooling and separating equilibria are possible. Notably, there is a separating equilibrium where one platform groups similar products under intense price competition and the other platform does not, mirroring the observed search designs of Amazon and eBay. The two platforms use search design to discriminate between consumers with different search costs. High search cost consumers prefer the platform that groups products as this minimizes searching, while low search cost consumers prefer

the other platform since they can benefit from considering a wider range of products. The resulting pricing on each platform exhibits different dispersion that supports the separating equilibrium.

TEACHING EXPERIENCE

- Teaching Assistant – *Northwestern University* 2017 - 2020
- UG level: Industrial Economics; Behavioral Economics; Health Care Economics; Intermediate Micro
- Teaching Assistant – *University of New South Wales* 2011
- UG level: Intermediate Micro; Behavioral Economics

WORK EXPERIENCE

- Research Assistant to **Prof. Robert Porter**, Northwestern University Winter 2021
- Research Assistant to **Prof. Vivek Bhattacharya**, Northwestern University 2018 - 2019
- Senior Analyst – Reserve Bank of Australia Feb 2012 - Aug 2016
- Two-sided platform regulation; modeling of mortgage defaults in securitization vehicles
- Intern – Australian Government Department of the Treasury Jan 2011
- Tax incidence and tax salience

INVITED PRESENTATIONS & CONFERENCES

- UCLA Anderson Marketing Seminar Series Oct 2021
- Stanford GSB Marketing Seminar Series Sept 2021
- Lear Competition Festival – Young Talent Competition Finalist June 2021

SCHOLARSHIPS, GRANTS & AWARDS

- Northwestern University Graduate Dissertation Year Fellowship 2021
- Reserve Bank of Australia Study Grant 2017
- Others: Reserve Bank of Australia Cadetship Award 2011; NSW Treasury Honours Scholarship 2011; UNSW Experimental Small Projects Grant 2011

SKILLS

- R, SQL, Mathematica, Linux, Python, STATA, LaTeX

REFERENCES

Robert Porter

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Mar Reguant

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