

Discussion on *Search, Design, and Market Structure*

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Overview and Comments

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- The paper models search and product design.
- Seeks to explain coexistence of *long-tail* and *superstar* effects.
- Puzzle: standard search models predict that declines in search costs lower profits.
- Solution: Endogenous product design—why does this work?
- Other approaches?
 - Directed search,
 - Social media.

Rotations in Empirical Work

- It's easy for demand curves to rotate rather than shift:
 - Advertising that conveys product details,
 - Access to product reviews,
 - Product designs,
 - Changes in dispersion of demographic variables.



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- It's easy for demand curves to rotate rather than shift:
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 - Changes in dispersion of demographic variables.
- Demand rotations have strategic and welfare implications that are a bit more subtle than shifts.
- An opportunity for empirical work?

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