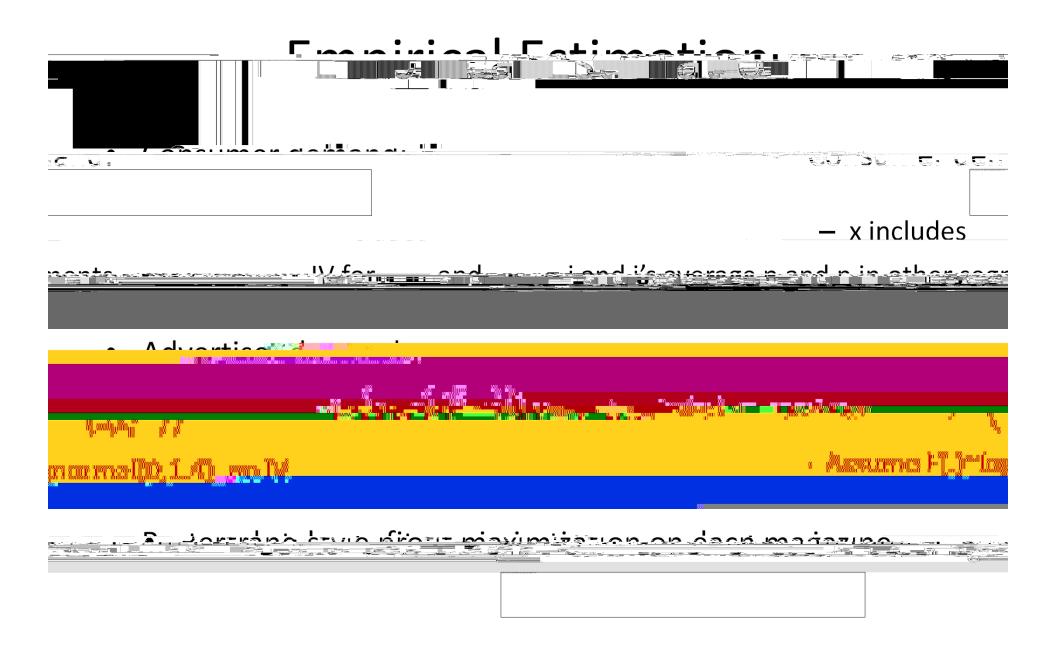
Discussion of Song

"Estimating

Summary

- Combines structural estimation and two sided markets
 - Internalize positive externality between the two sides incentive to be big
 - Platforms compete on both sides (directly or indirectly)
- Findings:
 - magazines set consumer prices below marginal cost but earn large mark up on advertisers
 - Merger into monopoly can be welfare enhancing for both consumers and advertisers
 - Both findings specific to two sided markets
- Clear intuition, enormous work in implementation



Comments on advertiser demand

$$n_{i}^{\mathcal{D}} = \left(1 - F\left(\frac{n_{i}^{\mathcal{B}}_{j}}{1 - F\left(\frac{n_{i}^{\mathcal{B}}_{j}}{1$$

- F(.) seems arbitrary, it dictates demand sensitivity to price and readership
 - Is it possible to estimate parameters in F(.)?
- Endogeneity of price and readership?

Comments on model choice and IVs

- Assume competitive bottleneck
 - Allow advertisers to multi homing with no direct competition of advertisers between platforms
 - Evidence on multi homing and lack of exclusive dealing?
- Assume demand shocks are independent between TV magazines and other magazines
 - Do different segments target same readers (e.g. married women)?
 - Do same advertisers advertise in multiple segments?
 - Do publishers engage in bundle price across segments?
- Does estimation account for (1) a publisher's ownership on multiple TV magazines, and (2) market structure changes in the data?

Other comments

- Consumers and advertisers have different quality rankings on magazines
 - The offered explanation is magazines with large market shares do not fully exploit readership in advertiser pricing
 - Does this violate the assumption of Bertrand optimal pricing?
- More intuition of why merger leads to lower advertising price for some magazines?
- Platforms may differentiate for better targeted advertising
 - How would this affect estimation and counterfactuals?