

# APIOS

ASIA-PACIFIC INDUSTRIAL  
ORGANISATION SOCIETY



## ASIA-PACIFIC INDUSTRIAL ORGANISATION CONFERENCE (APIOC)

12 & 13 December 2016  
Melbourne

# SPONSORS

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## CONFERENCE VENUE

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Law Building, 185 Pelham Street  
The University of Melbourne  
Carlton

Please see back page for  
detailed map of location

## IMPORTANT DATES

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**REGISTRATION AND RECEPTION:**  
Evening – Sunday 11 Dec 2016

**CONTRIBUTED SESSIONS:**  
Monday 12 Dec – Tuesday 13 Dec 2016

**CONFERENCE DINNER:**  
Monday 12 Dec 2016

# WELCOME TO APIOC

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The Departments of Economics at The University of Melbourne and Monash University, alongside with the Centre for Market Design, are pleased to welcome you to the first annual Asia-Pacific Industrial Organisation Conference (APIOC).

## MESSAGE FROM THE CHAIR

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### Luís Cabral

NYU Stern



Welcome to Melbourne and to the inaugural conference of the Asia-Pacific Industrial

Organisation Society. For the past 30 or 40 years, IO has taken enormous strides, and as a result justly acquired a prominent status among the different fields of economics.

Numerous researchers have been awarded the Nobel and other leading prizes for IO-related contributions. The IO approach to economics has greatly influenced other fields, from trade to law and economics, from corporate finance to strategy, to mention just a few. If

economics is the queen of social science, then IO is one of the leading princes of economics.

Reflecting the field's importance and reach, two large annual IO conferences have been organised for years: the IIOC Conference in the US and the EARIE conference in Europe. But there is more to economics research than Europe and North America. In particular, the recent years have witness considerable growth in high-impact IO research in Asia and Australasia. In this context, APIOS emerges from the wonderful initiative of a group of Australasia-based IO researchers. Their primary goal: to organise an annual IO conference taking place in a region hitherto undeserved conference-wise.

APIOC fills a deep void and its creation is most welcome. It was for me a great honour to be appointed the inaugural conference's scientific committee chair. I was pleasantly surprised by the number and quality of submissions; and I know this feeling was shared by my organising committee fellow members. We have a great program indeed.

I thank you all for coming and I hope this is just the beginning of a long series of high-level, productive and fun conferences. I am very sorry that, for a variety of reasons, I cannot attend this year's conference, especially considering it is the inaugural one. I hope to be able to attend future editions. Until then, I wish you all the best in Melbourne and beyond.

## WHAT IS APIOS?

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The Asia-Pacific Industrial Organisation Society (APIOS) was founded in early 2016 to support and connect researchers in industrial organisation across the Asia-Pacific region. The society's main function is to host the APIOC annually, thereby providing a platform where researchers can present their work and engage with their community of peers both in Asia and the Pacific, and around the world.

**Current member institutions listed right. We are always looking to expand our network.**

### AUSTRALIAN AND NEW ZEALAND MEMBERS:

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University of Melbourne  
Monash University  
Australian National University  
University of New South Wales  
University of Queensland  
University of Sydney  
University Technology Sydney  
University of Auckland  
Auckland University of Technology  
Massey University

### ASIAN MEMBERS

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National University of Singapore  
Singapore Management University  
Shanghai University of Finance and Economics  
Peking University  
City University of Hong Kong  
Hong Kong University  
Hitotsubashi University  
University of Tokyo  
Kyushu University

# ABOUT OUR KEYNOTE SPEAKERS

## Patrick Rey

Toulouse School of Economics



Patrick Rey will give a keynote speech on Monday 12 December on *Prizes versus Contracts as Incentives for Innovation*.

Patrick is the Director of the Institut d'Économie Industrielle, a member of the Toulouse School of Economics and a Professor of Economics at the University of Toulouse. He was previously Director of the Laboratory of Industrial Organisation, CREST-INSEE, and of l'École Nationale de la Statistique. He has a PhD in Economics from the University of Toulouse, a Diploma in Engineering from École Polytechnique, and a Masters from ENSAE. His research interests include Industrial Organisation, Regulation and Competition Policy, and Innovation and Intellectual Property.

## Matthew Shum

Caltech



Matthew Shum will give a keynote speech on Tuesday 13 December entitled *The Welfare Effects of Endogenous Quality Choice in Cable Television Markets*.

Matthew's research lies at the intersection of industrial organisation, econometrics, and applied microeconomics. He is trying to understand how rational consumer behaviour actually is in the field, whether equilibrium models of rational decision making are appropriate for firms, and how optimal real-life firms behave. He was at Johns Hopkins University from 2000 to 2008, and at the University of Toronto from 1998 to 2000.

# ABOUT OUR INVITED SPEAKERS

## John Asker

UCLA



John is a Professor of Economics at UCLA. His research covers topics related to antitrust policy,

cartel behaviour, vertical restraints, the competitive impact of mergers, auction design, firm-level productivity and the effects of industry subsidies. He is also co-editor of the *American Economic Journal: Microeconomics* and a Research Associate at the National Bureau of Economic Research.

## Yeon-Koo Che

Columbia University of Economics



Yeon-Koo Che received his PhD in Economics from Stanford University in 1991. He is the Kelvin

J. Lancaster Professor of Economic Theory at Columbia University, and is Fellow of Econometric Society. His research focuses on auction theory, mechanism design, and market design, contract theory and law and economics. He was editor of *Journal of Industrial Economics*, and is currently serving as associate editor of *Econometrica* and advisory editor of *Games and Economic Behavior*.

## Daniel Garrett

Toulouse School of Economics



Daniel is an Assistant Professor at the TSE Research Faculty, having received his Economics

PhD from Northwestern University in 2012. His research interests include economic theory, the theory of industrial organisation and regulation. His research has appeared in publications including the *American Economic Review*, the *Journal of Economic Theory*, the *Journal of the European Economic Association*, and the *Journal of Political Economy*.

## Jacob Goeree

UNSW Australia



Jacob is a world-leading experimenter, theorist and market designer. His research has influenced

the design of major spectrum auctions worldwide. In the US, he designed and tested the recent 700MHz auction that generated record revenues of 19 billion dollars and co-designed the market for pollution permits for the regional greenhouse gas initiative. He was President of the Economic Science Association, Editor of *Experimental Economics*, and is Associate Editor of the *Journal of Economic Theory* and *Games and Economic Behaviour*.

## Bruno Jullien

Toulouse School of Economics



Bruno is a senior researcher, CNRS, at the TSE Research Faculty. His research

interests include industrial organisation, competition policy, contract theory, regulation, telecommunication, internet, network economics, economics of information, economics of insurance, and economics of health.

## Stephen Martin

Purdue University



Stephen is Professor of Economics at Krannert School of Management, Purdue University.

Previous roles include: Faculty Director of the Technology Transfer Initiative at the Burton D. Morgan Center for Entrepreneurship, Chairman of the Economics Policy Committee, and Professor of Industrial Organization at the University of Amsterdam. He completed his PhD in economics at M.I.T. and his research interests include all areas of industrial organisation with current emphasis on comparative (U.S. and EU) competition policy and the impact of state aid on market performance.

## Leslie Marx

Duke Trinity College of Arts and Sciences



Leslie's research interests are in game theory and industrial organisation. Her

research focuses on anti-competitive behaviour by individuals and firms, including collusion, bid rigging, and anti-competitive contract provisions. She is the Robert A. Bandeen Professor of

Economics, she gained a BS from Duke University, and an MA and a PhD from Northwestern University). Her research has appeared in publications including; *American Economic Review*, *Review of Economic Studies*, *Journal of Political Economy*, and *Quarterly Journal of Economics*.

## Michelle Sovinsky

University of Mannheim



Michelle's research focuses on using game-theoretic modelling with empirical analysis to

examine policy issues in industrial organisation and applied health. Her research covers topics including: individual-decision making under limited information and the implications for firms' decisions and market power, the antitrust implications of research collaboration or advertising expenditures, the analysis of decisions concerning long-term care for the elderly, and how individuals make risky decisions concerning their health, drug use, or eating behaviours.

# PROGRAM

SUNDAY, 11 DECEMBER 2016

VENUE: LAW BUILDING, 185 PELHAM ST, THE UNIVERSITY OF MELBOURNE, CARLTON

18:00 – 19:00

REGISTRATION

Level 1 Foyer

18:30 – 20:00

WELCOME RECEPTION

Level 10 – Woodward Conference Centre

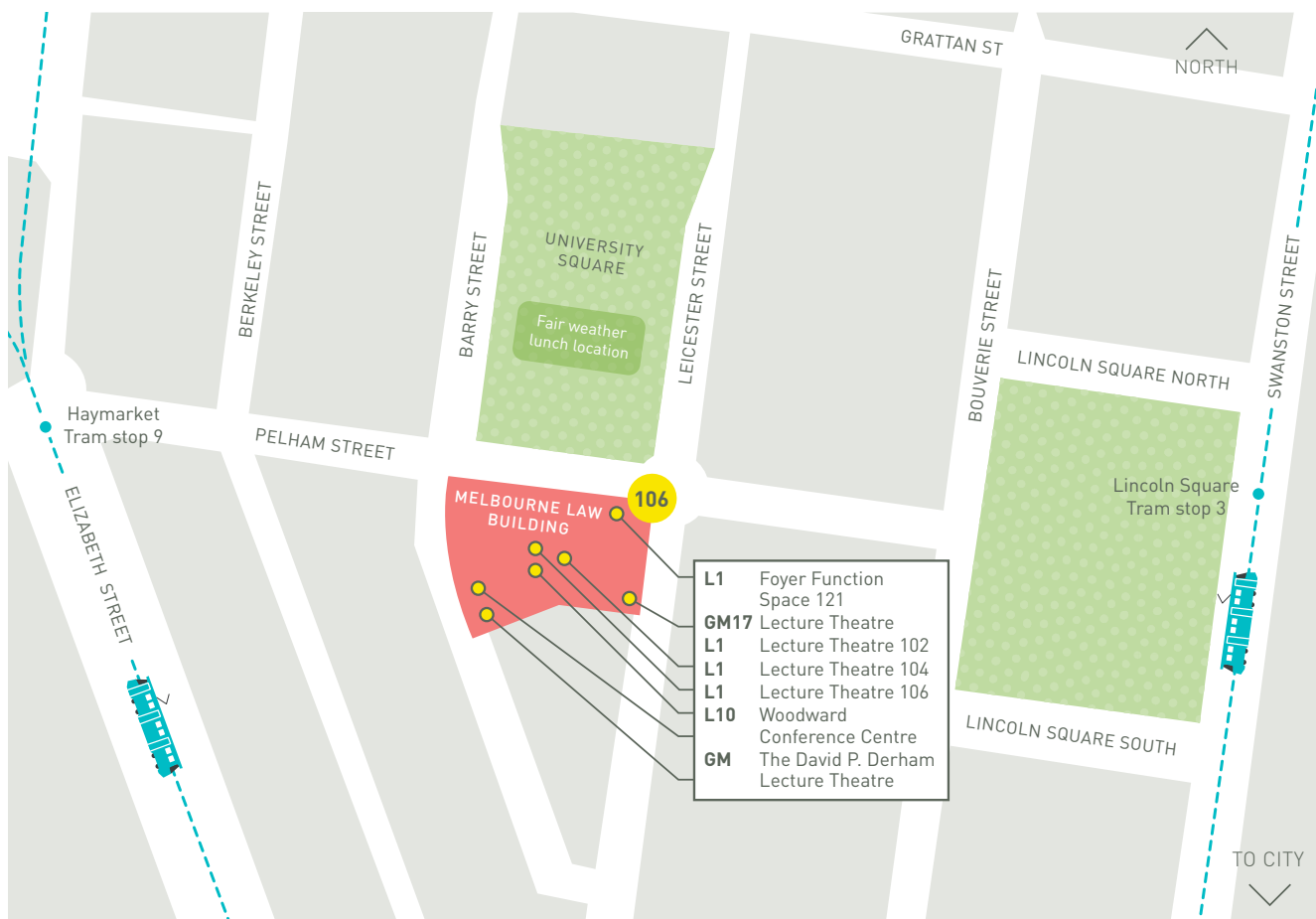


VENUE: LAW BUILDING, 185 PELHAM ST, THE UNIVERSITY OF MELBOURNE, CARLTON

08:45	<b>REGISTRATION &amp; BREAKFAST</b> Level 1 Foyer		
09:15	<b>PLENARY 2</b> The David Paul Derham Lecture Theatre, Ground Mezzanine <b>Matt Shum</b> (Caltech) – Chair: <b>David Byrne</b> (University of Melbourne) – “ <i>The Welfare Effects of Endogenous Quality Choice in Cable Television Markets</i> ”, joint with Gregory S. Crawford (University of Zürich) and Oleksandr Shcherbakov (University of Mannheim)		
10:15	<b>REFRESHMENTS</b> Level 1 Foyer		
	<b>PARALLEL SESSION 5 A</b>	<b>PARALLEL SESSION 5 B</b>	
10:30	<b>Topics in Applied IO Theory IV</b> – Chair: <b>Ping Lin</b> (Lingnan University) – Level 1, Lecture Theatre 102 <b>Rogério Mazali</b> (Catholic University of Brasilia); José Rodrigues-Neto (Australian National University) <i>“Social Status, Reputation, Financing, and Commitment”</i> <b>Ping Lin</b> (Lingnan University) <i>“Tort Law Reform, Multidimensional R&amp;D, and Innovation”</i>	<b>Topics in Applied IO Theory V</b> – Chair: <b>Keisuke Hattori</b> (Osaka University of Economics) – Level 1, Lecture Theatre 104 <b>Yasuhiro Arai</b> (Kochi University); Kohei Kawamura (University of Edinburgh) <i>“Subsidies and Self-Funding”</i> <b>Keisuke Hattori</b> (Osaka University of Economics); Amihai Glazer (University of California, Irvine) <i>“Committing to a Future Price by Selling to the Poor”</i>	
11:30	<b>REFRESHMENTS</b> Level 1 Foyer		
	<b>PARALLEL SESSION 6 A</b>	<b>PARALLEL SESSION 6 B</b>	<b>PARALLEL SESSION 6 C</b>
11:45	<b>Search and Switching</b> – Chair: <b>Jungwon Yeo</b> (Singapore Management University) – Level 1, Lecture Theatre 102 <b>Nan Yang</b> (National University of Singapore); Jun-Kuan Chong (National University of Singapore) <i>“A Dynamic Model of Service Usage, Customer Satisfaction, and Retention”</i> <b>David Byrne</b> (University of Melbourne); Nicolas de Roos (University of Sydney) <i>“Start-up Search Costs”</i> Hyunchul Kim (Sungkyunkwan University); <b>Jungwon Yeo</b> (Singapore Management University) <i>“Multiproduct Search and Retail Pricing: Some Empirical Results”</i>	<b>Advertising</b> – Chair: <b>Yusuke Zenny</b> (Osaka University of Economics) – Level 1, Lecture Theatre 104 <b>Ce “Matthew” Shi</b> (Chinese University of Hong Kong) <i>“Catching (Exclusive) Eyeballs: Multi-Homing and Platform Competition in the Magazine Industry”</i> <b>Yusuke Zenny</b> (Osaka University of Economics) <i>“Freemium on Advertising Platforms”</i>	<b>Auctions II</b> – Chair: <b>Dong-Hyuk Kim</b> (University of Queensland) – Level 1, Lecture Theatre 106 <b>Benjamin Balzer</b> (University of Technology Sydney) <i>“Signaling and Inefficient Collusion in Auctions”</i> <b>Dong-Hyuk Kim</b> (University of Queensland) <i>“Information Disclosure Discount in Takeover Auctions”</i>
13:15	<b>LUNCH</b> University Square – (pick-up lunch boxes from Level 1 Foyer)		
	<b>PARALLEL SESSION 7 A</b>	<b>PARALLEL SESSION 7 B</b>	<b>PARALLEL SESSION 7 C</b>
14:15	<b>Empirical Studies on Integration, Entry and Survival</b> – Chair: <b>Naoki Wakamori</b> (University of Tokyo) – Level 1, Lecture Theatre 102 Hyunchul Kim (SKKU); Sangwoo Lee (Yonsei University); <b>Minsoo Park</b> (Sungkyunkwan University) <i>“Do Vertically and Horizontally Integrated Firms Survive Longer? The Case of Cable Networks in Korea”</i> <b>Ken Onishi</b> (Singapore Management University); <b>Naoki Wakamori</b> (University of Tokyo); Shun-ichiro Bessho (Keio University) <i>“The Welfare Consequences of Free Entry in Vertical Relationships: The Case of the MRI Market”</i>	<b>Innovation</b> – Chair: <b>Noriaki Matsushima</b> (Osaka University) – Level 1, Lecture Theatre 104 <b>Nisvan Erkal</b> (University of Melbourne); Guillem Roig (Universidad del Rosario) <i>“Research Paths, Strategic Disclosure and Exit”</i> <b>Kaz Miyagiwa</b> (Florida International University); <b>Yuka Ohno</b> (Hokkaido University) <i>“Patent protection as a puppy-dog ploy”</i> <b>Noriaki Matsushima</b> (Osaka University); Laixun Zhao (Kobe University) <i>“Strategic Sourcing as a Driver for Free Revealing of Innovation”</i>	<b>Asymmetric Information and Commitment</b> – Chair: <b>Yeochang Yoon</b> (Nanjing Audit University) – Level 1, Lecture Theatre 106 <b>Fumitoshi Moriya</b> (Kobe City University of Foreign Studies) <i>“The Optimality of Delegation under Imperfect Commitment”</i> <b>Yeochang Yoon</b> (Nanjing Audit University) <i>“Why Are Information Senders Biased?”</i>
15:45	<b>REFRESHMENTS</b> LEVEL 1 FOYER		
	<b>PARALLEL SPECIAL SESSION 8 A</b>	<b>PARALLEL SPECIAL SESSION 8 B</b>	
16:30	<b>Optimal and Equilibrium Mechanisms</b> – Chair: <b>Simona Fabrizi</b> (University of Auckland) – Level 1, Lecture Theatre 102 Jay Pil Choi (Michigan State University); <b>Heiko Gerlach</b> (University of Queensland) <i>“Optimal Cross-Licensing Arrangements”</i> <b>Daniel Garrett</b> (Toulouse School of Economics) <i>“Residual Deterrence”</i>	<b>Topics in Applied Micro Theory and Empirics</b> – Chair: <b>Catherine de Fontenay</b> (University of Melbourne) – Level 1, Lecture Theatre 104 Alon Eizenberg (Hebrew University Jerusalem); Andras Pechy (University of Zürich); <b>Michelle Sovinsky</b> (University of Mannheim) <i>“The Dynamics of Technology Adoption and Vertical Restraints: An Empirical Analysis”</i> Georgy Artemov (University of Melbourne); Yeon-Koo Che (Columbia University); <b>Yinghua He</b> (Rice University; Toulouse School of Economics) <i>“Working An Allocation Mechanism: Outcomes Speak Louder than Strategies”</i>	
17:30	<b>APIOC 2017 CONFERENCE CLOSING</b> The David Paul Derham Lecture Theatre, Ground Mezzanine		

Note: **Presenters’ names are displayed in bold.** Co-authors’ names are also listed.

# VENUE MAP



## WiFi ACCESS FOR APIOC ATTENDEES

- 1 Connect your device to the **“Visitor” wireless network** where available on campus. Note: ensure you have no proxy configured on your browser prior to connecting onsite.
- 2 Once you have connected to the Visitor WiFi, open your browser and connect to any standard web page e.g. [www.google.com](http://www.google.com). You will be automatically re-directed to the University of Melbourne Visitor WiFi login portal page.
- 3 Enter username **apios1** and password **BycWCY** to access the WiFi internet service.

**WiFi questions or issues? Contact Nadia Puglielli: 0408 386 098**