Comment

Kentaro Nakajima (Hitotsubashi University)

Summary

- As a driver of firm dynamics, customer accumulation attracts attention.
- The project try to examine the role of information as a source of frictions of the customer accumulations.

On searching behavior

- The probability of finding potential buyer, p, would be endogenously determined.
    - Trade off between benefit from selling to the new customer and searching cost.

- Determinants of benefit: expected customer characteristics, trade cost,
- Determinants of searching cost: monetary costs (price of TSR information), opportunity costs

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On searching behavior

- Reducing the monetary cost is also a possible experiments to distinguish the monetary and opportunity costs as the constraint for searching buyers.

- Possible experiment:
  - Cutting price of firm information for randomly chosen firms.
  - Randomly distributing coupons for accessing a certain number of firm information

- These would affect only for monetary costs.

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Identification of p and σ

- Are p and σ identifiable in the design?
- In reality, reducing σ also affects the searching behavior through improving the potential benefit of searching buyers.
  - This may increase p, in reality.
- Actual impact of reducing σ would be larger than the estimates.

On private information

- Can we interpret that private information can be provided by TSR?
- This can also be purchased by TSR.
- This would also be monetary cost issue.

On experimental design

- Near vs. Distant: this would identify the transport cost effects

- But, firms would well know about neighboring firms' information.
  - A part of suggested firms would be already known by subjected firms.
  - Furthermore, these would have been already considered as buyers, but unmatched ones.
- In this case, intention of treatment itself would be different between near and distant firms.