

JAMES W. ROBERTS

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RESEARCH AND TEACHING FIELDS

Research: Industrial Organization, Applied Microeconomics

Teaching: Business Strategy, Microeconomics, Industrial Organization

DOCTORAL STUDIES

Ph.D.: Economics, Northwestern University, Evanston, Illinois

Dissertation: Empirical Essays on Auctions

Committee Chairperson: Professor Robert H. Porter

Date of Completion: July 2009 (expected)

PREDOCTORAL STUDIES

B.A.: Economics, Davidson College, Davidson, North Carolina, 2004
with a concentration in Applied Mathematics

Magna Cum Laude, Phi Beta Kappa

M.A.: Economics, Northwestern University, Evanston, Illinois, 2005

FELLOWSHIPS AND AWARDS

Northwestern 12-Month Fellowship, 2004-2009

Center for the Study of Industrial Organization Research Fellowship, Spring 2008 and 2009

Center for the Study of Industrial Organization Grant for Data Acquisition, 2007

A.K. Phifer Award in Economics, Davidson College, 2004

Midwestern Economics Association Undergraduate Research Symposium, Chicago, IL, 2004

Selected as Best Paper and Participant

Duke University Undergraduate Economics Research Symposium, Durham, NC, 2003

Selected as Best Paper and Participant

TEACHING AND RESEARCH EXPERIENCE

Teaching Assistant, Kellogg School of Management

Management and Strategy with Professor Tom Hubbard, Fall 2006 and 2007

Teaching Assistant, Northwestern University

International Trade with Professor Wojciech Olszewski, Winter 2007

Intermediate Macroeconomics with Professor Robert Gordon, Fall 2005

Teaching Assistant, Davidson College

Introduction to Economics with Professor Vikram Kumar, Spring 2002

Research Assistant to Professors Igal Hendel and Aviv Nevo, 2005-2007

PRESENTATIONS

University of Chicago, IO Lunch, Chicago, IL, 2008

Economic History Association Annual Meetings, Austin, TX, 2007

REFEREE EXPERIENCE

International Journal of Industrial Organization

The Journal of Industrial Economics

PREVIOUS EMPLOYMENT

The Carlyle Group, Intern Analyst, Summer and Fall 2003
FDIC, Intern Research Analyst, Summer 2002

JOB MARKET PAPER

“Unobserved Heterogeneity and Reserve Prices in Auctions”

Abstract: This study addresses the need to account for unobserved heterogeneity in auctions in order to improve our estimates of the distribution of bidder values. Though the empirical auction literature is vast, few studies allow for there to be differences in the objects being auctioned which are unobservable to the researcher. The method presented in this paper presents an intuitive, easy to implement procedure for dealing with unobserved heterogeneity with fairly sparse data across many auction formats. Unlike previous research, the procedure described herein uses seller behavior and the information contained in reserve prices to allow the distribution of bidders' private signals to depend on the realization of the unobserved heterogeneity. Importantly, I do not require sellers to set their reserve prices optimally, but rather I make the identifying assumption that reserve prices are monotonic in the realization of unobserved heterogeneity. Moreover, the model can be estimated using only transaction prices even when the observed heterogeneity is of high dimension. I propose an estimation method and derive the asymptotic distribution of the proposed estimator. Working with data on used car auctions from South Korea I show that using reserve prices improves the estimates of within-auction variation in bids and that neglecting unobserved heterogeneity leads to an upward bias in estimated bidder surplus. I then perform counterfactual experiments regarding the optimal reserve price and price discrimination by the auction house to demonstrate that accounting for unobserved heterogeneity can alter predicted outcomes dramatically.

WORK IN PROGRESS

“Can Warranties Substitute for Reputations?”

Abstract: This paper focuses on the ability of a market wide warranty policy in the form of a “guaranteed or your money back” promise from the market maker to substitute for individual retailers' reputations. The context is a buyer protection program, covering big-ticket investment items such as tractors and metalworking equipment, instituted by an online auction site. The policy change, and the institutions associated with the online marketplace, allow us, for the first time, to analyze the ability of such a policy to substitute for sellers' reputations. We are also able to investigate how such a mechanism can promote a more competitive market for lesser-known or less reputable sellers. The findings suggest that such a policy does have an impact and lowers the premium earned by better-known sellers. Also, we see that the policy had a “flattening effect” on the importance of reputation that before varied at different price levels. Aside from price, it also appears that the policy improved the failure rates of small sellers and also increased the number of bids they receive. There is evidence that sellers of items which will not be fully covered, due to the fact that their item will sell for more than the maximum amount dictated by policy guidelines, alter their behavior by lowering the starting bid for their items by as much as 50%. To support all of these results I (i) show that similar results appear to hold in other marketplaces covered by the policy and (ii) present results from falsification exercises, which demonstrate that markets for items nominally covered by the policy but technically are not eligible due to the policy's specifications on minimum price, remain unaffected by the policy. The breakneck pace at which consumers purchase online, the growth in entrepreneurs whose entire business is online sales in markets like eBay, the increase in fraud in online auctions and the similarity between this marketplace and retailers that sell multiple brands of products make these findings important.

REFERENCES

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