

# MARKETING COLLOQUIA

FALL 2017

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**Date: Thursday, November 16, 2017**

**Where:** 741 JMHH

**When:** 12:00 PM to 1:20 PM

### **SELLING MECHANISMS FOR PERISHABLE GOODS:**

#### **AN EMPIRICAL ANALYSIS OF AN ONLINE RESALE MARKET FOR EVENT TICKETS**

*ABSTRACT:* Which selling mechanisms should sellers use to sell their goods? Even though this is one of the most fundamental decisions a seller can make, there is little empirical research on mechanism choice. This paper takes a step in this direction by analyzing the choice between auctions and posted prices in the context of a scarce perishable good: National Football League (NFL) tickets. Using data from eBay, this study estimates a structural model in which heterogeneous, forward-looking sellers optimally choose which selling mechanism they use. Counterfactual results suggest that sellers would experience an average 11.45% increase in expected revenues if auctions were removed and an almost 26% decrease if posted prices were. In turn, consumers would be unambiguously harmed if the platform specialized in either mechanism. These results can be useful not only in the context of perishable goods but also to improve general platform design.