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REFERENCES

Prof. Jakub Kastl
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EDUCATION

Princeton University

Ph.D. in Economics

2016 - Present (Expected May 2022)

Princeton, US

Princeton University

M.A. in Economics

2016 - 2018

Princeton, US

University of Oxford (Nuffield College)

M.Phil. in Economics

2014 - 2016

Oxford, UK

University of Oxford (University College)

B.A. in Philosophy, Politics & Economics

2011 - 2014

Oxford, UK

RESEARCH AND TEACHING INTERESTS

Primary: Industrial Organization, Economics of Digitization

Secondary: Political Economy

JOB MARKET PAPER

“Entry into Two-Sided Markets Shaped by Platform-Guided Search” with Kwok-Hao Lee

We evaluate the problem of firms that operate platforms matching buyers and sellers, while also selling goods on these same platforms. By being able to guide consumer search through algorithmic recommendations, these firms can influence market outcomes, a finding that has worried regulators. To analyze this phenomenon, we combine rich novel data about sales and recommendations on Amazon Marketplace with a structural model of intermediation power. In contrast to prior literature, we explicitly model seller entry. This feature enables us to assess the most plausible theory of harm from self-preferencing, i.e. that it is a barrier to entry. We find that recommendations are highly price elastic but favor Amazon. A substantial fraction of customers only consider recommended offers, and recommendations hence noticeably raise the price elasticity of demand. By preferring Amazon’s offer, the recommendation algorithm raises consumer welfare by approximately \$4.5 billion (since consumers also prefer these offers). However, consumers are made worse off if self-preferencing makes the company raise prices by more than 7.8%. By contrast, we find no evidence of consumer harm from self-preferencing through the entry channel. Nevertheless, entry matters. The algorithm raises consumer welfare in the short and medium run by increasing the purchase rate and intensifying price competition. However, these gains are mostly offset by reduced entry in the long run.

PAPERS

“Buying Voters with Uncertain Instrumental Preferences” with Charles Louis-Sidois

R&R Theoretical Economics

We analyze a vote-buying setup where a committee votes on a proposal important to the vote buyer. We characterize the cheapest combination of bribes that guarantees the proposal’s passing in different voting environments. We find that the vote buyer publicly offers small bribes to a large supermajority of members for both simultaneous and sequential votes. Each member accepts because he anticipates that the proposal will pass regardless of his vote. We discuss the committee design that maximizes capture

cost: combining demanding majority requirements with diversity among members makes the committee more expensive. In small committees, sequential voting increases cost, but the opposite is true for large committees. On the other hand, additional members and transparent voting rules lower the cost.

“Detection of Collusive Networks in E-Procurement” with Bruno Baránek and Vítězslav Titl

Collusion between government suppliers likely has significant adverse welfare effects. In this paper, we study an e-procurement market in Ukraine. After motivating our interest by documenting suspicious bidding patterns in our data, we build a model of competitive equilibrium. Frequently, we observe bids that are inconsistent with this equilibrium. In particular, when initial bids are close, suppliers should have similar costs and usually be willing to undercut each other if allowed to update their bids. To the extent that firms only engage in the predicted amount of undercutting when facing some opponents (but not when facing others), we conclude that these firms are part of a collusive ring. Finally, we successfully validate the soundness of this novel structural test of collusion on a sample of 863 prosecuted collusive firms that participated in 23,515 tenders.

“Algorithmic Pricing Facilitates Tacit Collusion”

Torres Prize

As the economy digitizes, menu costs fall, and firms’ ability to monitor prices increases. These trends have led to the rise of automatic pricing tools or ‘repricers.’ We employ a novel e-commerce dataset to examine the potential implications of these developments on the quality of price competition. We provide evidence from an RDD that shows that the activation of automatic repricing strategies initially causes a significant decline in prices. However, repricers have developed strategies to avoid the stark competitive realities of Bertrand-Nash competition. By employing plausibly exogenous variation in the execution of repricing strategies, we find that ‘resetting’ strategies (where prices are raised, e.g., at night) effectively coax competitors to raise their prices. While the resulting patterns of cycling prices are reminiscent of Maskin-Tirole’s Edgeworth cycles, a model of equilibrium in delegated strategies fits the data better. This model suggests that if repricers remain at their current capability level, cycling will increase, and prices could rise significantly in the future. Finally, we estimate demand and employ our model to infer costs. The resulting cost estimates align with held-out self-reported cost data. Both cost measures suggest that welfare under automated repricing is comparable to welfare under monopoly pricing.

WORKS IN PROGRESS

“Data Transparency and Public Oversight in E-Procurement” with Bruno Baránek and Vítězslav Titl

“The Returns to Targeted Sponsored Search” with Sarah Moshary

TEACHING EXPERIENCE

Intermediate Microeconomics

Teaching Assistant for Prof. Can Urgan

2018 - 2020

Princeton, US

Maths for Economists

Tutor at John Locke Institute

2016 - 2018

Princeton, US

Mathematical Analysis for Economists

Teaching Assistant for Prof. John Wilson

2015

Oxford, UK

Economics for High-School Students

Educational Consultant at CamExpress

2011

Guangzhou, CN

RESEARCH EXPERIENCE

Research Assistant for Prof. Sarah Moshary

2020 - 2021

Research Assistant for Prof. Stephen Morris

2017

Research Assistant for Prof. Johannes Abeler

2015

Research Assistant for Dr. Marcos Vera-Hernandez

2013

AWARDS, HONOURS, FELLOWSHIPS AND GRANTS

Princeton University Fellowship	2016 - 2021
Weiss Fund for Research in Development Economics, \$10,000 award	2020
Marimar & Cristina Torres Prize for Best Third-Year Paper	2019
German National Academic Foundation Scholarship	2013 - 2018
Harold Willis Dodds Merit Fellowship in Economics	2016
ESRC Studentship	2014 - 2016
Departmental Prize for Best Examination Performance (Ranked #3 of 60 Oxford MPhil students)	2015
Hicks-Webb Prize for "Best Overall Performance in Economics" (Ranked #1 of 348 Oxford BA students)	2014
Ranked #1 of 247 in both Preliminary & Final Examinations at Oxford	2011 - 2014

ADDITIONAL INFORMATION

Languages: German (native), English (native fluency)

Programming: SQL, Julia, Python, Stata, \LaTeX