

# Discussion on *Search, Design, and Market Structure*

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# Overview and Comments

- The paper models search and product design.
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- Seeks to explain coexistence of *long-tail* and *superstar* effects.
- Puzzle: standard search models predict that declines in search costs lower profits.
- Solution: Endogenous product design—why does this work?
- Other approaches?
  - Directed search,
  - Social media.

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- Demand rotations have strategic and welfare implications that are a bit more subtle than shifts.
- An opportunity for empirical work?



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