

XINYAO KONG

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Education

Ph.D. Candidate in Marketing, The University of Chicago Booth School of Business (Expected) 2023
M.B.A., Kellogg School of Management, Northwestern University 2017
B.A. in Economics, Guanghua School of Management, Peking University 2014

Research Interests

Dynamic decision-making, consumer finance, brands and branding, non-parametric methods

Publication

“Do Made in USA Claims Matter?” with Anita Rao, *Marketing Science*, 40(4), 731-764, 2021.

Working Papers

“Heterogeneous Consumer Dynamics and the Financing Gap”

“Non-parametric Estimation of Habitual Brand Loyalty,” with Jean-Pierre Dubé and Øystein Daljord

Work in Progress

“Stock-piling and the Discount Function,” with Jean-Pierre Dubé, Øystein Daljord, and Vanessa Alwan

“The Impact of Caloric Deficit on Consumer Shopping Behavior,” with Ali Goli and Pradeep Chintagunta

Conference Presentations

“Non-parametric Estimation of Brand Loyalty”

2021 Conference on Artificial Intelligence, Machine Learning, and Business Analytics, Dec 2021

Illinois Economic Association Annual Meeting, Oct 2021

INFORMS Marketing Science Conference, Jun 2020

“The Impact of Caloric Deficit on Consumer Shopping Behavior”

Wharton Customer Analytics Symposium, May 2020

“Do Made in USA Claims Matter?”

Trans-Atlantic Doctoral Conference, London, 2020 (cancelled due to covid)

China India Insights Conference, Boston, Sep 2019

INFORMS Marketing Science Conference, Rome, Jun 2019

Grants

ISMS 2021 Doctoral Dissertation Early Stage Research Grant (\$5,000)	2022
Booth School of Business Doctoral Student Research Grant (\$13,000)	2021
Becker Friedman Institute Data Acquisition Grant (\$10,000)	2019
Wharton Customer Analytics Data Grant	2019

Honors and Awards

Juan Manuel de la Torre Memorial PhD Fellowship	2022
AMA-Sheth Foundation Doctoral Consortium Fellow	2021
Haring Symposium	2021
ISMS Marketing Science Doctoral Consortium Fellow	2019,2020
Joseph A. and Susan E. Pichler PhD Fellowship	2018
Guanghua-Kellogg Scholarship	2016-2017
Peking University Academic Merit Award	2014

Teaching

Pricing Strategy (MBA and EMBA) - Teaching Assistant (Evaluation: 4.8/5)	2018-2021
Marketing Management (EMBA) - Teaching Assistant (Evaluation: 4.4/5)	2021
Data-Driven Marketing (EMBA) - Teaching Assistant (Evaluation: 4.6/5)	2019

Graduate Coursework

Price Theory I,II,III	Murphy, Mulligan, Reny, Myerson
Empirical Analysis I,II,III	Shaikh, Hansen, Bonhomme
Industrial Organization I,II,IV	Syverson, Hortaçsu, Tebaldi
Behavioral Economics	Imas, Kamenica, Thaler
Economics of Information	Harris
Applied Microeconomics	Torgovitsky
Topics in Econometrics	Bonhomme
Applied Econometrics	Hansen
Foundations of Advanced Quant Marketing	Chintagunta
Foundations of Advanced Marketing Theory: Behavioral Science Approach	Sussman
Advanced Quantitative Marketing	Dubé, Hitsch
Applied Bayesian Econometrics	Misra
Computational Methods for Marketing and Economics	Misra
Marketing Literature	Rao, Urminsky, Moshary, Dietvorst, Misra

Other Work Experience

Bank of America Merrill Lynch

Analyst, Global Transaction Service

2014-2016

Skills and Personal

Programming & Software: R, Python, MATLAB, Stata, \LaTeX

Languages: Mandarin Chinese (native), English (proficient)

Citizenship: China

References

Jean-Pierre Dubé

James M. Kilts Distinguished Service

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Giovanni Compiani

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Abstracts

“Heterogeneous Consumer Dynamics and the Financing Gap”

(Job Market Paper)

This paper studies heterogeneity in consumer myopia and its role in creating a gap in financing cost across consumers in consumer credit markets. Using a unique data set of the US automobile and auto loan market, I find that consumers in lower income quartile tend to pay more for auto financing. In particular, they are less likely to accelerate car purchases with an interest rate hike in sight, acting as more myopic agents. I build a structural model to test and quantify the extent to which this financing gap arises from myopia, as opposed to differences in price sensitivities and automobile preferences. I find that consumers are considerably more myopic than would be implied by real rate of interest, and socio-economically disadvantaged consumers are more myopic and more price sensitive. A decomposition analysis quantifies the amount myopia contributes to the predicted financing gap. Counterfactual analysis further shows that strategic dealers may exacerbate the financing gap by gaining market power from more myopic consumers.

“Non-parametric Estimation of Habitual Brand Loyalty,” with Jean-Pierre Dubé and Øystein Daljord

Testing for and measuring habitual brand loyalty (HBL) is one of the classic questions in quantitative marketing. We propose a nonparametric test for HBL using a “dynamic potential outcomes” model that resolves the classic identification challenge of decoupling state dependence and unobserved heterogeneity. We then propose a semi-parametric test for forward-looking behavior to assess whether consumers rationally plan their HBL. Case studies of several large consumer packaged goods categories reveal a non-trivial extent of HBL in consumers’ brand choices. Semi-parametric evidence for

forward-looking consumer behavior strongly rejects the myopic discrete-choice model in favor of the dynamic discrete-choice model with a freely-varying discount factor. However, consumers are found to be considerably more impatient than would be implied by the real rate of interest. Nevertheless, the long-run price elasticities from a dynamic discrete-choice model are found to be larger in magnitude than those from a model with myopic choices.

“Do Made in USA Claims Matter?” with Anita Rao, *Marketing Science*, 40(4), 731-764, 2021.

Firms often display product information on their front-of-package labels with some firms going as far as to make deceptive claims. We study the impact of the “Made in USA” claim—a disclosure not legally required on consumer-packaged goods and yet a claim highlighted by many firms, sometimes deceptively—on consumer demand. Leveraging the Federal Trade Commission’s investigation of four brands that resulted in removal of the claim from product packages, we study the impact such removal had on sales. We find a decline in demand following the removal of the “Made in USA” claim. Second, to ensure complete exogenous variation, we conduct a field experiment on eBay, on which we run more than 900 auctions, varying only whether a product contains this country-of-origin information. We find that, although products with the “Made in USA” claim have a slightly higher chance of drawing a zero valuation, such products obtain a 44% higher willingness-to-pay conditional on a positive valuation. However, this increased valuation is insufficient to economically justify firm relocation efforts. Auction transaction prices, on the other hand, are significantly and 28% higher with the claim, suggesting resellers and auctioneers have incentives to display the claim. The experiments alongside observational data allow us to rationalize firms’ incentives in making deceptive country-of-origin claims.