

Please use this identifier to cite or link to this item: <http://arks.princeton.edu/ark:/88435/dsp01cj82k970z>

Title:	Essays in Applied Microeconomics
Authors:	Ge, Qi ( <a href="/jspui/browse?type=author&amp;value=Ge%2C+Qi">/jspui/browse?type=author&amp;value=Ge%2C+Qi</a> )
Advisors:	Farber, Henry S ( <a href="/jspui/browse?type=advisor&amp;value=Farber%2C+Henry++S">/jspui/browse?type=advisor&amp;value=Farber%2C+Henry++S</a> )
Contributors:	Economics Department
Keywords:	airline routing announcements ( <a href="/jspui/browse?type=subject&amp;value=airline+routing+announcements">/jspui/browse?type=subject&amp;value=airline+routing+announcements</a> ) energy consumption ( <a href="/jspui/browse?type=subject&amp;value=energy+consumption">/jspui/browse?type=subject&amp;value=energy+consumption</a> ) high frequency data ( <a href="/jspui/browse?type=subject&amp;value=high+frequency+data">/jspui/browse?type=subject&amp;value=high+frequency+data</a> ) tipping behavior ( <a href="/jspui/browse?type=subject&amp;value=tipping+behavior">/jspui/browse?type=subject&amp;value=tipping+behavior</a> )
Subjects:	Economics ( <a href="/jspui/browse?type=subject&amp;value=Economics">/jspui/browse?type=subject&amp;value=Economics</a> )
Issue Date:	2016
Publisher:	Princeton, NJ : Princeton University
Abstract:	This dissertation consists of three self-contained applied microeconomics essays on topics related to behavioral economics and industrial organization. Chapter 1 studies how sentiment as a result of sports event outcomes affects consumers' tipping behavior in the presence of social norms. I formulate a model of tipping behavior that captures consumer sentiment following a reference-dependent preference framework and empirically test its relevance using the game outcomes of the NBA and the trip and tipping data on New York City taxicabs. While I find that consumers' tipping behavior responds to unexpected wins and losses of their home team, particularly in close game outcomes, I do not find evidence for loss aversion. Coupled with the findings on default tipping, my empirical results on the asymmetric tipping responses suggest that while social norms may dominate loss aversion, affect and surprises can result in freedom on the upside of tipping. Chapter 2 utilizes a novel data source of airline entry and exit announcements and examines how the incumbent airlines adjust quality provisions as a response to their competitors' announcements and the role of timing in such responses. I find no evidence that the incumbents engage in preemptive actions when facing probable entry and exit threats as signaled by the competitors' announcements in either short term or long term. There is, however, evidence supporting their responses to the competitors' realized entry or exit. My empirical findings underscore the role of timing in determining preemptive actions and suggest that previous studies may have overestimated how the incumbent airlines respond to entry threats. Chapter 3, which is collaborated with Benjamin Ho, investigates the habit formation of consumers' thermostat setting behavior, an often implicitly made decision and yet a key determinant of home energy consumption and expenditures. We utilize a high frequency dataset on household thermostat usage and find that while thermostat usage exhibits strong persistence in habits, consumers do respond to salient outdoor temperature shocks and the underlying heterogeneity in preferences can help explain much of the variation in responses. Our findings have direct policy implications on how conservation policies impact energy use.
URI:	<a href="http://arks.princeton.edu/ark:/88435/dsp01cj82k970z">http://arks.princeton.edu/ark:/88435/dsp01cj82k970z</a> ( <a href="http://arks.princeton.edu/ark:/88435/dsp01cj82k970z">http://arks.princeton.edu/ark:/88435/dsp01cj82k970z</a> )
Alternate format:	The Mudd Manuscript Library retains one bound copy of each dissertation. Search for these copies in the library's main catalog: <a href="http://catalog.princeton.edu/">http://catalog.princeton.edu/</a>
Type of Material:	Academic dissertations (Ph.D.)
Language:	en
Appears in Collections:	Economics ( <a href="/jspui/handle/88435/dsp01w6634364j">/jspui/handle/88435/dsp01w6634364j</a> )

## Files in This Item:

File	Description	Size	Format	
Ge_princeton_0181D_11743.pdf		2.95 MB	Adobe PDF	<a href="/jspui/bitstream/88435/dsp01cj82k970z/1/Ge_princetor">View/Download (/jspui/bitstream/88435/dsp01cj82k970z/1/Ge_princetor)</a>