Ke Cheng HSU (Clio) 許可證

khsu@connect.ust.hk

https://cliohsu1997.github.io/

BUSINESS ADDRESS

Department of Economics, 5067 Lee Shau Kee Business Building
The Hong Kong University of Science and Technology, Clear Water Bay, Kowloon, Hong Kong

RESEARCH FIELDS

Industrial Organization, Digital Economics, Quantitative Marketing

EDUCATION

Hong Kong University of Science and Technology

Ph.D. in Economics	2022 – 2027 (expected)
M.Phil. in Economics	2020 – 2022
B.Sc. in Mathematics and Economics (Minor in Actuarial Mathematics)	2015 – 2019

WORKING PAPERS

- "Designing Return Policy in E-Commerce: A Trade-off between Purchase and Return Efficiency" *(Job Market Paper)*

  Abstract: We study the effect of return policies by asking whether they encourage efficient returns and purchases. A stricter return policy curbs inefficient ex-post returns, but the resulting lower return rates make higher product prices more attractive for sellers, leading to possible exclusion of ex-ante efficient purchases. We compare automatic coverage that reimburses return-shipping costs (RI) with optional coverage (CI) by estimating a structural model of purchase, insurance, and return decisions under monopoly pricing across six apparel categories. A lenient return policy like RI performs better in high-margin, high-salvage categories by expanding valuable purchases, whereas a strict return policy like CI performs better in thinner-margin categories by curbing excessive returns. Partial RPD, a menu pairing a discounted price with a medium restocking fee as penalty, performs better than RI and CI for most categories by better balancing purchase and return efficiency.

  Presented at (for scheduled):* APIOC 2026*; 2026 Econometric Society Australasia Meeting (ESAM 2026)*; 中國經濟學年會夏季論壇 2026; HKUST Business School PhD Conference; CEP Brownbag in HKUST.

- "Product Design with Heterogeneous Search Costs", with Pak Hung AU

  Abstract: Building on Wolinsky's (1986) sequential search model with differentiated products, this paper

introduces search cost heterogeneity to analyze how firms leverage observable product designs to influence consumer search behavior. In equilibrium, consumers' search patterns form a partitioned structure: those with low search costs tend to seek niche products, while consumers facing higher search costs gravitate toward standardized products. In the case of two product designs, a reduction in search costs may lead to higher prices for both if the endogenous shift in consumer search modes—the composition effect—dominates the search-encouraging effect. Additionally, we demonstrate that prices respond asymmetrically to decreases in search costs based on the relative position within the distribution where the shock occurs.

Presented at: APIOC 2023; AMES 2023 NTU Singapore.

WORK IN PROGRESS

- "Pass-Through and Incidence with Product Returns", with Ce Bian and Liang Zhao

  Abstract: We study pass-through and incidence with product returns. In contrast to the case without returns, a tax such as a platform commission fee or a sales tax can create negative pass-through and improve social welfare. When a high price significantly raises consumers' return probability, the seller reduces the quantity supplied because of a lower effective margin. This downward-sloping supply curve can lower the equilibrium price in response to a tax increase, raising social surplus by reducing the return rate.

- "Too Much Unsold Stock?: Environmental Consequences of Price Commitment", with Kohei Kawaguchi and Kei Kawai

  Abstract: Resale price maintenance is procompetitive because it encourages sellers to carry inventory in the low-demand state. When realized demand falls short of that inventory, however, the seller cannot lower the price to clear the market, and the unsold copies are returned at an environmental cost. We build a dynamic oligopoly model with demand uncertainty, estimate it on monthly bookstore data, and ask how much unsold stock is due to price commitment and how a deposit-refund tax can reduce waste.

EXPERIENCE

Research

Research Assistant for Prof. Benjamin Bernard, National Taiwan University 2020

Teaching

Lecturer, Math Camp for MSc in Economics, HKUST (4.53/5) 2026

Teaching Assistant Coordinator, Business School, HKUST 2025 – 2026

Teaching Assistant, Department of Economics, HKUST (average 4.72/5) 2020 – 2025

ECON2123 – Macroeconomics (4.53/5)
ECON4134 – Economics of Uncertainty and Information (4.83/5)
ECON4999T – Economics of Uncertainty and Information (4.56/5)
ECON5210 – Microeconomic Theory I (4.85/5; 4.82/5)

FELLOWSHIPS AND AWARDS

Research Travel Grant	2023; 2026
Red Bird PhD Award	2022
Postgraduate Studentship from the HKUST	2020 – present
Academic Achievement Medal	2019
University Scholarship (730K HKD)	2015 – 2019

SKILLS

Technical Skills: R, Python, C++, LaTeX, MATLAB, AWS

Languages: English (fluent), Mandarin (native), Cantonese (basic)

REFERENCES (THESIS SUPERVISION COMMITTEE)

Pak Hung AU
Associate Professor
Department of Economics
Hong Kong University of Science and Technology
aupakhung@ust.hk

Kohei Kawaguchi
Associate Professor
Department of Economics
Hong Kong University of Science and Technology
kkawaguchi@ust.hk

Kei Kawai
Professor
Department of Economics
University of Tokyo
kawaixkei@gmail.com