

Syllabus

Name:			
Business Strategy for Information and Network Industries			
Responsible:			
Professor Toker Doganoglu, Ph.D, Chair of Industrial Economics			
Program:	Type:	Term:	ECTS:
Bachelor	Lecture	Summer	6 CP
Contents & Objectives:			
<p>After successful completion of this class, the students should be familiar with issues arising in many of the increasingly important hi-tech industries. They will be able to comment on emerging selling mechanisms for books, music and video. They will be able to explain the underlying logic for observed pricing patterns for software products, social media sites and the services found in the so called sharing economy, such as Über and AirBnB. They will not only be able to understand observed behavior in information goods, industries which exhibit network effects and platform markets but will be able argue for new strategies in light of the specific features a market/product may exhibit.</p>			
Prerequisites:			
<p>Students taking this class should be familiar with basic concepts in Microeconomics and Game Theory. This background is provided in the courses "Strategie und Wettbewerb I" and Mikroökonomik I and II. It would be ideal if they also have taken a class in Industrial Organization but not a must.</p>			
Course Structure:			
Week	Content		
1	I Pricing information goods I.a Market segmentation methods		
2	I.b Digital rights management and piracy		
3	I.c Alternative monetization strategies		
4	II Network effects II.a Subgame perfect Nash equilibrium		
5	II.b Monopoly pricing		
6	II.c Competition in markets with network effects		
7	II.d Compatibility and multihoming		
8	II.e Dynamic competition		
9	III Competition in markets with switching costs		
10	IV Two(Multi)-Sided Markets and Platforms IV.a Monopoly pricing in platform markets		
11	IV.b Competition in platform markets		
12	IV.c Non-price strategies		

Literature:

[1] There is no textbook. The course will be based on detailed lecture notes, to be provided in the WueCampus site.

Interested students can use as a general reference the following excellent book:

Carl Shapiro and Hal R. Varian, (1998), Information Rules: A Strategic Guide to the Network Economy, Harvard Business School Press.

[2] In addition, a freely available book on Industrial Organization can serve as a reference for the tools that we will employ in this class:

Jeffrey Church and Roger Ware. (2000), Industrial organization : a strategic approach. Boston: Irwin/McGraw-Hill.

It can be downloaded at http://works.bepress.com/jeffrey_church/23/

Opens external link in new window Various other readings that will be made available on WueCampus.

Grading:

60 minute exam

Contact:

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