

Fudan University School of Economics

Jiang Xuemo Lecturing Platform

Segment: Digital Economics

Professor: Bruno Jullien, Toulouse School of Economics

Lecture's Objectives – Objectifs du cours :

The lectures will present theoretical tools and empirical evidence to understand how digitization affected markets and economic activity: what is changing, what remains unchanged, and what are the main unresolved challenges for business actors, consumers and policymakers. At the end of the lectures, students should understand the economic models underpinning competition, market power and regulation in digital markets.

1. Introduction, Network effect

Introduction, network effects, one sided and multi-sided market

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- Crémer, Jacques, Patrick Rey and Jean Tirole. (2000), Connectivity in the Commercial Network, *Journal of Industrial Economics*, 48(4): 433-72 Economics of platforms and two-sided markets.
- Rochet, J. C., & Tirole, J. (2003). Platform competition in two-sided markets. *Journal of the European Economic Association*, 1(4), 990-1029.

2. Two-sided platforms

Competition in two-sided markets, single-homing vs multi-homing, design

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3. Hybrid Platforms

Reseller vs Marketplace, complementarity, integration

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- Anderson, S. P., & Bedre-Defolie, Ö. (2021). Hybrid platform model. Mimeo
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4. Recommendation systems

Recommendation bias, Self-preferencing, steering

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- Chen, N., & Tsai, H. T. (2019). Steering via algorithmic recommendations. *Available at SSRN 3500407*.

5. Mergers and innovation

Merger, process innovation, product innovation, spillover

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6. Mergers in Tech Markets

Merger, network effects, killer acquisitions, increasing dominance.

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