

Topics in Industrial Organisation 2022/2023

The following list serves as a suggestion for students. Topics from this list can be chosen, but own ideas are appreciated. Please note that it is possible to write in either English or German. The topics can be sorted into five main fields: **Digitalization, Advertisement and Marketing, Competition Policy, Regulation, and Others**. For each of the topics within a field, there is a representative paper, on which the focus of the research can be concentrated.

A - Digitalization

A1 Platforms

1. Platforms, Promotion, and Product Discovery: Evidence from Spotify Playlists (Luis Aguiar Joel Waldfogel, 2018)

Streaming has emerged as an important channel for music consumption, and Spotify is the most prominent platform, with a higher market share than was held by retailers or radio stations in the digital era. While this levelled the playing field between already-prominent and new artists, new effects become important. This paper investigates with different methods, among others, the effects on the popularity of a song for making it into a global playlist, or cross-country differences in the ranking of songs.

2. Peer to Peer Markets (Liran Einav, Chiara Farronato, Jonathan Levin, Annual Review of Economics, 2016)

Peer-to-peer markets such as eBay, Uber, and Airbnb allow small suppliers to compete with traditional providers of goods or services. This paper aims to analyze and model the mechanisms how those markets work.

3. Matching and Sorting in Online Dating

In these papers, the authors investigate the online dating market. For example, they try to uncover whether users try to hide their true incentives, or whether different user groups react differently to attributes like income.

Hitsch, Gunter J., Ali Hortaçsu and Dan Ariely. 2010. "[What makes you click?—Mate preferences in online dating](#)" [Quantitative Marketing and Economics](#), December 2010, Volume 8, [Issue 4](#), pp 393–427

Hitsch, Gunter J., Ali Hortaçsu and Dan Ariely. 2010. "[Matching and Sorting in Online Dating](#)." *American Economic Review*, 100(1): 130-63.

Here is the [data](#).

4. Digital Content Aggregating Platforms

On 20.06.2018, the EU parliament had a vote on new laws for Content Aggregating Platforms. Petitions and demonstrations were held in an attempt to influence the law makers. The papers investigate the relation of news aggregators and traditional providers of News. In a case study involving Google they measure the effects of conflicts between both sides. Their research provides insightful.

Chiou, Lesley and Tucker, Catherine, [Content Aggregation by Platforms: The Case of the News Media](#), Journal of Economics and Management Strategy, 2017.

Jeon, Doh-Shin and Nasr, Nikrooz, [News Aggregators and Competition Among Newspapers on the Internet](#), American Economic Journal: Microeconomics, 2016.

5. Data, Platforms, and Competition

Acemoglu, Daron, Makhdoumi, Ali, Malekian, Azarakhsh and Ozdaglar, Asuman, [Too much data: Prices and inefficiencies in data markets](#)", NBER Working Paper, 2019

CEPR Discussion Paper: ["Google/Fitbit will monetise health data and harm consumers"](#), 2020.

De Corniere, Alexandre and Taylor, Greg, ["Data and Competition: a General Framework with Applications to Mergers, Market Structure, and Privacy Policy"](#), CEPR Discussion Paper, 2020.

A2 Other topics in Digitalization

6. Net Neutrality and Zero-Pricing Practice

The debate on net neutrality has been going on for years with decisions of the EU and the American governing body strongly criticized by some while supported by others. The papers provide a framework, which allows analyzing different aspects of both Net Neutrality and Zero-Pricing to evaluate implemented practices of regulators.

[Subsidizing Creativity through Network Design: Zero-Pricing and Net Neutrality](#), by Robin S. Lee and Tim Wu, *Journal of Economic Perspectives*, 2009

[Net Neutrality and the Inflation of Traffic](#), by Martin Peitz and Florian Schuett, *International Journal of Industrial Organization*, 2016.

7. Piracy of digital information goods (Paul Belleflamme and Martin Peitz, 2010)

This paper reviews the existing literature on digital piracy. It considers different reasons for pirating (commercial vs. private), situations in which it is socially harmful or socially beneficial and many other things.

8. Using alternative payment systems in Germany and Europe

The first paper analyzes how popular non-cash payment methods are in different countries like Germany, USA, and Canada and the influence of socio-democratic factors like age, income, or education. The second paper uses German microdata to evaluate non-cash payment in Germany, also considering the effect of the socio-democratic factors.

This topic is only available for those students who are willing to work with data.

<https://www.atlantafed.org/banking-and-payments/consumer-payments/survey-of-consumer-payment-choice.aspx?panel=2>

[Consumer Cash Usage A Cross-Country Comparison with Payment Diary Survey Data](#), by John Bagnall, David Bounie, Kim P. Huynh, Anneke Kosse, Tobias Schmidt, Scott Schuh and Helmut Stix, 2014.

[Choosing and Using Payment Instruments: Evidence from German Microdata](#), by Ulf von Kalckreuth, Tobias Schmidt and Helmut Stix, 2011.

Sergei Koulayev, Marc Rysman, Scott Schuh, and Joanna Stavins, [Explaining adoption and use of payment instruments by US consumers](#), Rand Journal of Economics, 2016.

B – Advertisement and Marketing

9. The Evolution of Brand Preferences: Evidence from Consumer Migration (Bronnenberg, Bart J., Jean-Pierre H. Dubé and Matthew Gentzkow, American Economic Review, 2012)

The majority of consumers typically buy a single brand of beer, cola, or margarine, even though relative prices vary significantly over time, and consumers often cannot distinguish their preferred brand in blind “taste tests”. This paper evaluates the mechanisms behind brand loyalty and finds that preferences are strongly linked to which firm was the dominant player in the markets in which the consumer previously was.

[Data](#)
[Appendix](#)

10. Targeted Advertising and Privacy

The first paper deals with personalized advertisement. It analyzes in how far consumers react differently to personalized advertisement when they are given control over the personalization.

In the second paper the effect of different approaches to privacy protection are measured in the case of genetic testing.

Tucker, Catherine, [‘Social Networks, Personalized Advertising, and Privacy Controls.’](#), Journal of Marketing Research, Vol. 51, No. 5, 2014, pp. 546-562.
Miller, Amalia and Tucker, Catherine, [‘Privacy Protection, Personalized Medicine, and Genetic Testing’](#), Management Science, Vol. 64, No. 10, 2018, pp. 4648-4668

11. False Advertising

In the papers the effects of false advertisement, the ability to deceive consumers to buy a product believing it would be better than it is, are assessed. They present the possibilities of a lawmaker, and evaluate the effects of different policies. They find that protection against false advertising does not necessarily make the consumer better off.

Rhodes, Andrew and Wilson, Chris; [False Advertising and Consumer Protection Policy](#), Rand Journal of Economics, 2018.
Piccolo, Salvatore; Tedeschi, Piero and Ursino, Giovanni, [How Limiting Deceptive Practices Harms Consumers](#), RAND Journal of Economics, 2015.

12. Effectiveness of keyword search advertising

They measure the effectiveness of different types of advertisement on eBay.

Tom Blake, Chris Nosko and Steven Tadelis; [Consumer heterogeneity and paid search effectiveness: A large scale field experiment](#), Econometrica, 2015.

13. Are Ad-blockers socially useful?

As a reaction to the advertisements with which websites monetarize their content a part of the consumers tries to avoid such ads with ad blockers. Often this leads the website to apply different advertisement strategies, possibly triggering a spiral. This paper evaluates this process and cast doubt on the usefulness of subscriptions as an alternative.

[Platform Siphoning: Ad-Avoidance and Media Content](#), by Simon P. Anderson and Joshua S. Gans, AEJ: Microeconomics, 2011.

14. Generalizable and Robust TV Advertising Effects

This paper provides generalizable and robust results on the causal sales effect of TV advertising for a large number of products in many categories, using data on sales volumes, advertising intensities, and other components of marketing, including pricing.

Shapiro, Bradley, Hitsch, Günter J., Tuchmann, Anna, "[Generalizable and Robust TV Advertising Effects](#)", NBER Working Paper, 2020.

C – Competition policy

15. FTC Investigation of Facebook

The Federal Trade Commission (U.S. antitrust authority) sued Facebook in December 2020, following a lengthy investigation, alleging that the company is illegally maintaining its personal social networking monopoly through a years-long course of anticompetitive conduct.

<https://www.ftc.gov/news-events/news/press-releases/2020/12/ftc-sues-facebook-illegal-monopolization>

16. Google vs. European Commission: Antitrust investigation of Google's practices

The European Commission investigated whether google uses its market power in the market for search engines to leverage it into other markets by granting competitive advantages to other segments of the firm. The Commission fined them for 2.42 billion €.

Representative (non-academic) paper:

http://www.europa.eu/rapid/press-release_IP-17-1784_en.htm

17. The Welfare Effects of Peer Entry in the Accommodation Market: The Case of Airbnb (Chiara Farronato and Andrey Fradkin, 2018)

Currently AirBnB challenges incumbents in the market for accommodation. Some big cities have even banned the service for different reasons. This paper starts with a framework to analyze the market and continues with an empirical investigation.

18. Ohio vs. American Express

American Express applied a pricing scheme, of which some claimed that it hurts low-income customer. The American supreme court ruled that this is not the case, and that the credit card market is not indeed two-sided!

https://www.supremecourt.gov/opinions/17pdf/16-1454_new_1a72.pdf

Benjamin Edelman, Julian Wright, [Price Coherence and Excessive Intermediation](#), *The Quarterly Journal of Economics*, 2015.

Topics in Industrial Organisation 2020/2021

19. Rise in Market Power

A recent paper used a novel method to estimate markups (defined as price over marginal costs) is used. The authors find that firms could increase their markups from around 20% in 1980 to over 60% in 2014. They link this to an increase in market power and discuss the large-scale implications of this increase.

De Loecker, Jan, Jan Eeckhout, Gabriel Unger, [The Rise of Market Power and the Macroeconomic Implications](#), *The Quarterly Journal of Economics*, 2020.

20. Killer Acquisitions

Firms may acquire innovative targets to discontinue the target's innovation projects and preempt future competition. Such acquisitions are called "killer acquisitions." Prominent examples can be found in the digital markets, where large digital businesses may be blocking innovation by buying (potentially rival) tech start-ups.

Cunningham, Colleen, Florian Ederer and Song Ma, [Killer Acquisitions](#), *Journal of Political Economy*, 2021.

Letina, Igor; Schmutzler, Armin; Seibel, Regina, [Killer acquisitions and beyond: Policy effects on innovation strategies](#), Working Paper, 2021.

<https://www.wired.com/story/facebooks-aggressive-moves-on-startups-threaten-innovation/> <https://www.lexology.com/library/detail.aspx?g=2825b2ab-409e-47de-a6e4-a923f92314b5>

21. The investigation of the European Commission regarding Amazon's practices related to independent sellers

The European Commission is investigating Amazon on the basis that it has breached EU antitrust rules by distorting competition in online retail markets. The Commission takes issue with Amazon systematically relying on non-public business data of independent sellers who sell on its marketplace, to the benefit of Amazon's own retail business, which directly competes with those third-party sellers.

Press release of the EU Commission:

https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2077

Related academic paper:

Zhu, Feng and Liu, Qihong, [Competing with complementors: An empirical look at Amazon.com](#), *Strategic Management Journal*, 2018.

Andre Hagiu, Tat-How Teh and Julian Wright, [Should platforms be allowed to sell on their own marketplaces?](#), forthcoming in *Rand Journal of Economics* (Working paper version from July 2021)

Federico Etro, [Product Selection in Online Marketplaces](#), Working Paper, 2020

22. Algorithmic Pricing and Competition

Pricing-algorithm technology has become increasingly sophisticated in recent years. Although firms have made use of pricing software for decades, technological advancements have created a shift from mechanically-set prices to AI-powered algorithms that can handle vast quantities of data and interact, learn, and make decisions with unprecedented speed and sophistication. The evolution of algorithmic-pricing software has raised concerns regarding the potential impact on firm behavior and competition.

Assad, Stephanie; Clark, Robert; Ershov, Daniel; Xu, Lei, "[Algorithmic Pricing and Competition: Empirical Evidence from the German Retail Gasoline Market](#)", CESifo Working Paper, 2020.

Calvano, Emilio, Calzolari, Giacomo, Denicolo, Vincenzo and Pastorello, Sergio, "[Artificial Intelligence, Algorithmic Pricing and Collusion](#)", American Economic Review, 2020.

D – Regulation of Markets

23. CO2 Certificates, Promotion and Supply of Renewable Energy Sources

Natalia Fabra and Mar Reguant, [Pass-Through of Emissions Costs in Electricity Markets](#), *American Economic Review*, 2014.

Olivier de Groot and Frank Verboven, [Subsidies and Time Discounting in New Technology Adoption: Evidence from Solar Photovoltaic Systems](#), *American Economic Review*, 2019.

Timo Goeschl, [Cold Case: The forensic economics of energy efficiency labels for domestic refrigeration appliances](#), *Energy Economics*, 2019.

24. Markets for Organic/Sustainable Products

Ram Bezawada and Koen Pauwels, [What is Special about Marketing Organic Products? How Organic Assortment, Price, and Promotions Drive Retailer Performance](#), *Journal of Marketing*, 2013.

25. Regulating P2P Markets: Airbnb, Uber etc.

Cramer, Judd and Alan B. Krueger, [Disruptive Change in the Taxi Business: The Case of Uber](#), *American Economic Review: Papers & Proceedings*, 2016.

Zervas, Georgios and Proserpio, Davide and Byers, John W, [The rise of the sharing economy: Estimating the impact of Airbnb on the hotel industry](#), *Journal of marketing research*, 2017.

Others:

26. Coming apart? Cultural distances in the United States over time (Marianne Bertrand and Emir Kamenica, working paper, 2018)

The American presidential election showed a picture of a very divided country. This paper analyzes temporal trends in cultural distance between groups in the US defined by income, education, gender, race, and political ideology.

27. Management and Firm Performance

In the paper, a deep evaluation between the management process and the productivity of firms is done. Different ways of how management influences productivity are discussed, and a comparison between different countries and sectors is applied.

Nicholas Bloom, Renata Lemos, Raffaella Sadun, Daniela Scur and John Van Reenen, 2014, Journal of the European Economic Association
[The New Empirical Economics of Management](#)

Data:

<http://worldmanagementsurvey.org/survey-data/download-data/>

28. The Economics of Franchising

The suggested paper uses a panel data set to investigate the shares of outlets owned by the main company as opposed to a franchisee, especially considering the experience of the franchisor as well as the value of the brand.

The book deals with a variety of aspects of franchising.

Francine Lafontaine and Kathryn L. Shaw. 2005

[Targeting Managerial Control: Evidence from Franchising](#), *Rand Journal of Economics*, Vol. 36, No. 1, pp. 131-150.

[The Economics of Franchising](#), by Roger D. Blair and Francine Lafontaine, 2005. (book)

29. Economics of Video Gaming: Pricing/Monetarization, Platform Competition

The video gaming industry has undergone major changes over the last decade: the emergence of smartphones and the mobile apps (and the platforms that distribute them), the switch to digital distribution and streaming for PC and console gaming, and the developments on the hardware side.

Cennamo, Carmelo and Santalo, Juan, "[Platform competition: Strategic trade-offs in platform markets](#)", *Strategic Management Journal*, 2013

Cennamo, Carmelo, Ozalp, Hakan and Kretschmer, Tobias, "[Platform architecture and quality trade-offs of multihoming complements](#)", *Information Systems Research*, 2018