

**Draft Reading List for MgtEcon 620, Economics of Electronic Commerce and the Internet**  
**Professor Susan Athey**  
**Spring 2013**

• **Overview and Facts about the Digital Economy**

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- Brynjolfsson, Erik and Andrew McAfee (2011), *Race Against the Machine: How the Digital Revolution is Accelerating Innovation, Driving Productivity and Irreversibly Transforming Employment and the Economy*, Digital Frontier Press.
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• **Basics of Information Economics**

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• **Pricing and Bundling**

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**Background on Price Discrimination and Bundling**

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- Gabaix, Xavier and David Laibson (2006): "[Shrouded Attributes, Consumer Myopia, and Information Suppression in Competitive Markets](#)," *Quarterly Journal of Economics*, 121, 505-540.
- Nalebuff, B. R. "Bundling & Barriers to Entry." Yale Economics, Working Paper, 2003.
- Raymond Deneckere and Preston McAfee, "[Damaged Goods](#)," *Journal of Economics and Management Strategy* 5, 149-174, 1996.
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### **Pricing and Demand for Digital Goods**

- Bakos, Yannis, and Erik Brynjolfsson. "[Aggregation and Disaggregation of Information Goods: Implications for Bundling, Site Licensing and Micropayment Systems.](#)" In *Internet Publishing and Beyond: The Economics of Digital Information and Intellectual Property*. Edited by Hal Varian, and Brian Kahin. Cambridge, MA: MIT Press, 2000. ISBN: 9780262611596.
- Bakos, Yannis, and Erik Brynjolfsson. "[Bundling and Competition on the Internet.](#)" *Marketing Science* 19, no. 1 (2000): 63-82.
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- Benkler, Yochai, "[Voluntary Payment Models](#)," Harvard Business School.
- Bresnahan, Timothy, Pai-Ling Yin, Tim Landvoigt, [Information Acquisition and Consumer Choice](#)
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#### • Network Effects and Standards

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General theory:

- Katz, M. and C. Shapiro. "Networks Externalities, Competition and Compatibility." *American Economic Review* 75, no. 3 (June 1985): 424-440.
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Applications:

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### Standards

- Bresnahan, Tim and Pai-Ling Yin, ["Standard Setting in Markets: The Browser War,"](#) in [Standards and Public Policy](#), Cambridge University Press 2007, Shane Greenstein and Victor Stango, editors.
- Cabral, Luis and David Salant, ["Evolving Technologies and Standards Regulation,"](#) May, 2012.
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- Rysman, Marc, ["The Economics of Two-Sided Markets,"](#) *Journal of Economic Perspectives*, 2009, 23(3): 125-143.

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- Chan, Jason and Anindya Ghose, [Internet's Dirty Secret: Assessing the Impact of Online Intermediaries on the Outbreaks of Sexually Transmitted Diseases](#)
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### • Platform Competition

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- **Online Reputation Mechanisms**

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## • Search, Advertising, Information and Competition on the Internet

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### Background on Search and Price Dispersion

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