

Feb 19: Search and Competition I

Required:

Stiglitz, J. "Imperfect Information in the Product Market." Ch. 13 in Schmalensee, R. and R. Willig (eds.), *Handbook of Industrial Organization*, Vol. 1. 769-844. Elsevier Science, 1989. (Read especially pp. 771-823.) Note: This is a long reading, and heavy going, but definitely worth it "C it captures the essence of literally dozens of seminal articles, many by the Nobel Prize-winning author.

Diamond, P. (1987) "Search Theory," in *The New Palgrave: Allocation, Information, and Markets*, (J. Eatwell, M. Milgate, P. Newman, eds.), MacMillan Press.

Bakos, Y. (1997) Reducing Buyer Search Costs: Implications for Electronic Marketplaces (2785154 Bytes) *Management Science*, Volume 43, Issue 12 (December 1997), 1676-1692

Salop, S. and Stiglitz, J. (1977) Bargains and Ripoffs: A Model of Monopolistically Competitive Price Dispersion (1848204 Bytes) *Review of Economic Studies*, Volume 44, Issue 3 October, 493-510

Brynjolfsson, E. and Smith, M. (2000) Frictionless Commerce? A Comparison of Internet and Conventional Retailers (798720 Bytes) *Management Science*, Vol. 46, No. 4 (April 2000), pp. 563-585

Recommended

Stigler, G. (1961) The Economics of Information (1582913 Bytes) *The Journal of Political Economy*, Volume 69, Issue 3 (June 1961), 213-225

Pepall, Richards and Norman. "Chapter 3.1-3.2: Miss Daisy and Her Antique Cars"

Pepall, Richards and Norman. "Chapter 4.1-4.2: Product Variety and Price Discrimination"

Pepall, Richards and Norman. "5.4 Price Competition"