

## 15.575 Reading Guide

### Feb 12. Pricing Information

Recently, the Nobel Prize in Economics was given to Stiglitz, Akerlof and Spence for their research on the economics of information, but I'm sure there are a few more Nobel Prizes waiting for people making advances in this area, not to mention major industry profits and disruption. The next couple of classes will look at this topic and give you a chance to flesh out your own ideas.

#### Study Questions

Please think about the following questions as you do the readings.

1. What are the special economic characteristics of information goods and services as compared to more traditional goods and services? Be prepared to illustrate each characteristic with concrete examples.
2. Given the above characteristics, what are the implications for market structure? What pricing strategies are doomed to failure and which are likely to be more successful?
3. What other products are a good fit for the Parker and van Alstyne story? What characteristics do they have in common?

#### Recommended URLs:

<http://www.apple.com/itunes/> What do you think of their pricing model?

<http://www.ascap.com/licensing/generalfaq.html> How does ASCAP's revenue model work?

<http://www.comcast.com/> Click on get prices for Comcast Cable. You can put in 50 memorial drive, 02142 for the address, if you like. How does Cable TV charge for most content?

<http://www.adobe.com/products/acrobat/readstep2.html> If Adobe gives away Acrobat for free, can they make profits on volume?

<http://www.sims.berkeley.edu/resources/infoecon/> (browse)