

Topics and reading list for the FDPE Industrial Organisation Theory I course/Kultti/September 21-24 2010

The topics are somewhat overlapping. Relevant literature will be pointed at also during the lectures.

## **PRICING AND CONSUMER SEARCH**

1. Optimal search from know distribution of prices or from an endogeneous distribution of prices.

- Diamond P. 1971 A model of price adjustment, *Journal of Economic Theory* 3, 156-158.
- Galeianos M. and P. Kircher 2009, Directed search with multiple job applications, *Journal of Economic Theory* 117, 861- 913.
- Kultti K. 1999, Equivalence of auctions and posted prices, *Games and Economic Behavior* 1, 106-113.
- Weitzman M. 1979, Optimal search for the best alternative, *Econometrica* 47, 641-654.

2. Pricing with advertising

- Butters G. 1977, Equilibrium distributions of sales and advertising prices, *Review of Economic Studies* 44, 465-491.
- Robert J. and D. O. Stahl II 1993, Informative price advertising in a sequential search model, *Econometrica* 61, 657-686.

3. Search and pricing under incomplete information

- Janssen M. and J. L. Moraga-Gonzalez 2004, Strategic pricing, consumer search and strategic pricing, *Review of Economic Studies* 71, 1089-1118.
- Janssen M. and S. Roy 2010, Signaling quality through prices in an oligopoly, *Games and Economic Behavior* 68, 192-207.
- Ellison G. and A. Wolitzky 2008, A search cost model of obfuscation, manuscript.
- Athey S. and G. Ellison 2008, Position auctions with consumer search, manuscript.

4. Market structure

- Kultti K. 2009, Sellers like clusters, manuscript.
- Dudey M. 1990, Competition by choice: the effect of consumer search on firm location decisions, *American Economic Review* 80, 1092-1104.