



Activity Report

Chair of Microeconomics and Industrial Organization II

September 1, 2011 – August 31, 2012

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1 Preface



The chair of Microeconomics and Industrial Organization II was established in April 2011. It has a reduced teaching load since the chair is associated with a so-called research professorship. Since June 2012 this chair and the chair of Microeconomics and Industrial Organization I (Prof. Dr. Jürgen Weigand) have merged to the Institute of Industrial Organization. We will nevertheless provide separate Activity Reports since the chairs were separated for most of the time in the period between September 2011 and August 2012. The team of the chair of Microeconomics and Industrial Organization II is completed by Tim Thomes who acts as a research and teaching assistant.

Parallel to its integration into the WHU teaching program in economics, the main focus of the professorship is on research activities. The areas of research are industrial organization and competition policy with a particular focus on two-sided markets and vertical market relationships.



Chairholder

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2 Teaching



2.1 Courses, Fall Term 2011

Bachelor of Science

Microeconomics II

The course built on the course “Microeconomics I” and presents detailed studies on different basic topics in microeconomics that are important for business students. The course is lectured in two groups. The topics covered are general equilibrium analysis, oligopoly theory, game theory, issues of asymmetric information---e.g., moral hazard and adverse selection---and the economics of externalities and public goods.

2 SWS – 3.0 ECTS

2.2 Courses, Spring Term 2012

Master of Science

Strategic Competition

This course is the only mandatory course in the Master of Science Programme. It covers a broad range of topics on competition and pricing tools that familiarizes business students with how competition in the market emerges and plays out and what are tools for firms to increase their profits. The detailed topics covered in the course are product differentiation, both horizontal and vertical, network effects, collusion, and bundling, all associated with case studies. In addition, the course contained a presentation by a representative of E.ON. on smart networks.

2 SWS – 3.0 ECTS

2.3 Research Seminar in Economics (FORSEM)



In close cooperation with all members of the Economics Group at the WHU a research seminar with the following presentations was organized. The chair contributed to this seminar by inviting several speakers. The speakers invited by the chair are in the following marked with a star *.

2.3.1 Fall Semester 2011

- **Dr. Max Peter Menzel** (University of Hamburg)
“Cluster Life Cycle”
- **Dr. Julia Schmidt** (WZB, Berlin)
“Hindsight Bias and Delegation”
- **Professor André Schmidt** (University Witten/Herdecke)
“Industry versus Services: Why Is There No Service Gap in Germany”
- **Dr. Thomas Gall*** (University of Bonn)
“College Admission and High School Integration”
- **Professor Udo Kreickemeier** (University of Tübingen)
“Two-Way Migration between Similar Countries”
- **Dr. Kathrin Müller** (ZEW)
“The Construction of a Low Cost Airline Network”

2.3.2 Spring Semester 2012

- **Professor Lukas Menkhoff** (University of Hannover)
“Exchange Rate Expectations of Chartists and Fundamentalists”
- **Professor Monika Schnitzer*** (University of Munich)
“The Use of Tax Haven in Exemption Regimes”
- **Dr. Georg Licht** (ZEW)
“Do German Courts Like German Patents More Than European Patents?
The Role of Application Routes in Patent Infringement Cases”
- **Dr. Gregor Zöttl*** (University of Munich)
“Information Disclosure in Dynamic Buyer-Determined Procurement
Auctions”
- **Dr. Fabian Herweg*** (University of Munich)
“Price Discrimination in Input Markets: Quantity Discounts and Private
Information”
- **Professor Volker Nocke** (University Mannheim)
“Merger Policy with Merger Choice”

3 Research Activities: Publications, Cooperation and Presentations



In its research activities the professorship analyzes theoretical aspects of industrial organization and competition policy. The focus is hereby on modern industries like e-commerce and newspaper markets. During the period covered by this report, the research activities resulted in several working papers, both by Markus Reisinger and Tim Thomes, that are currently in the referee process. The following papers have been published or have been accepted in the academic year under consideration in this report.

3.1 Publications in Refereed Journals

Reisinger, Markus, "Platform Competition for Advertisers and Users in Media Markets ", **International Journal of Industrial Organization**, Vol. 30 (2) (2012), 243-252.

Reisinger, Markus and Monika Schnitzer "Successive Oligopolies with Differentiated Firms and Endogenous Entry", **Journal of Industrial Economics**, forthcoming.

3.2 Referee Activities

Throughout the academic year Professor Markus Reisinger served as a referee for the journals

- International Economic Review,
- Journal of Economics (2x),
- Journal of Economic Behavior and Organization,
- Economica,
- Journal of Economics and Management strategy (2x),
- Industrial and Corporate Change,
- International Journal of Industrial Organization (2x),

- Review of Network Economics (2x),
- Management Science,
- Journal of Industrial Economics (2x),
- RAND Journal of Economics (3x),
- Information Economics and Policy,
- American Economic Review,
- Journal of the European Economic Association (2x),
- Journal of Industry, Competition, and Trade,
- Bulletin of Economic Research,
- Business Research.

In addition, he acted as a reviewer for the National Science Foundation.

3.3 Presentations

Markus Reisinger

Markus Reisinger presented several working papers, including “Vertical Integration with Complementary Inputs” (with Emanuele Tarantino), “Either or Both Competition: A “Two-Sided” Theory of Advertising with Overlapping Viewerships” (with Attila Ambrus and Emilio Calvano), “Can Naked Exclusion be Procompetitive?” (with Linda Gratz), and “Market Structure and the Competitive Effects of Vertical Integration” (with Simon Loertscher), at the following conferences:

- Annual Conference of the German Economic Association (Verein für Socialpolitik), Frankfurt, September 2011.
- Annual Conference of the GEABA (German Economic Association of Business Administration), Zurich, September 2011.
- CESifo Area Conference on Applied Microeconomics, Munich, March 2012.
- Mannheim Centre for Innovation and Competition Policy Inaugural Conference, Mannheim, March 2012.
- University of Bern, Research Seminar, May, 2012.
- Swiss IO Day, Bern, May 2012.
- Annual Meeting of the VHB, Bolzano, June 2012.
- University of Rostock, Research Seminar, June 2012.
- Conference on “Market Power in Vertically Related Industries”, IDEI, Toulouse.

Tim Thomes

Tim Thomes discussed a paper at the CEUS Workshop 2012 (WHU) and presented the working paper “An economic analysis of online streaming music services” at the following seminars:

- University of Munich, Research Seminar, Institute for Strategy, Technology and Organization (ISTO)
 - University of Aachen, Research Seminar in Economics
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3.4 Other Research Activities

Course Visits (Tim Thomes)

- Jan, 2012: Empirical methods in Antitrust
Held by Prof. Christine Zulehner at the Chair of Finance and Economics (Prof. Roman Inderst), University of Frankfurt
- Spring Term 2012: Applied Econometrics
Held by Prof. Igor Goncharov, WHU

3.5 Community Outreach Activities

- External Reviewer in the appointment committee for the University of Düsseldorf in search for a junior professorship on “Network Economics and Industrial Economics”
- External Reviewer in the appointment committee for the University of Ulm in search for a W3-professorship on “Sustainable Regulatory Economics”.