

Digitization tutorial, March 2016

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REQUIRED READING (WITH LINKS)

*Goldfarb, Avi. 2014. [What is different about online advertising?](#) *Review of Industrial Organization* 44(2), 115-129. ([ungated working paper version](#))

* Forman, C., A. Goldfarb, and S. Greenstein. 2005. [How Did Location Affect Adoption of the Commercial Internet? Global Village vs. Urban Leadership.](#) *Journal of Urban Economics* 58, 389-420.

* Brynjolfsson, E., M. Smith. 2000. [Frictionless commerce? A comparison of Internet and conventional retailers.](#) *Management Science* 46(4), 563-585.

READINGS FOR THOSE WHO WANT TO DIG DEEPER (LIKELY AFTER THE MEETINGS!)

SUMMARY ARTICLES

Goldfarb, Avi, Shane Greenstein, and Catherine Tucker. Introduction. In Goldfarb, Greenstein, and Tucker (eds). *Economic Analysis of the Digital Economy*. University of Chicago Press, Chicago IL, 1-17.

Shapiro, Carl, and Hal R. Varian. 1999. *Information Rules: A Strategic Guide to the Network Economy*. Boston: Harvard Business School Press.

Various *Journal of Economic Perspectives* articles including: Borenstein and Saloner (2001), Goolsbee (2001), Autor (2001, 2015), Reiley and Spulber (2001), Bakos (2001), Varian (2005), Evans (2009), Edelman (2009, 2012), Lee and Wu (2009), Bohme, Christin, Edelman, and Moore (2015)

DISTANCE

Forman, C., A. Goldfarb, and S. Greenstein. 2005. [How Did Location Affect Adoption of the Commercial Internet? Global Village vs. Urban Leadership.](#) *Journal of Urban Economics* 58, 389-420.

Agrawal, Ajay, and Avi Goldfarb. 2008. Restructuring Research: Communication Costs and the Democratization of University Innovation. *American Economic Review* 98(4),1578-1590.

Balasubramanian, S. 1998. Mail versus mall: a strategic analysis of competition between direct marketers and conventional retailers. *Marketing Science*, 17(3), 181-195.

Blum, B., A. Goldfarb. 2006. Does the Internet defy the law of gravity? *Journal of International Economics*, 70(2), 384-405.

Gaspar, Jess, and Glaeser, Edward. 1998. "Information Technology and the Future of Cities." *Journal of Urban Economics*. 43(1): 136-156.

Goolsbee, Austan. 2000. In a World without Borders: The Impact of taxes on Internet commerce. *Quarterly Journal of Economics* 115 (2 May), 561-576.

Sinai, Todd and Joel Waldfoegel. 2004. "Geography and the Internet: Is the Internet a substitute or a complement for cities?" *Journal of Urban Economics* 56(1), 1-24.

SEARCH

* Brynjolfsson, E., M. Smith. 2000. [Frictionless commerce? A comparison of Internet and conventional retailers.](#) *Management Science* 46(4), 563-585.

Baye, De Los Santos, Wildenbeest. 2015. Searching for Physical and Digital Media: The Evolution of Platforms for Finding Books. In Goldfarb, Greenstein, and Tucker (eds). *Economic Analysis of the Digital Economy*. University of Chicago Press, Chicago IL, 1-17.

Baye, Michael R., Morgan, John, & Scholten, Patrick. 2004. Price Dispersion in the Small and the Large: Evidence from an Internet Price Comparison Site. *Journal of Industrial Economics* 52(4), 463-496.

Bar-Isaac, Heski, Guillermo Caruana, and Vicente Cunat. 2012. Search, Design, and Market Structure. *American Economic Review* 102(2), 1140-60.

Brown, J., A. Goolsbee. 2002. Does the Internet make markets more competitive? Evidence from the life insurance industry. *Journal of Political Economy*, 110(3 June), 481-507.

Ellison, Glenn, and Sara Fisher Ellison (2009). Search, Obfuscation, and Price Elasticities on the Internet. *Econometrica*. 77(2), 427-452.

Gentzkow, Matthew and Jesse M. Shapiro. 2011. "Ideological Segregation Online and Offline." *The Quarterly Journal of Economics* 126(4), pp. 1799-839.

Zettelmeyer, Florian, Fiona Scott Morton and Jorge Silva-Risso. 2001. Internet Car Retailing. *Journal of Industrial Economics*. 49(4): 501-519.

REPUTATION

Cabral, Luis. 2012. [Reputation on the Internet.](#) In Peitz and Waldfogel (eds) *Oxford Handbook of the Digital Economy*. Oxford UK. Oxford University Press, Chapter 13, 343-354.

Nosko and Tadelis. 2015. The Limits of Reputation in Platform Markets. NBER Working Paper 20830.

Cabral, L. and A. Hortacsu (2010). The Dynamics of Seller Reputation: Evidence from Ebay. *Journal of Industrial Economics*, 2010, 58(1), pp. 54-78.

Chevalier, Judith, & Dina Mayzlin. 2006. The Effect of Word of Mouth on Sales: Online Book Reviews. *Journal of Marketing Research* 43(3), 345-354.

Einav, Jenkins, and Levin. 2013. The impact of credit scoring on consumer lending. *RAND Journal of Economics* 44(2), 249-274.

Jin and Kato. 2006. Price, quality, and reputation: Evidence from an online field experiment. *RAND Journal of Economics* 37(4), 983-1005.

Mayzlin, Dina, Yaniv Dover, and Judith Chevalier. 2014. "Promotional Reviews: An Empirical Investigation of Online Review Manipulation." *American Economic Review*, 104(8): 2421-55.

Waldfogel, Joel, and Lu Chen. 2006. Does information undermine brand? Information intermediary use and preference for branded web retailers. *Journal of Industrial Economics* 54(4), 425-449.

TARGETING

*Goldfarb, Avi. 2014. [What is different about online advertising?](#) *Review of Industrial Organization* 44(2), 115-129. ([ungated working paper version](#))

Blake, Nosko, Tadelis. 2015. Consumer heterogeneity and paid search effectiveness: A large-scale field experiment. *Econometrica* 83(1), 155-174.

Goldfarb, Avi, and Catherine Tucker. 2009. Online Display Advertising: Targeting and Obtrusiveness. *Marketing Science* 30(3), 389-404.

Lewis, Randall, and Justin Rao. 2016. The unfavorable economics of measuring returns to advertising. *Quarterly Journal of Economics*, Forthcoming.

OTHER

Menu costs and bundling:

Bakos, Yannis, & Brynjolfsson, Erik. 1999. "Bundling Information Goods: Price, Profits, and Efficiency." *Management Science* 45(12 December), 1613-1630.

Transaction costs and organizational structure:

Bloom, Garicano, Sadun, and Van Reenen. 2014. The distinct effects of effects of communication technology and information technology on firm organization. *Management Science* 60(12), 2859-2885.

Bresnahan, Brynjolfsson, and Hitt. 2002. Information Technology, Workplace Organization, and the Demand for Skilled Labor: Firm-Level Evidence. *Quarterly Journal of Economics* 117(1), 339-376.