The Economics of E-commerce and Technology

Case Objectives
Objectives

Introduction to the case methodology: analyzing the key problems of a business; proposing recommendations, and articulating these concisely.

An introduction to online business models

Lecture topics

- Coherent strategies (slides 3)
- Sustainable competitive advantages (slides 3)
- Cost structures of online businesses (slides 4)
Facebook

- **Objectives**
  - Introduction to presentations
  - The future of online interactions
  - The analysis of Facebook shows the stability of a network
  - The analysis of MySpace shows the fragility of any business
  - The decision of how and when to monetize

- **Lecture topics**
  - Sustainable competitive advantages (slides 3)
  - Advertising (slides 5)
  - Switching costs (slides 6)
  - Network effects (slides 7)
  - Platform competition (slides 8)
Online Restaurant Promotions

- **Objectives**
  - Learn about pricing and promotions
  - See how different business models can coexist
  - Mobilization of a network/platform

- **Lecture topics**
  - Price discrimination (slides 5)
  - Advertising (slides 5)
  - Network effects (slides 7)
  - Platforms (slides 8)
  - Peak-load pricing (slides 9)
  - Reputation (slides 10)
Netflix

- Objectives
  - Study how a new business model can disrupt an old one.
  - How to develop endogenous switching costs.
  - The evolution of business strategy

- Topics
  - Coherent strategies (slides 3)
  - Variety and the long tail (slides 4)
  - Switching costs (slides 6)
The Ladders

- **Objectives**
  - Study of pricing in a platform market
  - Examine differentiation of platforms.

- **Lecture topics**
  - Competitive advantage and coherent strategies (slides 3)
  - Price discrimination (slides 5)
  - Switching costs (slides 6)
  - Network effects (slides 7)
  - Platform market (slides 8)
Android

- Objectives
  - Learn about the wireless industry
  - Study how and why standards form despite conflicting interests
  - Examine a real-life standards battle

- Lecture topics
  - The importance of compliments (slides 2)
  - Value added (slides 3)
  - Network effects and standards wars (slides 7)
  - Platforms (slides 8)
Objectives
- Consider the differentiation between different platforms
- Examine platform competition
- Consider different pricing structures

Lecture topics
- Coherent strategies (slides 3)
- Pricing (slides 5)
- Platforms (slides 8)
Yelp

- Objectives
  - Examine the market for reputation and how to generate information from users.
  - Study the mobilization of a network
  - How and when to monetize

- Lecture topics
  - Network (slides 7)
  - Platforms (slides 8)
  - Reputation (slides 10)
Sermo (Final, Dec 2010)

- Objectives:
  - This firm is similar to Yelp in that it provides a market for reputations.
  - The big issues are mobilization of the network, getting users to provide information and monetization.

- Lecture topics:
  - Prices (slides 5)
  - Networks (slides 7)
  - Platforms (slides 8)
  - Reputation (slides 10)
Objectives:
- Learn about the market for online ads
- Study the mobilization of a platform
- Standards battles

Lecture topics:
- Industry analysis (slides 2)
- Value added (slides 3)
- Advertising (slides 5)
- Switching costs (slides 6)
- Networks (slides 7)
- Platform (slides 8)