Index

2G mobile wireless systems 197, 201, 202, 204
3G mobile wireless systems 197, 201–2, 204, 208, 209–10
4G mobile wireless systems 188, 197, 202, 204, 209–10

AAC (average avoidable cost) 318–19
AAT (ad avoidance technology) 116
abuse of dominance 306, 318–19
acquired programming 44–6
ad bugs 115–16
ad clutter 116
ADA (Americans for Democratic Action) 288
adaptive imitation 96, 97
Adar, E. 228
ad-averse audience members 132, 135
ad-avoiders 12
ad-lovers 12, 13, 132, 135, 137–8
advertising
  advertised products 108–10
  and antitrust/competition law 305, 308–9, 310
  attracting attention 114–16
  and business models of traditional media 7–8
  and circulation spiral 12–13
  and commercial media 107, 113–20
  and communication 107, 123
  consumers’ attitude towards 11–12
  demand side 107–13
  diversity of content 14–15
  evolution of 123–5
  and formal model of traditional media 9–12
  literature on 107–8
  as market activity 107
  and media policy 277, 280, 281, 282, 293
  and media support systems 359, 360–6, 364–6, 371
  motives for 108–13

  and multi-sided platforms 24–5
  and news market 269–70
  pricing of
    advertising slot pricing 123, 135, 138–43
    audience measurement 128–9
    cost per action 131
    cost per click 130–31, 132–3, 138–40, 141, 142–3
    cost per impression 128–30, 132–3, 140
    effectiveness measures 126–7
    evolution of models 124–6
    fixed commission system 124
    literature on 124
    media outlet model 133–8
    negotiated fees system 124
    pricing formats 126–31
    and print media 154–7, 159, 162
    and two-sided platforms 125, 131–8
    and product placement 115–16, 119
    and product types 108–10
    and regulation 15
    roles of 110–13, 114
    stealth advertising 118–19
    supply side 107, 113–20
    targeting 116–18
    and television funding models 175–7, 179–81
  and television funding models 175–7, 179–81
  aftermarket programs 45–8
  agglomeration economies 80–82, 84, 88, 91–5
  aggregation 265, 266–8, 269
  Ahlmark, D. 375
  Alexander, P.J. 230
  Amir, R. 13
  Anderson, S. 4, 5, 133–4, 287, 365
  antitrust law
    and advertising 305, 308–9, 310
    application of media economics 305–6
    collusion facilitating practices 321–2
    and diversion ratios 310–11, 314
and dominance 306, 317–22
and economics 302–3
and exchange of information 322
and exclusivity 319–20
and market definition 307–9
and mergers 304–5, 306, 310, 313, 316, 320–22
and multimarket contact 321
price tests 315–17
and print media 308–9, 312, 314
quantitative testing 309–17
and relevant geographic market 307, 313, 314–17, 322
and relevant product market 307–9, 312, 314, 322
shipment tests 314–15
and technology 322–3
and two-sided platforms 305, 322
US framework 304–5
Apple Computers 227, 358–9
appropriability 332
Areeda-Turner test 318
Argentesi, E. 309, 317, 321
Armstrong, M. 133
Arrington, Michael 263
Arrow, K. 83, 331
Asheron’s Call (online video game) 239
Athey, S. 143
attracting attention 114–16
audience measurement 128–9
audience platforms 19–20, 21–2
audience reach 173
avatars 238, 239, 243, 251
Bae, H. 62
Bagidkian, B.H. 15
Bagwell, K. 124
Balan, D. 287
Baldwin, R.E. 377
basic data network economics 198
basic broadband 189
Bathelt, H. 83
Bayes-Nash equilibrium 142
BBAM (budget-based advantage model) 57–9, 60, 64, 68–70, 74–5, 76
BBC (British Broadcasting Corporation) 168, 173, 279, 280
Becker, G.S. 124
behavioural policy 279
behaviour-based targeting strategies 117–18
below the line advertising strategies 25
Bergemann, D. 135, 138
Berlusconi, Silvio 289
Bertelsmann/Springer/JV (2005) 309, 314
Besen, S. 38, 332
Besley, T. 282
Bhattacharjee, S. 231
Bhattacharyya, S. 355
bilateral trading relationships 60–65
Bittman, Mark 263
BitTorrent (peer-to-peer software) 222
blanket licences 335
Blizzard (video games developer) 251–2
bloggers 119
Bonatti, A. 135, 138
see also print media
Borgers, T. 143
broadband
access to 188–9, 190–91, 194–5, 209–10, 212–15
basic data network economics 198
capping usage 203–4, 205–6, 212
China’s broadband policy 207–9
cost to consumer 212–13
defining/measuring 188, 189–91
demand side 188, 214
economies of scale 188, 191
fibre optics 193–4, 195–6
market 197–202
mobile wireless systems 201–2, 203–4
national wireless broadband 199–200
net neutrality debate 211–12, 214
network costs 191, 206
network structure 191–7
and open access 211, 214
pricing issues 203–6, 214
satellite wireless systems 200–201
socio-economic impact of 202–3
state policy 206–9
supply side 188
urban/rural divides 207, 209–11, 214
and WiFi 198–9
WiMax systems 199
wired networks 193–7
wireless networks 197, 201–2, 203–4
see also Internet
Broadband Strategy Project (China, 2012) 208
Brocas, I. 291
Bronner, Oscar 319
Bruns, C. 355, 377
bundling 24, 177–8, 185, 294
business models
and copyright 328–30, 342–3
and multi-sided platforms 21–2, 25, 27–8
print media 151
and production of information 6
television 179, 181, 182, 185
traditional media 6–9, 17
and transformation of media markets 3, 4
video game industry 239–40, 245
buy-out contracts 333
BuzzFeed (online news media company) 259, 267, 269
Cable Act (1992) 295
cable television
and aftermarket programs 46–7
evolution of 169–70
and media availability 284
original vs. acquired programming 44–5
regulatory issues 294–6
and supply side of advertising 117
and vertical integration 40–42
Canterbery, R. 62, 63
Castronova, E. 249, 250, 251, 252, 253–4
CATV (community antennas) 167, 169
Caves, R. 38, 39, 112, 334
CCP games (video games developer) 248
CFI (Court of First Instance) 303
Chamberlin, E. 124
Chandra, A. 138
Chen, D. 41
Chen, Y. 143
Chiang, C. 289–90
Chipy, T. 40
Choi, J. P. 125
Choi, Y. J. 54, 64, 65, 68–9, 73, 74
Chwe, M. 112
circulation spiral 12–13, 138
Clayton Act (1914) 304–5
Coate, S. 4, 5, 133–4, 365
collecting societies 334–5, 343
collusion facilitating practices 321–2
Comcast (cable operator) 222, 233
Comcast-NBCU (entertainment group) 49, 292, 295
Communications Act (1934) 278
competition (media policy goal) 277, 279, 281, 285–6
competition advocacy 306
Competition Authority 312
Competition Commission 306, 316
competition law
and advertising 305, 308–9, 310
application of media economics 305–6
and antitrust analysis 302–3
collusion facilitating practices 321–2
and diversion ratios 310–11, 314
and dominance 306, 317–22
European framework 303
and exchange of information 322
and exclusivity 319–20
and market definition 307–9
and mergers 304–5, 306, 310, 313, 316, 320–22
and multimarket contact 321
price tests 315–17
and print media 308–9, 312, 314
quantitative testing 309–17
and relevant geographic market 307, 313, 314–17, 322
and relevant product market 307–9, 312, 314, 322
shipment tests 314–15
and technology 322–3
Copyright Industries in the US
Economy (reports) 336–7
Corden, W.M. 128
core copyright industries 337–8, 341–2
cost of creation 331
cost per impression pricing 128–30,
132–3, 140
Cover, J.H. 128
CPA (cost per action) pricing 131
CPB (Corporation for Public
Broadcasting) 279
CPC (cost per click) pricing 130–31,
132–3, 138–40, 141, 142–3
CPE (Customer Premises Equipment)
192
CPM (cost per Mil) pricing 128,
129–30, 132–3, 140, 143
CRA (Charles River Associates) 316
Crapens, C. 138
Creative Economy Report (2008) 338
creative industries 82, 88, 219, 223–4,
328, 336–42
Creative Industries Mapping Document
337
credence goods 109–10
credit market imperfections 358–9
critical value analysis 295
cross-country consumption
externalities 57
cross-selling strategies 24
CTEA (Copyright Term Extension Act)
344
CTR (click-through rate) 130, 138–40,
141, 142–3
cultural difference dimensions 62
cultural revolution 218
dark fibres 195–6
DBS (video programming delivery
system) 41–2, 43–4, 196
DCMS (Department of Culture Media
and Sport) 337, 339, 340
De Bens, E. 351, 374–5
DellaVigna, S. 284
Depken, C. 375
Dewenter, R. 230
Diamond, P.A. 143
differentiation incentives 363–6
digital convergence 182, 184
Digital Copyright Exchange 343
digital disruption
  and multi-sided platforms 3, 5, 17–18, 21, 26, 28
  and news market 259–70
  and peer-to-peer file exchange 230
  and print media 155–7, 161
see also digitization; Internet; technology
Digital Rights Management schemes 227
digitization
  and copyright 328, 330, 342–3, 344–5
  impact of digital television 43, 182–5
  and media policy 292–3
  and peer-to-peer file exchange 218–19, 222–4
see also digital disruption; Internet; technology
direct media support 351, 368–70, 371–3, 377
direct subsidies 368–70, 371–3, 377
Disdier, A.-C. 65, 67, 75
disintermediation 18–19, 262–5, 269, 270
distribution costs 17, 151–4, 157, 161, 172, 229, 260–62, 263
distribution structures 154, 157–8
diversion ratios 310–11, 314
diversity of content 13–16, 36, 277–8, 279–80, 283, 291
Dixit, A. 56
Djankov, S. 282
DMCA (Digital Millennium Copyright Act, 1998) 226
dominance 306, 317–22
Dragon Warrior (online video game) 241
Dupagne, M. 66
Durante, R. 289
Duwadi, K. 294
DVRs (digital video recorders) 116, 182
dynamic game theory 322
  ECJ (European Court of Justice) 303, 319–20
  Edelman, B. 138, 139, 140
effective persuasion 287
efficiency 36–7, 38–9, 40–41
Ellerse, A. 64
Electronic Freedom Foundation 212
Eliashberg, J. 64
Eliaz, K. 132, 133
Ellison, G. 143
Ellman, M. 16
embryonic city economy 91
endogenous concentration mechanisms 12–13
end-to-end principle 211–12
Entropia Universe (online video game) 245
equipment production (information ecosystem component) 19
Erb, J. 290
Erdal, I.J. 353
Ernkvist, M. 255
EVE Online (online video game) 248
Everquest (online video game) 239, 249, 251
Everquest II (online video game) 248, 254
exchange of information 322
exchange platforms 19
exclusive dealing 24
exclusivity 319–20
experience goods 108–9, 113
exploitation platforms 20
explosive growth 91
external dimension (media cluster classification) 83
external plurality 280, 281
eyeballs 7–8, 10
Facebook (social media website) 118, 371
fair use 226
Fan, Y. 293–4
faucet-drain system 243, 246, 248
FCC (Federal Communications Commission)
broadband definitions 189–90
and media policy goals 277–8, 279, 285, 290–93, 294–6
and net neutrality debate 26, 211, 212
and peer-to-peer file exchange 222
and programming content supply 43
and vertical integration 37, 38, 41, 49
Federal Trade Commission Act (1914) 304
Felton, E.W. 222, 233
Ferrando, J. 4, 11, 13
Ferreira, F. 66–7, 75
fibre optics 193–4, 195–6
file compression technology 225
Filistrucchi, L. 311, 321
film industry
budget-based advantage model 57–9, 64, 68–70, 74–5, 76
and copyright 333
impact of digitization 48
and home market advantage 70, 73
and product placement 119
and programming content supply 45–7
trade economics literature 60–66, 68–70, 74–6
US global film exports 54, 55, 60–61, 62–6
fixed costs
and advertising pricing 138
and broadband 188, 191, 203, 206
and copyright 330–31, 335
and newspaper industry 356–7
and peer-to-peer file exchange 224, 229
and print media 151–3
and television 166, 170, 172
flat fee pricing 127–8, 203–6
flexible specialization model 89
Forni, Mario 315
Fox News (television news channel) 262, 263, 267, 284
Frank, B. 59
free content 21–2, 25
freelancing 89, 152, 263–4
freemium 21, 22
free-riding 166, 170, 228, 331
FTA (free-to-air) television 167–8, 170, 171, 172–7, 178–9, 181, 277, 278, 280
FTC (Federal Trade Commission) 304–5
FTTH (fibre to the home) infrastructures 196
FTTN (fibre to the node) infrastructures 193–4
FTTx (fibre to the user premises) infrastructures 193–4
Fu, W.W. 63, 64, 65–6
Fudenberg, D. 137
Fujimori, Alberto 282
Furchgott-Roth, H. 53, 336, 337
Furhoff, L. 12
Gans, J. 289
garbling information 291
Garrido, M. 284
gating mechanisms 241
Gayer, A. 332
GDP (gross domestic product)
and copyright measures 328, 336, 337, 338, 340–41
and economic development of television 44
and trade economics 58, 62–4, 66–7, 69–73, 74, 75–6
and US film distribution date 46, 47, 58
Gentzkow, M. 283, 286, 288, 293
George, L. 261, 265, 291
geosynchronous satellites 200
Germano, F. 16
GFP (generalised first price) auctions 140
global media cities 87
Global System (Jacobian metropolitan model) 92, 93
Gnutella (peer-to-peer network) 228
Goel, S. 143
gold farming 244, 247–8, 251–2
Golle, P. 228
Index 389

Gomes, R. 142
Goodridge, P. 340
Google News (aggregator) 265, 267, 269
Goosbee, A. 39, 41–2, 294
Gopal, R. 230, 231
Govindaraju, G. 65
Gowers, A. 343, 344
gravity models 62, 63, 65, 67
Greene, D. 112
Grönlund, M. 371
Grosecolse, T. 288
Gruber, Alan 263
GSP (generalised second price) auctions 140–41, 142
Guide on Surveying the Economic Contribution of the Copyright-Based Industries 337–40, 341, 343
Guo, K. 39
GUP (gross user product) 254
Gustafsson, K.E. 13, 372–3, 375
GVA (gross value-added) 338, 339–41
Habbo (online video game) 240, 244
Hagiu, A. 133
Hallin, D.C. 350
Handke, C. 342
Hansard 289
Hanson, G.H. 56–7, 63–4, 69, 76
Harbord, D. 24
Hargreaves, I. 343–4
Haskel, J. 340
Hayek, F. 96
Hazlett, T. 294
He, C. 143
hedonic pricing model 251
Heeks, R. 252
high quality firms 286
Himler, O. 355, 377
Hindman, M. 293
Ho, D. 288–9
Hodler, R. 355
Hofstede, G.H. 62
Hogendorn, C. 265
home market advantage 67, 70–73
home market trade models 56–60, 61, 62, 63–4
Hooper, R. 343
horizontal dimension (media cluster classification) 83
horizontal matching 266, 269, 270
Hoskins, C. 57, 59
Hotelling model 9, 14, 133, 176, 363–4
Household Broadband Guide 189–90
Huberman, B.A. 228
Huffington Post (news market aggregator) 267, 268
Hughes, D. 228
Huhh, J. 252, 253
human insight 96
Humphreys, P. 352
ICT (information and communication technology) 80, 83, 85–6
ideal slant 288
ideology estimator 288
IFPI (International Federation of Phonographic Industries) 342
IIPA (International Intellectual Property Alliance) 336–7
imported media 53–4, 55, 60–61, 62–6
Ims, L.A. 210
increasing return theory of productivity 81
indirect appropriability 332
indirect media support 351, 373–6, 377
indirect subsidies 373–6, 377
information networks 18–19
informative advertising 110–11, 114, 124
Infrastructure Enhancement Program (China, 2009) 208
innovation 80, 81, 84, 88, 91, 92, 95–7, 269, 270, 277, 343
institutional dimension (media cluster classification) 83
institutional thickness 92
Intellectual Property Rights (IPR) 64–5, 69, 162, 244, 319–20, 336–7, 343–4
interdependent industries 337–8
internal plurality 280, 281
Internet
broadband see broadband
consolidation of Internet giant positions 3–4
and convergence 19–20
and copyright 330, 342, 344
impact of digitization 17, 18, 182–3, 184
impact on programming content 48–9
and media policy 292–3, 297
and net neutrality debate 25–6, 211–12, 214, 219, 222
network structure 191–2
and news market 259–60, 261–2, 265–6, 267–9
online gaming see video games industry
operating system 192
and pricing of advertising 125–6, 130, 132–3, 138–43
search engines 116, 126, 133, 265–6
and transformation of media markets 3–4
and vertical integration 42, 43
see also digitization
intra-inter projects 89–90
investigative journalism 354–5
investment in assets measures 340
IPO (Intellectual Property Office) 343–4
IPR-test (illustrative price rise) 321
IPTV (Internet Protocol TV) 42, 43
ISIC (International Standard Industrial Classification) 338–9
ISPs (Internet Service Providers)
and broadband access 214
and broadband market 198, 199
and fibre optics 196
and Internet operating system 192
and multi-sided platforms 20–21, 25–6, 27, 28
and net neutrality debate 25–6, 211, 212
and network externalities 27
and peer-to-peer file exchange 227
and vertical integration 49
ITU (International Telecommunication Union) 212
iTunes (digital music platform) 227, 265
Ivaldi, M. 309, 317, 321
Jacobian metropolitan model (of city growth dynamics) 80, 91–7
Jacobs, J. 81, 91–7
Jaffer, F. 202
Jansen, J. 130–31
Jayakar, K. 61
Jensen, R. 284
Ji, S.W. 41
Johnson, Dr Samuel 123
Johnson, W.R. 229
journalistic food chain 353
Jullien, B. 133
Jung, G. 253
Kaplan, E. 284
Kate, A. 311
keywords 116, 126, 140, 142–3
Kind, H.J. 135, 138
Knight, B. 289–90
knowledge content 83
knowledge dynamics 80–82, 92, 94–6
Kogut, B. 62, 64–5
Krugman, P. 56, 263, 268
Krumsvik, A.H. 350
La pensée unique 14–15
labour intensity 152
Lahaie, S. 143
Landes, W. 331, 333
law of one price 316
learning by doing 81
Lee, B. 62
Lee, B.H.L. 202
Lee, S.W. 61
Lee, S.Y. 54, 65
Lee, T.K. 64
Lehdonvirta, V. 255
Leigh, A. 289
licence fee funding 172–5, 179–81
Liebowitz, S. 230, 332
Linden Lab (video games developer) 245
Lineage (online video game) 239
linear television 183–4
linguistic policy 357–8
Linnebank, G. 373
lobbynomics 343
localism (media policy goal) 278, 290–91
locally envy-free equilibria 142
Lord of the Rings Online (online video game) 240
Lund, A.B. 353
Macaulay, Thomas Babington 330
magazines
and antitrust/competition law 314
and competition with other media 160
and flat fee pricing 127–8
and international trade 161
and labour intensity 152
and large retailers 159
and portfolio publishers 153
price setting 154–7
and printing presses 151
and role of advertising 110
and supply side of advertising 113, 114, 116, 117–18
and two-sided platforms 154–7
see also print media
Mancini, P. 350
Manduchi, A. 4, 136–7, 138
MapleStory (online video game) 240, 244
MAR (Marshall–Arrow–Romer) model 81
marginal costs
and broadband 191, 203, 205
and copyright 331, 332, 335
and multi-sided platforms 17, 22
and newspaper industry 356–7, 360–63, 366, 368
and peer-to-peer file exchange 224–5, 229, 233
and print media 152
and television 176
and two-sided platforms 5–6, 10, 11
Margolis, S. 332
market failure 175, 331, 352, 355–6, 359–60, 366, 376–7
market power 159, 168, 306, 317–18, 371
Marshallian cluster types 80–81, 82, 95
Marvasti, A. 60, 62, 63
McAfee, R.P. 143
McCann, P. 80–81
McChesney, F.S. 15
McChesney, R.W. 366
McLaren, J. 287
McMillan, J. 282
McQuail, D. 375
media availability 283–4
media bias 11, 16
media clusters
and agglomerations economies 80–82, 84, 88, 91–5
characteristics of 86–91
defining the media economy 95–6
and diversity 81–2
and ICT 80, 83, 85–6
and industry convergence 84
and innovation processes 80, 81, 84, 88, 91, 92, 95–7
and intra-inter projects 89–90
Jacobian metropolitan model of 80, 91–7
and knowledge dynamics 80–82, 92, 94–6
and large media oligopolies 90–91
and media connectivity rankings 84–5
and new economic geography theory 81–2
and rapid evolution of products 88–9
role of creative activities 88
research into 80–81
types of 80–81
and value chains 84, 86, 88, 93
and weightless economy 83–6
and young firms 91
media connectivity rankings 84–5
Media Monitors Australia 289
media policy
and advertising 277, 280, 281, 282, 293
behavioural policy 279
and characteristics of media sector 277–8
and competition 277, 279, 281, 285–6
content regulation 279, 280
and digitization 292–3
and diversity 277–8, 279–80, 283, 291
and goal setting 277
impact measurement 279
and localism 278, 290–91
market definition 292–3
and market structure 282
and media availability 283–4
and mergers 279, 289, 292, 293–4, 295
and minority ownership 291–2
and OFCOM 279–81, 295–6
and ownership regulation 279, 282, 285, 290, 295–6
and plurality 277–8, 279–80, 281, 283
and political participation 283–5
and public good 277, 278
and slant 285–90
and subsidy 278–9
structural regulation 279
and transactions costs 282
and two-sided platforms 293–4
and universal service 278
see also media support systems
media support systems
and advertising 359, 360–62, 364–6, 371
and consumer surplus 355–6
credit market imperfections 358–9
and differentiation incentives 363–6
direct 351, 368–70, 371–3, 377
economic justification for 352–9
economies of scale and scope 356–7
evaluation of 350–51
indirect 351, 373–6, 377
and market failure 352, 355–6, 359–60, 366, 376–7
and network externalities 357–9
and pure knowledge externalities 353–4
tax credit schemes 366–8, 376
and two-sided platforms 352–3, 358–9, 360–66
and VAT reduction 351, 360–66, 373–7
Mediaprint (newspaper publisher) 319
mergers
and antitrust/competition law 304–5, 306, 310, 313, 316, 320–22
and media policy 279, 289, 292, 293–4, 295
Meridian 59 (online video game) 239
Metropolitan System (Jacobian metropolitan model) 92, 93
micro-transactions business model 245–6, 252
middle-of-the-road programmes 176
MIIT (Ministry of Industry and Information Technology) 207–8
Milyo, J. 288, 290
minimal discrimination 222
minimal exposure clause 128
minority media ownership 291–2
Mirus, R. 57
MMOs (massively multiplayer online role-playing games) 239–40, 242–3, 245, 246, 248, 251–2, 254
mobile (cell) phones 191, 197, 201–2, 203–4, 214
monopolistic-competition trade models 56–7, 60
Mortimer, J. 232
Mossberg, David 263
MP3.com (digital file distributor) 226
MSOs (multiple system operators) 40
MUDflation 242, 247
MUDs (multi-user dungeons) 239, 241–2, 244
Mullainathan, S. 281, 285
multifaceted industrial complexes 82
multimarket contact 321
multi-sided platforms
and advertising 24–5
business models in the digital era 21–2
and content pricing schemes 22–3
and convergence 19–21, 26, 28
digital disruption 3, 5, 17–18, 21, 26, 28
and disintermediation 18–19
and information networks 18–19
literature on 4–5
and net neutrality debate 25–6
and network externalities 3, 4, 5, 21–3, 25–8
new strategies 23–4
and value chains 18–19
see also two-sided platforms
Murphy, Karen 319–20
Murschetz, P. 371
MVPDs (multi-channel video programming distributors) 37, 41–2, 43, 46, 48–9, 292
NAIC (North American Industrial Classification) 339
naked cartels 306
Napster (peer-to-peer software) 221, 226, 232
Nash equilibrium 10
national wireless broadband 199–200
NCAs (national competition authorities) 302–3
Nelson, P. 111
net neutrality 25–6, 211–12, 214, 219, 222
Netflix (video-on-demand subscription service) 22, 48
network externalities
and copyright 332
and media clusters 88
and media support systems 352, 357–9
and multi-sided platforms 3, 4, 5, 21–3, 25–8
and traditional media 6–13, 26
and video games industry 252
network operators (information ecosystem component) 19
Neverwinter Nights (online video game) 239
new combinations 96
new economic geography theory 81–2
New York Times (newspaper) 261, 262, 263, 264, 267, 268
news market
and advertising 269–70
and aggregation 265, 266–8, 269
consumption costs 265–7, 268, 270
and digital disruption 259–70
and disintermediation 262–5, 269, 270
distribution costs 260–62
freelancing 263–4
market integration 260–62
and media policy 290–91
and transaction costs 259–60, 264, 265–6, 268, 270
newspaper industry
advertising pricing formats 128
and aggregation 267
and antitrust/competition law 308–10, 312, 314, 317–19, 321
circulation spiral 12–13
competition with other media 160
and consumer surplus 355–6
and direct media support 368–70, 371–3, 377
diversity of content 14–15
economic justification for media support systems 352–5
economies of scale and scope 356–7
evaluation of media support systems 350–51
fixed costs 356–7
and formal model of traditional media 9–12
and indirect media support 373–6, 377
and international trade 161
and investigative journalism 354–5
and labour intensity 152
linguistic policy 357–8
marginal costs 356–7, 360–63, 366, 368
and media availability 283–4
and media slant 288–9, 289–90
merger simulation 293–4
and news market 260–61, 262, 263, 264, 267, 268, 270
and political participation 283–4
price setting 154–7
and printing presses 151
production/distribution costs 151–2, 260–61
and pure knowledge externalities 353–4
and stamp duty 350
and supply side of advertising 114
and taxation 350, 351, 360–68, 373–7
trade economics literature 53, 67
and two-sided platforms 154–7
see also print media
NGA (Next Generation Access) 190
Nichols, J. 366
Niels, G. 311
Nielsen, R.K. 373
non-dedicated support industries 337–8
non-excludability of broadcasting 166, 185
non-linear television 183, 184–5
non-minimal discrimination 222, 233
normal firms 286
NOVA (Greek broadcaster) 319
Novos, I.E. 229
NPCs (non-player characters) 241, 242–3, 254
Oberholzer-Gee, F. 231, 284, 291
objectivity 15
OFCOM (Office of Communications) 279–81, 295–6
offset printing 309
OFT (Office of Fair Trading) 313, 316, 319
Ogawa, H. 84
Ogilvy, D. 124
Oh, J. 61, 62
oligopolies 90–91
Olken, B. 284
open access 211, 214
optical transmission systems 195–6
optimal price structure 4–5, 8, 11
original programming 44–6
Østbye, H. 351, 374–5
Oster, E. 284
Ottaviani, M. 24
OVD (online video distributor) 292
overlapping 313
Owen, B.M. 37–8, 46

Owers, J. 302
Ozga, S.A. 124
paid content 21–2
partial copyright industries 337–8
Patel, Judge Marilyn Hall 226
peer-to-peer (P2P) file exchange
and copyright 336
and creative/culture-based markets 219, 223–4
economic impact of 228–32, 233
evolution of technology 221–2
and free-riding 228
impact on programming content 48
legal response to 226–7, 232–3
literature review 228–32
and net neutrality debate 219, 222
peering software 219, 221–2
and recorded music industry 224–33
technical background 219–22
transition from analogue to digital
products 218–19, 222–4
see also piracy
Peitz, M. 4, 134, 230, 231–2
peristence of virtual worlds 238
persuasive advertising 110–12, 114
persuasive thread (of advertising pricing
literature) 124
Petrin, A. 294
piracy 6, 28, 48, 260, 328, 330, 332, 336, 342
see also peer-to-peer file exchange
Plant, A. 330, 331
player-to-player trade 237, 242, 252
PLEX (monthly subscription codes) 248
plurality (media policy goal) 277–8, 279–80, 281, 283
Pogue, David 263
political participation 283–5
Pönny, V. 314–15
Porter, M. 109
portfolio publishers 153
Posner, R. 331, 333
Index 395

power dimension (media cluster classification) 83
PPV (pay-per-view) platforms 171, 178, 183
Prat, A. 282, 351
Premier League football 319–20
price discrimination 23, 204–5
price subsidies 205
price tests 315–17
pricing structures 8, 11
primary virtual asset markets 244, 246
print media
  and advertising pricing 154–7, 159, 162
  and antitrust/competition law 308–9, 312, 314
competition amongst media types 160
and digital retailers 159
distribution structures 154, 157–8
economies of scale 151–2, 153
and international trade 160–61
and labour intensity 152
and large retailers 159
and media support systems 350–51
and portfolio publishers 153
price setting 154–7, 158–9
and printing presses 151
production/distribution costs 151–4, 260–61
and supply side of advertising 114–15, 117–18
technological dependence of 152
trade economics literature 67
and two-sided platforms 154–7
printing presses 151
private goods 5
private trackers 227–8, 233
product placement 115–16, 119
production costs
  and advertising pricing 128, 135, 137
  and media policy 287
  and multi-sided platforms 12
newspaper industry 364, 366, 370
peer-to-peer file exchange 223
print media 151–4
television 166–7, 171–2, 185
and trade economics 63, 76
program supply industry 37–9
programming quotas 16, 66, 67
proxy servers 227, 233
public goods 5, 166, 174, 176, 277, 278, 354–5
pure knowledge externalities 353–4
pure usage pricing 205
Quah, D. 83
quality sorting 266, 268–9, 270
Quantity Theory of Money 243, 254
Quinn, K. 288–9
R&D (research and development) 20, 353, 367, 374, 376
radio 14–15, 115–16, 117, 128–9, 291–2
Rakoff, Judge Jed S. 226
Rauch, J. 57
recorded music industry 66–7, 166, 219, 224–33, 329, 333, 334, 342, 344
relationship-specific investments 264–5
relevant geographic market 307, 313, 314–17, 322
relevant knowledge 96
relevant product market 307–9, 312, 314, 322
Resende, J. 4
RIAA (Recording Industry Association of America) 226, 227, 232
RMTs (real money transactions) 244–5, 252–3
Rob, R. 231
Robert-Nicoud, F. 377
Robinson-Patman Act (1936) 304
Rochet, J.C. 6
Rogers, E.M. 66
Romer, P. 233
Rosse, J. 53
rotogravure printing 309
royalty contracts 332–4
Rumelt, R.P. 230
safe harbor 226
Samuelson, P. 5
Sánchez-Tabernero, A. 351
satellite television 169–70, 261, 277, 281, 319–20
satellite wireless systems 200–201
Schulhofer-Wohl, S. 284
Schulze, G.G. 67
Schumpeter, J. 96
Scott, A.J. 81, 82, 83
Screen Digest survey (2011) 45, 47
Seabright, P. 294
search costs 108, 143, 331
search engines 116, 126, 133, 265–6
search goods 108, 112–13
searchable information 266
Second Life (online video game) 240, 245
secondary virtual asset markets 244–5, 246–8, 252–3
service providers (information ecosystem component) 19–20
Shadows of Yserbius (online video game) 239
Shapiro, C. 259, 260, 302, 320
Shapiro, J. 286, 288
Sherman Act (1890) 304–5
Sherwin, Robert 307
shipment tests 314–15
Shleifer, A. 281, 285
shopping goods 109
Shy, O. 332
SIEC (significant impediment of effective competition) 320
Siegelman, P. 291
signalling role of advertising 111–12
Sim, C. 63
SimCity (online video game) 241
Simpson, Z.B. 242–3
Singh, H. 62, 64–5
single creation products 153
sinks 242–3
Siu, M. 375
Siew, S. 53, 57, 59, 336, 337, 339
Sky (satellite television platform) 295–6, 319
Skype (telecommunication software) 211–12, 221
slant 285–90
SLC (substantial lessening of competition) 320
Smith, Ben 259
Snyder, J. 283
social media 118, 132, 265
social network cluster model 81
social-gaming industry 240–41, 245–6, 252–3
software market 53
Sonnac, N. 4
space (in virtual worlds) 239
Spiegler, R. 132, 133
Spitzer, M. 294
SSNIP (Small but Significant Non-transitory Increase in Price) 307, 309, 313, 315
stacking phenomenon 46
stamp duty 350
Star Wars: The Old Republic (online video game) 240
Starcraft II (online video game) 241
stealth advertising 118–19
Stefanadis, C. 125
Steiner, P. 14
Stigler, G.J. 124, 307
Stiglitz, J. 56
Strömberg, D. 283, 351
structural regulation 279
Strumpf, K. 231
subscription television 8, 170, 177–80, 181, 182, 185
subsidies and differentiation incentives 363–6
direct 368–70, 371–3, 377
economic justification of media support systems 352–9
empirical analysis of effects 370–76
and evaluation of media support systems 350–51
indirect 373–6, 377
subsidy policy 278–9
tax credit schemes 366–8, 376
Index

theoretical framework of effects 359–70
VAT reduction 351, 360–66, 373–7
superstars 230, 231, 263–4, 268, 334
Supreme Court (US) 288–9, 304
Sweeney, K. 142
Takeyama, L. 332
targeting 116–18
taxation
differentiation incentives 363–6
and direct media support 368–70,
371–3, 377
empirical analysis of effects 370–76
and indirect media support 373–6,
377
stamp duty 350
tax credit schemes 366–8, 376
theoretical framework of effects 359–70
VAT reduction 351, 360–66, 373–7
Taylor, G. 133
technology
and antitrust/competition law 322–3
conditional access technologies 166,
170, 174, 178, 182
and media policy 292–3, 297
and peer-to-peer file exchange 221–8
and production of information 5–6
and programming content supply
42–7
technological dependence of print
media 152
see also digitization; Internet
television/television industry
advertising-supported television
175–7, 179–81
and aftermarket programs 45–8
and antitrust/competition law 312
audience market 179–81
audience measurement 128–9
and bundling 177–8, 185
cable see cable television
competition among broadcasters
168, 178, 179–82
conditional access technologies 166,
170, 174, 178, 182
costs 166, 171–2
consumer payment market 179–80,
181
diversity of content 14–15
economic development of 43–4
economies of scale 166, 172, 178,
185
evolving economic dynamics of
185–6
and free-riding 166, 170
free-to-air television see FTA
funding models 171–9
and home market advantage 75
impact of digital television 43, 182–5
licence fee funding 172–5, 179–81
linear 183–4
and media availability 283–4
and media policy 277–81, 290–91,
294–6
and media slant 289
and news market 261
non-excludability of broadcasting
166, 185
non-linear 183, 184–5
non-rival aspect of 166, 174
original vs. acquired programming
44–6
and political participation 283–4
and product placement 119
production costs 166–7, 171–2, 185
production values 172
programming content supply 42–7
as public good 166, 174, 176
public ownership 167, 168, 174–5
removal of monopolies 168
role of government 165–6, 167
satellite see satellite television
spectrum allocation 165–6, 167
subscription television 170, 177–80,
181
and supply side of advertising
115–16, 117
trade economics literature 66
and vertical integration 36–42
Tenenbaum, Joel 228, 232–3
TFEU (Treaty of Functioning of
European Union) 302–3
The Examiner (newspaper) 350
The Sims Online (online video game)
240
Tirole, J. 6, 137
Towse, R. 333
trade economics
bilateral trading relationships 60–65
budget-based advantage model 57–9, 60, 64, 68–70, 74–5, 76
cross-country consumption
externalities 57
film industry empirical literature
60–66, 68–70
flows literature 60–65
future research directions 74–6
and home market advantage 67, 70–73
home market models 56–60, 61, 62, 63–4
and imported media 53–4, 55, 60–61, 62–6
literature on 53, 60–70
mix literature 65–6
monopolistic-competition trade
models 56–7, 60
print media 53, 67
recorded music industry empirical
literature 66–7
television industry empirical
literature 66
testing of models 74–5
traditional media 5–17, 26, 166, 264, 266, 269, 270
Tragedy of the Commons 228
transaction costs
and copyright 331, 332, 333, 335, 344
and media policy 282
and news market 259–60, 264, 265–6, 268, 270
and print media 151, 157
Trindade, V. 57
TRIPS (Trade-Related Aspects of
Intellectual Property Rights) agreement 343
two-sided platforms
and advertising pricing 125, 131–8
and antitrust/competition law 305, 322
and business models of traditional
media 6–9, 17
defining 6
and diversity of media content 13–15
and endogenous concentration
mechanisms 13
formal model of traditional media
9–12
literature on 4–5
and media bias 16
and media policy 293–4
and media support systems 352–3, 358–9, 360–66
and print media 154–7
and regulation 16
and traditional media 5–16
see also multi-sided platforms
UGC (user-generated content) 115, 118
Ultima Online (online video game) 239, 242–3, 244, 246
UNCTAD (United Nations Conference on Trade and Development) 338
UNESCO (United Nations Educational, Scientific and Cultural Organization) 337, 338
uniform conditions of competition 315–16
universal service 167, 177, 179, 189, 200, 207, 209, 278, 284
unsearchable news 266
UPP-test (upward pricing pressure) 321
USA Today (newspaper) 261, 262
uTorrent (peer-to-peer software) 221–2
Valletti, T. 4, 134
value chains 18–19, 84, 86, 88, 93, 151, 152, 157
van Asselt, E. 336
Varian, H. 138, 139, 259, 260, 302, 332
VAT (Value Added Tax) reduction 351, 360–66, 373–7
Vavreck, L. 285
VCG (Vickrey-Clarke-Groves) auctions 140, 141–2
Index

versioning strategies 23
vertical dimension (media cluster classification) 83
vertical integration
  and cable television 40–42
  and efficiency 36–7, 38–9, 40–41
  and the Internet 42, 43, 49
  policy concerns 36–7, 49
  and program supply industry 37–9
  and quality/diversity of content 36
video games industry
  development of virtual economies 241–3
  and economic laboratories 253–4
  economic study of 249–55
  evolution of virtual worlds 239–41
  free-to-play models 244–5
  motivations for playing games 250–51
subscription-based models 239–40, 244
transformation of 237
  and virtual asset markets 243–8
virtual world platforms 238–9
virtual asset markets 243–53, 255
virtual economies
  development of 241–3
  and faucet-drain system 243, 246, 248
  and gold farming 244, 247–8, 251–2
  impact on real-world economies 237
  as laboratories 253–5
  literature review 249–55
  micro-transactions business model 245–6, 252
  and RMTs 244–5, 252–3
  and virtual asset markets 243–53, 255
virtual worlds
  defining 238–9
  economic study of 249
  evolution of 239–41, 255
  motivations for playing games 250–51
  and transformation of video games industry 237
VOD (video-on-demand) 20, 43, 46, 48, 178, 183, 203, 212
VSAT (satellite wireless) 200–201
Waelbroeck, P. 230, 231–2
Waldfogel, J. 66–7, 75, 231, 261, 284, 291, 292–3, 321
Waldman, M. 229
Wall Street Journal (newspaper) 262
Wang, Q. 252, 253
Waterman, D. 40, 41, 57, 61, 66
Watt, R.
Weberian cluster types 81, 95
Weeds, H. 294
Wegener/PCM (2005) 308, 312, 322
weightless economy 83–6
Weiss, A.A. 40
WiFi 198–9
Wilberg, E. 375
Wilbur, K. 114, 116
Wildman, S.S. 37–8, 46, 53, 54, 57, 59, 65
Williamson, Oliver 259
WiMax systems 199
wired networks 193–7, 209–10
wireless networks 197, 201–2, 203–4
Wise, A. 294
work-for-hire system 333
World Bank 202–3
World of Warcraft (online video game) 248, 251–2
Wulf, J. 321
Xiang, C. 56–7, 63–4, 69, 76
young firms 91
Youtube.com (online audio-visual media) 115–16, 118, 183
Zenter, A. 231
zero cost replication 260
Zhang, M.X. 230
Zhou, J. 133
Zhou, W. 115
Zoido, P. 282