



INSTITUT
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INDUSTRIELLE



Centre for
Economic
Policy
Research

CONFERENCE

"THE ECONOMICS OF TWO-SIDED MARKETS"

with special emphasis on Payment Systems

January 23rd and 24th, 2004

Toulouse, France

PROGRAM

Jean-Charles Rochet

Jean Tirole

A meeting of the EC-funded 'Product Markets, Financial Markets and the Pace of Innovation in Europe' RTN

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Friday January 23rd, 2004

Amphi Guy Isaac (Building I)

9:30 Welcome Address: **J. Crémer** (IDEI-CEPR)

Morning Session: Chair – B. Jullien (GREMAQ)

9:35 Introduction to the Conference: **J. Tirole** (IDEI-CEPR)
"Defining Two-Sided Markets" joint with J.C. Rochet

10:00 **M. Armstrong** (UCL)
"Competition in Two-Sided Markets"
Discussant: J. Crémer (IDEI-CEPR)

10:40 **A. Hagiu** (Princeton University)
"Optimal Platform Pricing in Two-Sided Markets"
Discussant: G. Biglaiser (UNC)

11:20 – 11:40 Coffee Break (ME 001)

11:40 **G. Ellison** (MIT)
"Competing Auctions" joint with D. Fudenberg and M. Möbius
Discussant: D. Martimort (IDEI)

12:20 **M. Rysman** (BU)
"An Empirical Analysis of Payment Card Usage"
Discussant: M. Ivaldi (IDEI-CEPR)

13:00 – 14:30 LUNCH (MD 001)

Afternoon Sessions: 14:30 – 16:30 Parallel sessions

Chair: G. Ellison (MIT)
INTERNET and SOFTWARE
Amphi Guy Isaac

Chair: S. Chakravorti (Chicago Fed)
EMPIRICAL MODELS
Room MF 323

14:30

J.Y. Kim (GRIPS)
"Revenue-Sharing and Interconnection in the Wireless Internet" joint with N.S. Kwark and N.C. Lee
Discussant: C. Crampes (IDEI)

14:30

G. Gowrisankaran (Washington University in St Louis)
"Quantifying Equilibrium Network Externalities in the ACH Banking Industry" joint with D. Akerberg
Discussant: P. Fève (IDEI)

15:10

P. Pereira (Portuguese Competition Authority)
"Size and Bias Effects of Search Engines: Theory and Experimental Evidence" joint with A. Garcia, N. Georgantzis and J.C. Pernias Cerrilo
Discussant: D.S. Jeon (Pompeu Fabra)

15:10

R. Borzekowski (Federal Reserve Board Washington)
"Network Effects and the Growth of Point-of-Sale Networks" joint with E. K. Kiser
Discussant: W. Bolt (DNB)

15:50

G. Parker (Tulane University)
"Mechanism Design to Promote Free Market and Open Source Software Innovation" joint with M. van Alstyne
Discussant: E. Farhi (MIT)

15:50

J. Eeckhout (University of Pennsylvania)
"Economic Institutions as Matching Markets" joint with K. Munshi
Discussant: P. Dubois (IDEI)

16:30 – 17:00 *Coffee Break (ME 001)*

Amphi Guy Isaac

17:00 – 18:30 *Panel Session: Policy Implications of Two-Sided Markets*

Jay Pil Choi (Michigan State University)
David Evans (NERA)
Michael Katz (Berkeley)
Jean-Charles Rochet (IDEI-CEPR)
Moderator: Julian Wright (National University of Singapore)

19:30 *CONFERENCE DINNER*

Saturday, January 24th, 2003

Morning Sessions: 9:00 – 11:00 Parallel sessions

Chair: S. Anderson (UVA)

MEDIA
Amphi Guy Isaac

Chair: I. Dubec (GREMAQ)

NETWORKS
Room MF 323

9:00

J.J. Gabszewicz (CORE)
"Two-Sided Network Effects and Competition:
An Application to Media Industries" joint with
J. Ferrando, D. Laussel and N. Sonnac
Discussant: D. Bardey (GREMAQ)

9:00

A. Ambrus (Harvard University)
"Network Markets and Consumers
Coordination" joint with R. Argenziano
Discussant: B. Caillaud (CERAS)

9:40

L. Sorgard (Norwegian School of Economics)
"Advertising on TV: Under-or Overprovision?"
joint with H.J. Kind and T. Nilssen
Discussant: J.P. Choi (Michigan State)

9:40

J. McAndrews (Federal Reserve Bank of New York)
"Who is Calling, Please? On Anonymous
Calling and Caller ID" joint with D. Morgan
Discussant: Y. Spiegel (TelAviv University)

10:20

M. Reisinger (University of Munich)
"Two-Sided-Markets with Negative
Externalities"
Discussant: T. Gabrielsen (Bergen)

10:20

E. Katsamakas (NYU)
"Design and Ownership of Two-Sided
Networks" joint with Y. Bakos
Discussant: R. Argenziano (Yale University)

11:00 – 11:30 Coffee Break (ME 001)

Chair: M. Armstrong (UCL)

Amphi Guy Isaac

11:30 B. Hermalin (Berkeley)
"Your Network or Mine? The Economics of Routing Rules" joint with M. Katz
Discussant: P. Rey (IDEI-CEPR)

12:10 E. Damiano (University of Toronto)
"Competing Matchmaking" joint with Li Hao
Discussant: B. Jullien (GREMAQ)

12:50 14:20 LUNCH (MD 001)

Afternoon Sessions: 14:20 – 16:20 Parallel sessions

Chair: J. Donze (GREMAQ)

PAYMENT SYSTEMS
Amphi Guy Isaac

14:20

J. Wright (National University of Singapore)
"Competing Payment Schemes" joint with G. Guthrie

Discussant: G. Caruana (CEMFI)

15:00

R. Roson (Venice University)
"Competition between payment networks"
joint with S. Chakravorti

Discussant: T. Takalo (Bank of Finland)

15:40

E. Somma (University of Bari)
"Plastic Clashes: Competition among Closed and Open Systems in the Credit Card Industry" joint with F. Manenti

Discussant: S. Chakravorti (Chicago Fed)

Chair: J.C. Rochet (IDEI-CEPR)

EXCHANGES
Room MF 323

14:20

N. Vulkan (Oxford)
"Markets Versus Negotiations: The Predominance of Centralized Markets"
joint with Z. Neeman

Discussant: B. Biais (IDEI)

15:00

M. Peitz (Mannheim University)
"Platform Ownership in Two-Sided Markets"
joint with V. Nocke and K. Stahl

Discussant: J. Elizalde (UCL)

15:40

P. Belleflamme (CORE and IAG)
"Competing B2B Marketplaces" joint with E. Toulemonde

Discussant: F. Salanié (INRA)

16:20 – 17:00 Coffee Break (ME 001)

Chair: F. Scott-Morton (Yale University)

Amphi Guy Isaac

17:00 J. Levin (Stanford)

"Matching and Price Competition" joint with J. Bulow

Discussant: E. Cantillon (Harvard)

17:40 S. Anderson (UVA)

"Market Provision of Broadcasting: a Welfare Analysis", joint with S. Coate

Discussant: P. Seabright (IDEI)

18:20 End of the Conference