

The Economics of Vertically Differentiated Markets

Luca Lambertini

Professor of Economics, University of Bologna, Italy

and

Fellow, ENCORE, University of Amsterdam, The Netherlands

with contributions from Giorgia Bertuzzi, Chiara Celada, Luca Colombo, Giulio Ecchia, Cristina Iori, Raimondello Orsini, Gianpaolo Rossini and Carlo Scarpa

Edward Elgar

Cheltenham, UK • Northampton, MA, USA

Contents

<i>List of Figures</i>	vi
<i>List of Contributors</i>	vii
<i>Preface</i>	viii
Part I: Statics	1
1. Does monopoly undersupply product quality? <i>Luca Lambertini</i>	3
2. Multiproduct monopoly with positional externalities <i>Luca Lambertini and Raimondello Orsini</i>	25
3. Labour-managed multiproduct monopoly <i>Chiara Celada and Luca Lambertini</i>	43
4. Endogenous timing in a vertically differentiated duopoly <i>Luca Lambertini</i>	53
5. Existence of equilibrium in a vertically differentiated duopoly <i>Giulio Ecchia and Luca Lambertini</i>	83
6. MQS regulation and predatory behaviour <i>Luca Lambertini and Carlo Scarpa</i>	93
7. Intraindustry trade and the choice of technology <i>Luca Lambertini and Gianpaolo Rossini</i>	107
Part II: Dynamics	129
8. RJVs for product innovation and cartel stability <i>Cristina Iori and Luca Lambertini</i>	131
9. Product innovation with sequential entry <i>Giorgia Bertuzzi and Luca Lambertini</i>	149
10. A differential game with quality improvement <i>Luca Lambertini</i>	159
11. A differential game of advertising under vertical differentiation <i>Luca Colombo and Luca Lambertini</i>	191
<i>Index</i>	209