

**OPIM955 – Research Seminar in Information Strategy and Economics (ISE)**  
**Spring, 2014 (1 cu)**

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Meeting Time: First Meeting 1/21 (Wednesday) 3-6PM in 541 JMHH; Regular Meeting TBD

**Overview**

This course provides an overview of the relevant economics, strategy, information systems and other research literature necessary to do research in the field of Information Strategy and Economics (ISE) or to participate in the types of research presented at the NBER Economics of Digitization Conference.<sup>1</sup> While it is intended as a “first course” for OPIM doctoral students in ISE, it may also be useful for students who are engaged in research or plan to do research related to information technology in other disciplines.<sup>2</sup> The focus this semester will be divided into three broad areas: economics of information technology and organizations, information goods, and network economics. The principal workload will be regular readings and class participation, as well as a term paper. The course presumes familiarity with intermediate microeconomics and basic statistics/econometrics, although the theoretical foundations for the papers discussed will be reviewed as part of the class.

(Note: OPIM955 normally has a technical component for half of the class – this year it will be all IT Economics. When and whether the prior version returns is unknown.)

The workload for the class involves:

1) **Class Discussions.** Regular attendance and active participation is necessary for a productive class experience. For students in special circumstances we will arrange a regular schedule of attendance that may not include all sessions. Active participation presumes you have done the readings and other assigned prior to the session along with a reading guide outlining study questions. The reading guide along with the relevant papers will be posted to Canvas approximately a week before each session.

2) **Short Papers/Problems.** Most sessions will have a short question or problem. These need to be completed prior to class and placed in the assignment submission folder on Canvas. Students will be able to skip two or three over the course of the semester. They should be straightforward and will be graded lightly.

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<sup>1</sup> For an introduction to the scope and participants of this field see: <http://www.wiseconf.org/>. Click on “Previous Years”, pick one, and look at the “Program” link. A closely related group is the NBER digitization conference (there are two events a year, with the larger one in the summer). See <http://conference.nber.org/confer/2014/SI2014/PRIT/PRITprg.html>

<sup>2</sup> In the past, the course has been taken by OPIM, Marketing, Healthcare and Business and Public Policy doctoral students as well as a few MBAs and engineering students.

3) **Research Paper.** There will be a research paper due as part of the class. A one-page proposal is due by mid-semester (exact date TBD). The final paper should be “conference length” (~15-20 pages) and include a comprehensive literature review as well as preliminary results. Topic is flexible, and can include making well-defined progress on an existing project.

Grading will be roughly split between in-class performance, short papers, and the research paper.

**Topic List (and rough session order)**

**There are 9 mandatory topics (\*) as well as a selection of additional topics based on student preferences. One half session will also be devoted to project discussions.**

\*Introduction: ISE/Economics of Digitization

\*Information Goods: Pricing, Bundling and Versioning

\*Information Goods: Search and Price Dispersion

\*Information Goods: Reputation and Recommender Systems

\*Network Economics: Single Sided Networks/Network Externalities

\*Network Economics: Two-Sided Markets and Platforms

Network Economics: Social Networks

\*Markets: Electronic Auctions and Markets

Markets: Service Markets

Markets: Advertising Markets and Keyword Auctions

Markets: Intermediation and Disintermediation

\*IT Economics: Business Value of IT

\*IT Economics: Complementarities and IT and Organizations

IT Economics: Healthcare IT

IT Economics: Outsourcing/Transactions Costs/Incomplete Contracts

IT Economics: Software Development/Enterprise Software

IT Economics: Security

IT Economics: Privacy