Errata, Style Corrections and Reference Update to the 7th (2006) & later Printing of The Economics of Network Industries

by

Oz Shy

Revised, October 23, 2012

Remark:

Some of the corrections in this file are minor style corrections which will not benefit the reader very much. They are brought here for the sake of completeness and in order to remind me (the author) to replace a few pages in subsequent printing of this book.

E-mail : ozshy@ozshy.com

Web-page : www.ozshy.com

This Draft : 7neterrat27.tex 2012/10/23 13:25 3 pages total

Chapter 2: The Hardware Industry

pp.33–34 Tables 2.1 & 2.2: Replace Firm 1 & Firm 2 by Firms A & B

p.38, end of paragraph before Section 2.3.1 begins: Delete the sentences "Finally, we assume...Formally, we let $\beta \geq 4\delta$."

Chapter 3: The Software Industry

p.73: The condition of Proposition 3.12 should be modified to If $\phi_r < \min\{2\eta^2\theta; \eta^2(\theta+3)\}$

Chapter 5: Telecommunication

p.105, Assumption 5.1: The last part could be made slightly stronger so that $\phi < \min\{\eta(\alpha\eta - \mu), \eta(2\eta - \mu)\}$. This would ensure that the entrant's profit, π^e in equation (5.7) on p.107, is strictly positive.

Chapter 6: Broadcasting

p.139, top 4-line equation, the left column be: $\pi_A(\tau-2,\tau)$, $\pi_A(\tau-1,\tau)$, $\pi_A(\tau+1,\tau)$ and $\pi_A(\tau+2,\tau)$

p.144, Last paragraph: Replace: "...The intuition...home early." by "The intuition behind Proposition 6.4 is that each station will respond to an "early" schedule of the rival by setting its program to the latest possible, i.e., at $\tau+2$, thereby capturing all viewers arriving home late. However, if the rival station schedules its program "very late," i.e., at $\tau+1$ or $\tau+2$, the station responds by broadcasting just before the rival's program, i.e., at $t=\tau$ or $t=\tau+1$, respectively, thereby capturing all viewers arriving home early. Nilssen and..."

p.146, Proposition 6.5, Part (b): Should be: If $2\eta_2 < \eta_1 < 3\eta_2$, then...

p.146, Proposition 6.5, Part (c): Should be: If $\eta_1 < 2\eta_2$, then...

Chapter 10: Social Interaction

p.235, line -4: The first-order condition should be: $0 = \frac{\mathrm{d}W}{\mathrm{d}x} = -2\eta\alpha x + \eta\beta$.

Appendix C: Undercut-Proof Equilibria

p.309, Definition C.1: Make it a strong inequality so that: $p_i < p_j - \delta$

Acknowledgements

I wish to thank a large number of students and faculty members for providing me with many comments and corrections. In particular, I am indebted to:

Name	Affiliation	Webpage
William F. Shughart	U. of Mississippi	`http://home.olemiss.edu/~shughart`
Amit Gayer	Haifa U.	
Mikko Valimaki	Helsinki Institute for IT	`www.valimaki.com`
Iikka Väkiparta	Helsinki School of Economics	
Maarten Pieter Schinkel	Universiteit Maastricht	`www.MPSchinkel.nl`
Ronald Peeters	Universiteit Maastricht	
Keiichi Koda	Yokohama National U.	
Martin Strobel	Universiteit Maastricht	
Sait Serdar Altug	Humboldt U. at Berlin	
Adam M. Rudny	U. of Western Ontario	
Tereza Tykvova	ZEW Mannheim	
Silvio Sticher	University of Bern	
Stefan Freund	University of Stuttgart	
C. Courtney Jackson	Tranixcom LLC, Ocean City, NJ	

End of Errata File