

Dainis Zēgners

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Research Interests

Digitization
Competitive Strategy
Industrial Organization
Applied Microeconomics

Contact Information

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Personal

Born: Bonn - Germany
Citizenship: Latvian and German

Current Position

2011 - Research and Teaching Assistant
Institute for Strategy, Technology and Organization (ISTO)
Munich School of Management
Ludwig-Maximilians-Universität München (LMU Munich)

Academic Experience

02/2014 – 05/2014 Visiting Researcher
Télécom ParisTech, Paris – France (Host: Marc Bourreau)

Education

2011 - Ph.D. Candidate
Munich School of Management
LMU Munich
Advisors: Tobias Kretschmer (primary), Florian Englmaier
Dissertation submitted in August 2016

2011 - 2014 Master of Business Research
Munich School of Management
LMU Munich

2003 - 2009 Diplom-Volkswirt (equivalent to M.Sc. in Economics)
University of Bonn, Germany

Publications (Referred Journals)

“Competition with Aftermarket Power when Consumers are Heterogeneous.”
Joint with Tobias Kretschmer. *Journal of Economics and Management Strategy*.
Forthcoming in 2016. ([Link to SSRN](#)).

Work in Progress

“Voluntary Disclosure of Product Information: The Case of E-book Samples.” *Job Market Paper*. Target: *Management Science, Journal of Industrial Economics*. ([Link to SSRN](#)).

“Building an Online Reputation with Free Content: Evidence from the E-book Market.” Target: *Management Science, Strategic Management Journal*. ([Link to SSRN](#)).

“Having the Lead vs. Lagging Behind: The Incentive Effect of Handicaps in Tournaments.” Joint with Andreas Steinmayr and Rudi Stracke. *Work in Progress*. Target: *Management Science, Journal of Economic Behavior & Organization*.

“Exclusive Handsets, Price Discrimination and the One-Monopoly-Rent Theorem.” Joint with Tobias Kretschmer and Pedro Pereira. *Work in Progress*. Target: *Journal of Industrial Economics, International Journal of Industrial Organization*.

Presentations (Seminars and Conferences)

- 2016 Informs Annual Meeting, Nashville (invited session on media markets, *scheduled*); Media Economics Workshop, Zürich (*scheduled*); LEOH Workshop on Organizational Economics, Munich (poster presentation), EARIE Annual Meeting, Lisbon (selected for Rising Star session); EEA Annual Meeting, Geneva; Munich Summer Institute, Munich; ZEW Conference on the Economics of ICTs, Mannheim; Natural Experiments and Controlled Field Studies (poster presentation), Ohlstadt; Workshop on Economics of Network Industries, Paris; IIOC Annual Meeting, Philadelphia; Workshop on the Digital Economy, Louvain-la-Neuve
- 2015 ORG Seminar at LMU Munich, Munich; TIME Seminar, Munich
- 2014 Internal Seminar at Télécom ParisTech, Paris; PhD Workshop on Industrial Economics, Reus; Workshop on the Economics of ICTs, Porto; EEA Annual Meeting, Toulouse; EARIE Annual Meeting, Milan
- 2013 ICT Conference, Munich; EARIE Annual Meeting, Evora; Workshop on the Economics of ICTs, Evora; TIME Seminar, Munich

Teaching

Undergraduate

Management & Economics of Network Industries
(LMU Munich, BSc., Lecture: 2015, Tutorial: 2012 - 2014)

Actors & Strategies in Regulated Markets (LMU Munich, Seminar, 2011 - 2015)

Public Affairs (LMU Munich, Seminar, 2012)

Graduate

Advanced Management & Economics of Network Industries (LMU Munich, Tutorial: 2011)

Managerial Economics (EM Lyon, Tutorial, 2014 - 2016)

Project Course with External Industry Partners (LMU Munich, Seminar, 2013 - 2016)

Workshop and Lecture Participations

TIM Doctoral Consortium 2016, AOM Annual Meeting, Anaheim; LEOH Lectures on Organizational Economics 2015, Goethe University given by Robert Gibbons and 2016, LMU Munich, given by Oliver Hart, Frankfurt; Natural Experiments and Controlled Field Studies 2015 - 2016, Ohlstadt.

Thesis Supervision

Supervision of 24 Bachelor and 3 Master theses by students enrolled in Management or Economics. Topics include Economics of Digital Markets and the Internet, Network Effects, Platform Competition, Crowd-Funding or Standard Battles.

Professional Activities and Services

Member of Local Organizing Team for yearly conference of the European Association for Industrial Economics (EARIE) 2015 in Munich

Coordinating Assistant for Munich School of Management Ph.D. program

Coordinating Teaching Activities of Institute for Strategy, Technology and Organization

Reviewer for *Information Economics and Policy*

Scholarships

DAAD (German Academic Exchange Service) Scholarship during visit at Télécom ParisTech

Other Professional Experience

2010 - 2011 Analyst Competition Economics, EE&MC Consultants, Bonn - Germany

2008 - 2010 Student Research Assistant eHealth, Empirica mbh, Bonn - Germany

Languages

Native: German, Latvian

Fluent: English

Basic: Spanish, Latin

Computer Skills

R, Mathematica, Matlab, Stata, Latex, Web-Scraping

Personal Interests and Hobbies

Chess, Running, Swimming, Analog Photography

References

Prof. Tobias Kretschmer
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Summary Dissertation Projects

(Title of Dissertation: "Information Asymmetries in Digital Markets - Aftermarkets, Information Disclosure and Reputation")

"Voluntary Disclosure of Product Information: The Case of E-book Samples" *Job Market Paper*

Abstract: An important question in markets with asymmetric information is why in practice fewer sellers voluntarily disclose their private information than theory would predict. To better understand this discrepancy, I use data from an online self-publishing platform to examine the empirical relationship between pricing and voluntary disclosure, which is central to theoretical models of voluntary disclosure. On this platform, I observe whether authors disclose characteristics of their e-books by offering free samples. In contrast to the prediction of theories of unraveling, I show that for e-books without a posted online rating, indicating that their quality is unknown to the market, offering a sample is associated with a lower price. I also show that for unrated e-books, fewer authors offer a sample while simultaneously setting a higher price than authors of rated e-books. These results can be explained by incorporating into a model of voluntary disclosure a fraction of naive buyers who do not update their beliefs upon observing that a seller does not disclose. This gives low-quality sellers an incentive to conceal their quality by not disclosing and to set high prices to exploit naive buyers.

"Competition with Aftermarket Power when Consumers are Heterogeneous" (joint with Tobias Kretschmer)

Abstract: We study a model of competitive foremarkets and partly monopolized aftermarkets. We show that high aftermarket power prompts firms to engage in inefficiently aggressive below-cost pricing in the foremarket. This inefficiency is driven by the presence of consumers with valuations below marginal cost. While for intermediate aftermarket power their presence leads to a competition-softening effect, for high aftermarket power firms attract increasing numbers of unprofitable consumers by aggressively pricing below cost. For high aftermarket power, firms' equilibrium profits can therefore be decreasing in aftermarket power but are always higher than for low aftermarket power. If firms engage in price discrimination by bundling the foremarket and aftermarket goods or by reducing their aftermarket power, they avoid selling to unprofitable consumers but also reduce the competition-softening effect. This decreases firms' equilibrium profits but increases consumer and social welfare.

"Building an Online Reputation with Free Content: Evidence from the E-book Market"

Abstract: In markets with asymmetric information, it is crucial for sellers to establish a reputation. An important strategy for sellers to build a reputation is to offer their products at a lower price or for free to increase demand and thus induce more buyers to provide feedback. In this paper, I show that giving away free products to build a reputation can be a double-edged strategy. It does not only attract buyers with a high preference, but also buyers with a low preference. Low-preference buyers give worse feedback, resulting in a negative selection effect on a seller's reputation. I test the strength of this effect using data from an online platform where I observe self-published e-book authors either selling their e-books at a price or giving them away as free content. By using the fact that I can observe both online ratings for free and purchased versions of the same e-book, I show that those buyers who receive an e-book as free content rate it worse than buyers who buy it at a positive price, consistent with a negative selection effect on reputation.