

Extra Credit Project Results

April, 2018

The commentary below focuses mostly on the negative points of each project to explain the assessment of each paper. All papers that got from 4 and above had more positive points than negative points. Papers that got from 2 to 3 had also several positive points.

Dynamic pricing in digital extortion

Shubin Artem, Andronov Nikita, Yurkevich Egor

This was an interesting idea. However, the case is mainly under-developed to the point that this becomes just a simple example of third degree price discrimination. I would expect to see the analysis to go a little bit deeper and the writing to become a little more detailed on how the ransomware worked from an economic perspective. [2p]

They Instagram case

Bozhkova Polina, Vasilyev Vadim

Very good idea, interesting and with really good writing. It is great that the paper makes an effort to examine the case from all potential sides. Research is of good quality, claims are accurate. A drawback for this paper is that it fails to identify two important details in this case. First, Facebook had collected a huge amount of cash till then that had to be invested somehow. Second, the synergy effects between the Facebook and Instagram apps were also significant. That is, Facebook was cluttered with photos that many users loved but also many disliked. Thus, it was a great idea to move the photo enthusiasts to another app that was not irrelevant to Facebook. In general, very good job. [5p]

The Nina bag case

Arina Mukhamedzyanova, Anastasia Erastova, Anna Taranina

The paper contains a large amount of work but also has serious analysis problems. First, the proposed distribution strategy ignores any possible constraints such as having access to the particular consumer at the moment when it is optimal to sell. Second, the paper fails to make a case why the bag is a network good (is it?). Third, it may be the case that in reality those celebrities were paid to endorse the brand by consuming the product instead of paying. This renders the case an 'advertisement problem' rather than a 'distribution problem'. In general, the analysis deviated from the scope of the project. [2p]

Reasons for vertical integration: Azbuka Vkusa

Brutyay Georgy

The project ignored two basic points of the instructions: that this should be a group project and that it should not present a theoretical model. Moreover, the theoretical part is completely disconnected from the story. This is a version of the model we did in the lecture with modified variable letters to "fit" the story. There is no evidence that the actors have those functional forms of demand or cost equations or the amount of bargaining power. It would help a lot if you cooperated with someone in this work because I am sure that most of the problems would be avoided if a second pair of eyes went over this work. [1p]

Decoy pricing for iPhone

Alexander Zavrazhnov, Ivan Fedorovskiy, Ekaterina Astashkina

This was a great project on a topic that was not taught in the course but nevertheless relevant. The project was well researched, very well written and most importantly knows its own weaknesses. Really enjoyed reading it. [6p]

Alfa bank catching millennium vibes

Bakuev Ullubiy, Kovach Mariana, Tretiakova Irina

The narration is interesting and has several scattered elements from the course. There are two problems. First, the bank is not really a platform so the relation with killer apps is weak. Second, the network effects are not really serious when you are talking for new young non-commercial customers. Nevertheless, this was a good project. Also, nice video! [4p]

Coffeemia

A. Li, O. Kheyfets, A. Iskhakov

This case has quite a few theoretical problems. The most important is that the sellers are not homogeneous but vertically differentiated. This is indeed mentioned in the end as the main suggestion is that a successful new business should pay attention to differentiation (better coffee). However, this project was one of the best I have seen because the authors took the theory and tried to get their hands dirty with testing it in real life. [6p]

Crocus group case

Selivanova Anastasia, Ksenia Mochonova

It is clear that a fair amount of work has been put in this project. However, it is finally unclear what the case is about and how it is connected to the course. Certainly a metro station creates easy access, drops the transportation cost and drives more customers to a market. Then, higher demand leads to higher prices. This is a basic economic result and the case trivially follows it. What can be demonstrated in this case? If I was using this case in the course, what would be the reason behind it? [2p]

SpaceX

Daria Ageykina, Tatiana Makhnik, Tatiana Taranenko

Very well researched and very well written. It tells the story of SpaceX with several small connections to the course material. Even though, I will grade this project as excellent, I must say that the project was quite limited by its subject. If you had put the same amount of effort, quality research and writing in a more interesting story (a story that something unusual or unexpected had happened from an economic perspective) the result would be admirable. Anyway, this was a perfect example of how a project should be put together. [6p]

Toll roads

A. Borshchev, M. Fedorova, A. Tregub

This was an extended example of pricing for toll roads. There was no real case as nothing interesting happened, nothing unusual was observed, and no direct economic conclusions could be made from reviewing the pricing strategies in Russia and France. [2p]

The double cheeseburger case

Olga Karaseva, Vazgen Stepanyan

The example is great and correctly identified. However, the explanation is underdeveloped and not convincing. The authors could check if this pattern repeats in other products of the chain or the same products in other chains. The roses example we presented in the lecture was explained by establishing that the difference in size of bouquets renders the two different sizes two essentially different products. How does this happen here? I give 1 point for the analysis and 3 points for finding an example I can use in future classes. [4p]

Monoproduct

Aslanova Sabina, Repenko Sergey, Shatsova Alina

There is certainly some kind of misunderstanding regarding this submission. The file I received includes a proposal for a research paper and not a case study as this was clearly defined from the project instructions. Unfortunately this submission does not qualify for credit. [0p]

Mobile gaming

Aleksei Ovsiankin

The topic is interesting but the paper is just a description of an industry. There is no case and no apparent connection to course material beyond some general references. Mistakenly, the author copies entire segments of other authors without formally quoting them but by simply referencing them. Technically this constitutes plagiarism but I will not stand there. In reality mobile and conventional gaming are two different markets. People play games in their phones because they are on the move, or those are different games (puzzles and abstract games that do not make sense to play them on a larger screen). For the first case, the same companies could develop games for both platforms. If this would not happen, then it would be an interesting case. [1p]

The Nespresso case

Nelli Ramazyan, Victoria Tamakhina

This paper was very good. The writing was excellent with the exception that the three different authors were not able to blend their contributions seamlessly into one paper, so it clearly shows that every segment is written by a different individual (one of the authors should serve as editor and mix the text properly). Second, there is a very interesting fact that the authors completely missed: as Nespresso's patents were in effect the company applied the "polaroid pricing". After the patents on the cartridges expired the company changed business model: started producing more fancy machines that was selling way above MC, thus transferring profit from the cartridges to the coffee machines. [5p]

Bluehole vs. Epicgames

Dmitrii Levashkin, Danil Ponomarev

Due to my poor knowledge of the video games market current developments, I went through half of the paper without being able to understand what it was exactly about. The work misses a proper introduction and the writing is not clear throughout. Also the analysis is superficial. The two effects presented in the paper miss to make an economic point. I am still with the question why Fortnite came out as the winner in this battle. Because it was a better game? Because of network effects? Or just because of smarter pricing? [3p]

The Los Zetas Case

Aleksandr Iashin, Sofya Kondratyeva, Imstichey Yan

Very nice project. Interesting and well written. Its disadvantage is that it is mainly based on a single source while there is a wealth of diverse information on the topic. Also citing of sources in the text is not done as instructed. [5p]

MMO pricing strategies

Philipp Vasilyev, Stanislav Kuchiev, Vladislav Usov

This was a good project describing the pricing strategies in the gaming industry. It was also well written making some decent connections to Industrial Economics material. The main drawback is that nothing really exciting happened to make this a case. However, as an example this was quite good. [4p]

Rolls Royce vs Bentley

Sergey Mikhalev

The project takes several features of the super-luxury cars market and tries to put them in an Industrial Economics perspective. This is not a bad effort but it lacks investigation as most of the results are based on assumptions and speculation. A few obvious parameters are also neglected. For instance, I would suspect that in this market there exist natural barriers of entry because of high initial investment to create a new branch brand. Those barriers, together with the fact that this market is small, lead to market congestion, creating a natural oligopoly. Also, several typos. [2p]

Russian interpretation of commitment

Balyakina Maria, Dashaev Muslim, Verbetskaia Mariia

Short but up to the point project. It was interesting and really informative but unfortunately under-developed. Some of the labeling in the table was confusing and not proper citation was used. In general, I think that the trouble with this case is that it cannot be fully explained by economics. I have seen this pattern in other public interest businesses and the most important reason for underfunding is so that the government can create financial struggle and push the administration to cost minimize. Corruption is also another possibility. [4p]

Anti-dumping

Egiyan Sergey, Savitskaya Polina, Vyshlov Alexander

Great case. Up to the point, interesting and well developed. I would give it a higher score if (i) references had also proper titles instead of links to file names. (ii) Citation of facts was proper with indexes. [5p]

Advanced pricing in luxury cars

Nikita Stankin, Alexandr Baytman

The project presents two different approaches in bundling car extras. Even though a decent amount of research has been done, there is complete lack of alternative explanations for those different pricing policies. Perhaps cost reasons, economies of scale, distribution, local regulation or something else makes the two companies follow different approaches. [3p]

Network effects in fitness 3000

Khadzhaeva Diana, Terekhov Maxim, Podshibyakin Denis

It is obvious that the authors were quite excited for the topic and did some original investigation. I wish they had consulted me before they developed the case because unfortunately the approach is wrong. What you identify as a network effect is simply a quantity discount. You have a network effect when the value of the good for the users increases with the number of users. In your research nothing shows to this direction. The pricing policy you describe is not novel. Point Fitness across campus offers you a month free if you refer a new customer who buys a 12 month card. My gym in Greece offers similar discount to family and friends parties as Fitness 3000 does. The real case is why all gyms do that. In fact, gyms lose money from frequent users. An average size gym can accommodate a maximum of 75 users an hour but has sold 2000 cards. Gyms, thus, make their money from getting people to the door, subscribe them and then hope to not see them again (for the majority of members this is indeed the case). They try therefore to attract such customers by giving incentives to the current customers to bring them. Chances are that if you need your friend or wife to convince you to join a gym, you will not keep attending for a long time. [3p]

Disney vs. Pixar

Nare Meloyan, Veronika Soldatchenkova

Very good case. You could do better with citing your facts. Also, there is an important detail that you guys missed. Pixar did not behave opportunistically. Before Pixar, Disney's movies were way inferior and the company was not doing well. However, it was a monopolist in distribution and IP holding and this is the reason why it remained relevant. Pixar gave a new life to Disney's characters and proved itself in the industry. As such it demanded to take what it deserved. There was no holdup because simply there was not specific investment. [5p]

Taxi war

Sergey Baryshnikov, Anna Cheglakova, Elizaveta Shramkova,

The case was good and the analysis up to the point. This project had a great potential but the writing and the research was a bit superficial as there could be drawn several more connections to the course material. Also citations of facts was not done as instructed. [4p]

Countering fraud with receipts

Bondarenko Maria, Kamalova Renata, Vinokurova Anna

The case has merit and draws some interesting connections to the material. First of all, it would be nice if you had translated your (one and only) evidence table in English for me (as it is a pic and I had to go through a long process to translate it on Google translator!). The main problem however is that the incentive mechanism you described can still be abused if the customer received some of the rents: charge the customer $2000 - a$ if no receipt is requested or 2000 if she wants one. Then split the $2000 - a$ in appropriate shares between the master and the cashier. It happens in Greece all the time (for tax evasion reasons, mostly). [4p]

Leipzig Corrida on a razor edge

Neklyudova Arina, Preobrazhenskaya Anastasia, Ferentsi Vlad

It was a puzzle for me how such a nicely written paper with decent amount of investigation and otherwise interesting topic could not even have the slightest connection to the course! If I was presenting this story in the lecture, what point would I make? How Red Bull was able to run a football team by avoiding the league's regulation based on technicalities? I give one point for the effort, however I am convinced that you were capable of coming up with an excellent project. [1p]