

<b>Date</b>	<b>December 14, 2018 (Friday)</b>
<b>Speaker</b>	<b>Prof. Gary Biglaiser</b>
<b>Affiliation</b>	<b>University of North Carolina at Chapel Hill</b>
<b>Paper Title</b>	<b>Migration between Platforms</b>
<b>Abstract</b>	<b>We study incumbency advantage in platform industries, where the utility of participating in a platform is increasing in the mass of users participating in that platform. Individuals receive stochastic opportunities to migrate from an incumbent to a new (entrant) platform, which they can accept or wait until the next opportunity arises. Individuals have an incentive to delay migration until enough other users have migrated, which is the source of incumbency advantage. Perhaps surprisingly, when users obtain more frequent migration opportunities the cost of delaying migration is reduced, so incumbency advantage increases. Processes that allow for large groups of individuals to migrate in a short period of time are associated with higher incumbency advantage. In an extension where individuals have heterogeneous preferences for the two platforms, there can be welfare losses due to excessive segregation of individuals across the platforms. Finally, there always exists some capacity constraint by the entrant which increases the cost of delaying migration and thereby reduces incumbency advantage.</b>