



***“The Company You Keep: Qualitative
Uncertainty in Providing Club Goods”
(in English)***

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Abstract

Clubs (excludable, congestion-prone shared goods) are typically experience goods: consumers must try them before ascertaining precisely their taste for them. We analyse a model with endogenous determination of a club good's provision, intertemporal pricing, membership and quality. We show that a monopoly profit maximizer never offers a free trial period for such goods; for a quality function homogeneous of any feasible degree, a welfare maximizer always does. When the quality function is homogeneous of degree zero, the monopolist provides a socially excessive level of quality to repeat buyers. In other possible regimes, the monopolist permits too little club usage.

Date: 18 January 2012 (Wednesday)
Time: 2:30pm – 4:00pm
Venue: SO104, Dorothy Y. L. Wong Building

Biography

Professor Clive D Fraser, a Jamaican by birth, has been Professor of Economics at the University of Leicester since 1995 and was Head of Department there, 2005-8. He researches primarily on microeconomics applied to public sector issues. He was previously a faculty member at University of York, UK (1978-80) and University of Warwick (1980-95). While at Warwick, he was a founder member of Public Economics UK, a network that promotes academic public economics and has continued in various guises since then.

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