

WP 5A (September 2014 – August 2016)

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Research Questions

- What is the structure of creative industries [relationship between creators, entrepreneurs and intermediaries]? [Focus on books, music, apps and games]
- What are the benefits and costs from using intermediaries/platforms to access the market?
- Do competition law and other regulation of firm behaviour, help or hinder new or emerging business models
- Look across for an example of issues.

Deliverables

- Mapping the structure of the industry. Feeds into part 2 and has an industry report as a direct outcome.
- Two journal articles on the role and behaviour of intermediaries in markets for creative outputs.

Progress to Date

- Project yet to start
BUT - related output through the ESRC Centre for Competition Policy:
Fletcher, A. and M. Hviid, 2013, Retail Price MFNs: RPM with the 'good' stuff taken out? CCP Working paper 14-5.

Example: Kindle Direct Publishing (KDP)

KDP on the Amazon Kindle Store provides a platform for authors to publish and sell their own books independently.

The pricing policy includes the following:

“You must set your Digital Book's List Price ... so that it is no higher than the list price in any sales channel for any digital or physical edition of the Digital Book. But if you choose the 70% Royalty Option, you must further set and adjust your List Price so that it is at least 20% below the list price in any sales channel for any physical edition of the Digital Book.”

- This MFN, including an MFN-plus, has not yet been challenged by any competition authority.
- However similar clauses on Amazon Marketplace and elsewhere have been challenged successfully.

An author who wants to keep a bit more surplus is forced to price much higher for physical copies and is hit much harder by any competition among book retailers.

- Could be interpreted as a monopolisation attempt by Amazon over new authors?