

The paper “endogenous unrestricted locations in markets with network effects” by Vitor Ribeiro studies the location equilibrium of networks when there is a mismatch between consumers space and networks space and the dependence of location from the intensity of network effect. The paper also analyses the possibility of entry deterrence of a third network when it uses a penetrating pricing strategy following Gabszewicz and Wauthy.

I think it is an interesting paper that is worth reading. It is well motivated with concrete examples and the model seems well structured and creative. The endogenous locations and their dependence of the intensity of the network effect result clear and the importance of the network effect for entry deterrence. The author concludes for instance that with strong network intensity only the leader network is active in what concerns the location decision and that when the product space occupied by firms differs from the one occupied by consumers the firms show a more aggressive behavior concerning entry.

So I recommend the reading of the paper and I leave a comment to the author for future work. Actually I agree with other comments reporting that the location equilibria seem very contingent on sequential decisions about location. It may be worth to extend the analysis to other type of location interaction mainly simultaneous interaction.

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