Multiple Equilibria in the Entry Game of a Two-Sided Monopolistic Platform

Tesis para optar al grado de Magister en Economía

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Abstract

This paper explores the entry problema in platform markets with incomplete information using the global games approach. It models competition as a two-stage extensive-form game, where firms first decide on entry and then determine strategic variables in a Cournot framework. By applying Theorem 1 from Harrison and Jara-Moroni (2021), the analysis reveals that as uncertainty about platform attractiveness decreases, firms with lower entry costs are more likely to enter. The study further examines how maximizing platform profit involves optimizing fees and seller numbers, and how entry thresholds vary with costs. The findings offer insights into equilibrium selection, platform design, and regulatory implications, highlighting how firms' entry decisions are influenced by market dynamics.