Contents

Acknowledgments xi Foreword xiii

Part I The Framework 1

]		fuctory Overview		
2	The Anal	ytical Framework	I: Exogenous Sunk Costs	27

- The Analytical Framework I: Exogenous Sunk Costs 27
 The Analytical Framework II: Endogenous Sunk Costs 45
- 4 From Theory to Measurement 83
- 5 Econometric Evidence 111

Part II Setup Costs and Structure 129

- 6 The Evolution of Homogeneous Goods Industries 131
- 7 The Limitations of the Theory I 163

Part III Advertising and Structure 171

- 8 The Evolution of Advertising-Intensive Industries 173
- 9 How History Matters 205
- 10 Endogenous Advertising Outlays and Brand Proliferation 227
- 11 The Limitations of the Theory II 249

Part IV How Setup Costs and Advertising Interact 261

- 12 Setup Costs and Structure in Advertising-Intensive Industries 263
- 13 A Complex Case 285

Contents x

Part V Summing Up 305

14 Drawing Some Threads Together 307

Afterword 323 Appendices 325

References 533 Index 555