

Mini-Track Introduction: Strategy, Information, Technology, Economics, and Society (SITES)

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The 2022 SITES mini-track includes three sessions with new research papers. The first session is on *technology strategies related to piracy, security, and AI*. The opening paper is by Chengguan Allen Wu, Chen Jin, and Atanu Lahiri, entitled “Bundling of Digital Goods in the Presence of Piracy.” The authors suggest that while in a perfect world bundling increases profitability, the presence of piracy may well indicate unbundling as a superior strategy, especially when the verisimilitude of counterfeit products is high and the cost of producing them ranges at an intermediate level. The second paper, “Strategic Interdependent Security Systems,” by Thomas A. Weber, develops a dynamic investment model of interdependent security systems, in which an attacker may infiltrate targets either directly—or indirectly via their shared infrastructure. A regulator prescribes safety standards, after which the potential targets decide about their investments in direct and indirect security systems. Finally, a malevolent attacker maximizes expected damage, thus creating a multidimensional all-pay auction for the targets and an incentive for the government to commit to a forceful response. The third paper, on “The Effect of AI on Firm Labor Structure,” co-authored by Mei Xue, Xing Cao, Xu Feng, Bin Gu, and Yongjie Zhang, studies how workforce education, as a proxy for firm labor structure, may be affected by AI investment. The authors find that AI tends to increase the demand for low-skilled jobs, an effect that is stronger in the service sector than in the manufacturing sector. In conclusion, the impact of AI on firm labor structure amounts to an IT-enabled deskilling effect.

The second session shifts the focus to *digital intermediation, peer-to-peer rentals, cloud computing, and multiunit auctions*. In “Dear Guests, Please Pay for My License: Analyzing the Heterogenous Cost-Pass-Through of Commercial and Non-Commercial Rental Suppliers in Response to Regulatory Policies,” Michelle Müller, Jürgen Neumann, and Dennis Kundisch analyze a regulatory change that occurred in New Orleans to legitimize short-term Airbnb rentals by making hosts pay bring-to-market costs, while listings in an attractive downtown neighborhood were banned. This led to increased rental prices in the city center, as well as some costs passed through to renters, with lower prices elsewhere. P2P

rental prices thus ended up no more affordable with regulation. The second paper, by Richard Shang and Robert J. Kauffman, on “Partnering for Value Perfection and Business Sustainability in the Cloud Services Brokerage Market,” chronicles the emergence of the cloud-service brokerage (CSB) market and offers a theoretical analysis of the value creation within. The authors report on CSB’s impacts on the cloud ecosystem, and the factors that support value creation and sustainability of the underlying intermediation process.

The final session is on *copyright law and the future impacts of social media*. Eric K. Clemons, Maximilian Schrieck and Stina Teilmann-Lock examine “The Need to Revise Copyright Law to Reflect Changing Costs and Benefits of Modern Digital Re-use of Artistic Creations.” In an inquiry that arose around questions about the protection of artists and authors, where new technologies aid in transforming artistic works, also allowing for their deliberate reuse, they find that—although perhaps optimal at the time—past regulations on reuse need updating. To maintain social and economic efficiency in sharing and distribution of artworks, two aspects of the various derivations need to be re-evaluated: artistic merit and originality. Finally, Clemons and Schrieck, together with Steve Barnett discuss their expansive ideas on “The Drake Equation and the Fermi Paradox Revisited: Technology, Social Networks, and the End of Advanced Civilizations,” in a presentation-only format. The authors entertain the possibility that “the Way the World Ends is Not with a Bang but a Tweet.” This year’s SITES mini-track celebrates its 35th anniversary. Our warm thanks go to its founder, Eric K. Clemons, for his foresight(s) related to SITES, dating back to the late 1980s.