

Abstract

Observations of recent mergers and acquisitions (M&A) in the semiconductor and computer industry indicate that activities concentrate on the technology leaders in this market. The author examines the influence of players' heterogeneous product technologies on their involvement in M&A. He provides a rationale for the influence with the help of a case study and a two-stage non-cooperative game. The case is about an acquisition wave between suppliers in two semiconductor component markets. Exemplary for the whole industry, acquisition activities concentrated on the technology leader in one of the component markets. Technological heterogeneity is represented within a vertically differentiated product space in the model.