Seminario de Microeconomía Aplicada - Algorithmic Pricing and Competition: Evidence from the German Retail Gasoline Market

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Daniel Ershov: Empirical Industrial Organization economist studying firm competition, consumer decisions, platform policy and regulation in digital markets or markets affected by digitization. His recent research projects involved studying the regulation of advertising and content generation on social media platforms, the effects of algorithmic pricing software on firm strategies in retail markets, and competition in the mobile app market. Daniel has been an Assistant Professor at the Toulouse School of Economics since 2017. He holds a Ph.D. in Economics from the University of Toronto. He has also previously served as an Economist for the Canadian government.

Resumen del documento: We provide the first empirical analysis of the relationship between algorithmic pricing (AP) and competition by studying the impact of adoption in Germany's retail gasoline market, where AP software became widely available in 2017. Because adoption dates are unknown, we identify adopting stations by testing for structural breaks in AP markers, finding most breaks to be around the time of widespread AP introduction. Because station adoption is endogenous, we instrument using headquarter adoption. Adoption increases margins, but only for non-monopoly stations. In duopoly markets, margins increase only if both stations adopt, suggesting that AP has a significant effect on competition.

Tiempo de exposición: 1:30 p. m. a 3:00 p. m.