

Discussion: Merger review using online experiments

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Justus Liebig University Giessen, Germany, maximilian.m.gail@wirtschaft.uni-giessen.de

- Problem: Mergers reviews need to be assessed within a short period of time.
- Question: Can (online) experiments help to circumvent the necessity to have detailed market data and strict time requirements for merger reviews?
- Answer: Yes, it may be a useful and adequate tool.
- How:
 - Online experiment make it feasible to skip RCML/BLP requirements, estimate choice probabilities easily and still get substitution patterns right.
 - Authors shows this by comparison of their median own-price elasticities from their online experiment data with other estimates from the literature.
 - Further, they use their experiment's data of unbranded (and branded ?) estimates to simulate merger situations.

- Very well written and interesting to read.
- Very policy relevant.
- Impressive, how the experiment can almost match estimates from the literature.
- Branded estimates are off with -1.39 versus unbranded -4.83 (Literature: Miller-Weinberg -4.73 to -4.33).
- Shows, that the experimental design (Realism and External Validity) are the key factors to be a tool for policy decisions.
- Extension: A more detailed discussion on how a competition agency may deal with the problem of the experimental design.
- Especially, how to deal with the addition of brands which may not be avoidable. In reality there is not that much time and you only have one shot. Feasibility of implementation for competition authorities.