Discussion: What is the "right" geographic market definition?

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Christos Genakos and Themistoklis Kampouris

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Justus-Liebig-University Giessen

The paper in a nutshell

- **Research goal:** Finding the "right" geographic market definition by estimating pass-through rates in the gasoline market of Athens.
- **Empirical Strategy:** Applying a DiD approach by using excise duty increases of the Greek government in 2010 on petroleum products as an exogenous shock
  - Heating diesel as control group
  - Analyze how the pass through rates varied across markets with different numbers of competitors.
- **Findings:**
  - Estimated pass-through rates close to one, indicating Athens as a highly competitive market
  - No impact of the number of competitors on the level of pass-through
- **Implication:** In retail markets can be a lot of substitutability that goes undetected so that defining geographic markets using arbitrary distance or time metrices can be misleading.

Feedback

- Unique dataset and good identification strategy!
- Highly relevant paper from a policy perspective
- Fits into the model of Weyl and Fabinger (2013) for a highly competitive market ($\theta = 0$)
- Maybe using another metropolitan region as a control group to find out whether results are robust.
- Why using a 13-day adjustment period? Do the pass-through rates change for a longer period?