

SEMINAR

Competitive Effects of Resale Price Maintenance Through Inventory: Evidence from Publishing Industry

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**Venue: WYL314, 3/F, Dorothy Y. L. Wong Building,
Lingnan University**

ABSTRACT:

This paper examines the competitive effects of resale price maintenance (RPM) through inventory decisions under demand uncertainty. We focus on the Japanese publishing industry where RPM is allowed. We develop and estimate a model of RPM in which price and inventory are determined before demand is realized. Counterfactual simulations show that the RPM model would yield a higher consumer surplus than a wholesale model due to a sufficient inventory and a lower price of new titles. Moreover, we show that the price ceiling due to RPM plays a welfare-enhancing role, whereas the price floor is irrelevant in the industry.

BIOGRAPHY:

PhD in Economics from London School of Economics. The research interests are empirical industrial organization and quantitative marketing. Recently, working on several issues related to the antitrust policy.

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