

Industrial Organisation Summer School Platform Economics

20-22 June 2022

Virtual | £350

This summer school is dedicated to some of the central questions in platform economics, their application to competition cases and the ensuing formulation of competition policy.

Lectures

The lectures, given by Prof. Kai-Uwe Kühn, former Chief Economist of DG Competition, explore three central topics: Vertical restraints, competition between marketplaces, and two-sided markets. They focus on the exposition of the theory, adding empirical evidence and examples from competition cases

Clinics

The lectures are supplemented by empirical and legal clinics. The empirical clinics explore a particular empirical problem and expose a key method through lecture, demonstration and discussion. The legal clinics deepen the understanding of each lecture through an in-depth discussion of case(s) with a panel led by at least one lawyer and one economist.

The first lecture is dedicated to a review of the theory of vertical restraints and related evidence because a thorough understanding of vertical restraints is critical for many platform cases. The second and third lectures are devoted to two important externalities in platform markets that fundamentally affect antitrust analysis: externalities between different sellers on a marketplace and externalities between different customer groups on a multi-sided platform.

Who is this course for?

This short intensive summer school is for those interested in gaining a better understanding of the economic underpinning of platforms. It is particularly well suited for:

- Early to mid-career government, regulatory and competition agency officials
- Early to mid-career economics practitioners
- Post graduate students
- Early career academics with an interest in platforms
- Private company regulatory and compliance officials
- Legal professionals who need to deepen their understanding of the underpinnings of platform markets to work better with economists

Please email ccp@uea.ac.uk to register for the course, payment can be made by invoice or bank transfer. Group bookings welcome.

Register Now!

About

The UEA School of Economics is one of the top 10 economics departments in research in the UK; it has a strong Industrial Organisation programme and internationally recognised faculty, as well as a masters and PhD programme that have produced leading academics, regulators and practitioners.

The Centre for Competition Policy is an internationally renowned inter-disciplinary research centre focused on competition, consumer and regulatory decision-making. Its 41 Member faculty come from its four schools, the School of Economics, Norwich Business School, the School of Law and the School of Politics, Philosophy, Language and Communications. It has a long history of organising training events for academics, government and private practitioners.

June 20

9h30-12h30:

Lecture

Gatekeepers and Vertical Restraints

Kai-Uwe Kühn, CCP

This lecture is dedicated to a review of the theory of vertical restraints and related evidence. A thorough understanding of vertical restraints is critical for many platform cases.

14h00-16h00: **Case Clinic**

Guess (Case AT-40428 - Guess, decision of 17 December 2018)

Elias Deutscher, School of Law,
Kai-Uwe Kühn, CCP

The European Commission case against Guess suggests that there are no legitimate, pro-competitive reasons for a brand owner to restrict online search advertising by its retailers. This by object view may be extreme, as it disregards the role of vertical restraints in allowing manufacturer-brand owners to coordinate the complex relationship between online search, online display and traditional offline advertising within their distribution systems.

14h00-17h00: **Empirical Clinical**

Measuring Market Power

Farasat Bokhari, School of Economics

While concentration ratios and the Herfindahl-Hirschman Index provide a good initial indicator of market power, we often care more about the ability of a firm to raise prices above marginal costs. In this lecture we will focus on backing out price cost margins from system of demand functions for a set of differentiated products under a price competition model, and then learn how to simulate new measures post a hypothetical horizontal merger. We will then extend the discussion to vertical mergers.

All sessions will be recorded and available on playback to the course delegates

09h30-12h30:

Competition between Marketplaces

Lecture

Kai-Uwe Kühn, CCP

This lecture focuses on competition in marketplaces and the re-relationship between the owners of the marketplace and the sellers on the market. Sellers on market places appear to offer substitute products, but behave economically like complements: they price too high and offer quality that is too low because they do not take into account that this behaviour lowers the attractiveness of the platform and thus the demand of other sellers on the platform. The implications for vertical restraints are explained and then applied to discussions concerning pricing on Uber and exclusivity constraints (radius clauses) in Fashion Outlet Centres.

14h00-16h00: **Case Clinic**

App Stores

Damien Geradin, School of Law,
Sean Ennis, CCP

“App stores” from Apple and Google are the only or by far the most important mechanism for users to download apps on iOS and Android devices, respectively. App stores are a particular form of curated marketplace, in the sense that high levels of control by the app store owner are exercised over which apps are allowed to populate the store, which means of payment can be used to acquire them or take subscription to the services offered, etc. In recent years, a number of legal challenges have been made to their operational features, including the terms and conditions of access to the store (means of payment, commissions charged, app review process, etc.) and whether there is any self-preferencing of apps when an Appstore has an offering in the same category as a third party. This discussion will consider the arguments about app stores, as well as the outcomes of different cases.

14h00-17h00: **Empirical Clinic Lecture**

Empirical methods for platforms and digital platforms

Franco Mariuzzo, School of Economics

Platforms are major intermediaries in the success of many digital markets. The empirical literature on two/multi-sided markets has developed methodologies that are suitable to understand the role played by platforms. A key aspect is to identify network effects. When platforms are digital, the environment becomes more complicated. We also have to deal with data and privacy, interoperability (multi-homing), and possibly variety and quality of software. The lecture covers some of the empirical research frontiers and addresses new competitive issues that these digital markets bring in. It doing so, we will compare structural and reduced-form methods. We will see that often methodologies depends on data availability. Too often is the case that the data we want to use is not there, yet policy decisions have to be made. In presenting the empirical methods, we will always maintain a clear link with the data available.

June 22

Multi-sided markets (including MFNs)

9h30-12h30:

Lecture

Kai-Uwe Kühn, CCP

This lecture looks at multisided markets and the potential externalities between different customers of the platform. It is explained how the multisided nature of the market generates specific incentives for vertical restraints and discusses examples from competition cases.

14h00-16h00: **CaseClinic**

Counterfactuals in UK Credit Card damages cases.

Greg Olsen, Clifford Chance,
Sebastian Peyer, School of Law
Sean Ennis, CCP

Payment card cases are emblematic of two-sided market cases. A number of claimants have sued Visa and Mastercard for alleged breaches of competition law related to alleged overcharges in their payment cards schemes. The assessment of a potential restriction of competition in payment cards markets is challenging, and first instance courts in the UK have found three different plausible counterfactuals. Those counterfactuals are crucial in deciding whether Visa and Mastercard breached competition law. A new Supreme Court decision addresses these inconsistencies between the different first instance decisions (and an appellate decision), though the Supreme Court's ruling could itself be hotly debated.

14h00-17h00: **Empirical Clinical**

App Store Empirics and Substitution Patterns

Michael Kummer, School of Economics

In this part we are going to explore the economics of data-driven markets and the role of privacy and data regulation in such markets. We will first gain a general overview over the economics of data and privacy, before focusing on the market for mobile smartphones apps in our research applications. These applications are designed to understand the interaction between data collection, prices and market power, and we will also explore how the recent GDPR has affected the market for smartphone apps.

Pricing

Practitioner Rate: £350
PGR Student Rate*: £90

*Free places are offered to PGR students at UEA, and selected partner institutions:
Essex, Kent,

Surrey, Sussex, Reading, Royal Holloway, Goldsmiths.

Register Now!