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Abstract:
This thesis sets out to estimate the effect of U.S. v. Apple Inc. et. al. (2013) on e-book prices by implementing a reduced form model, dummy variable approach (Nieberding, 2006), using a difference-in-differences analysis (Ashenfelter, 2013). This study follows from a deep history of relevant literature on constructing estimation of cartel overcharge models and using them to estimate but-for prices on real-world cartels (Connor, 2001; Clarke and Evenett, 2003; Frank and Schlöffle, 2013). Here, I estimate the change in the accused publishers’ e-book retail prices relative to Random House (the one publisher among the Big Six never accused of collusion) due to each of the accused publisher’s respective settlement with the U.S. Department of Justice and the disbanding of their agency contracts with their retailers. I find a 16.7 percent average decrease in e-book retail prices from the time-period immediately before to immediately after each publisher’s settlement date with the D.O.J. These findings suggest that e-book retail prices have been restored to their pre-collusion, competitive levels.

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*Apple did not conspire to fix e-book pricing,* spokesman Tom Neumayr said. "When we introduced the iBookstore in 2010, we gave customers more choice, injecting much needed innovation and competition into the market, breaking Amazon's monopolistic grip on the publishing industry. We've done nothing wrong." Last year, Apple settled a separate antitrust case over e-book pricing with the European Commission, without admitting wrongdoing. The alleged collusion began in late 2009 and continued into early 2010, in connection with the Silicon Valley giant's launch of the iPad. At the time of the iPad release, the e-book market was led by Amazon.com and its revolutionary e-reader device, the Kindle. Some have argued that Amazon.com was using the e-book as a loss leader, however, to drive consumers to their retail platform. The case is U.S. v. Apple Inc et al, U.S. District Court, Southern District of New York, No. 12 Civ. 2826 (July 10, 2013), the Southern District of New York issued an opinion and order finding that Apple had violated the Sherman Act through various horizontal price-fixing activities performed in connection with the company’s 2010 release of the iPad. At the time of the iPad release, the e-book market was led by Amazon.com and its revolutionary e-reader device, the Kindle. Some have argued that Amazon.com was using the e-book as a loss leader, however, to drive consumers to their retail platform for the purpose of making other purchases on Amazon.com. E-book Overcharge: The Effect of U.S. v. Apple Inc. et. al. (2013) on e-book Prices. 2014. William Oscar Riiksa, Jr. On the Effectiveness of Central Bank Intervention in the Foreign Exchange Market: The Case of Slovakia, 1999-2007. 2013. Matthew Michael Mazewski. Nash Equilibrium in a Hotelling-Type Model with Non-Uniform Consumer Density. 2013. Sarah Jessica Guyer. Above and Beyond Bureaucracy: Examining the Association Between Motivation and Prosocial Behavior in the United States Border Patrol. 2013. Daniel Aaron Salem. The Tides of Nationalism: Accounting for the Successes and Failures of Regional-Nationalist Political Parties and Coalitions in Catalonia and Galicia, Spain. 2012. Gabrielle Christiane Logaglio.