Oligopoly Case Studies, Data

Belleflamme and Peitz, 2010

p. 51

- The launch of the Airbus A380 suffered a series of delays, and was launched two years behind its original schedule. The launch of the Boeing B787 also suffered delays. Such delays suggest that in some industries, production is subject to capacity constraints.

p. 61

- In the DVD-by-mail industry, Netflix and Blockbuster hold extra stock of recent popular titles, and set prices such as to steer customers towards renting back-catalogue movies rather than new releases. These firms' choice of capacities precedes and conditions their pricing decisions.

p. 336

- In 2001, the European Commission imposed record fines on eight pharmaceutical companies for participating in market-sharing and price-fixing cartels affecting vitamin products. Prices fell by more than 50% following the collapse of the cartel. Collusion between vitamin producers was relatively easy to sustain due to high concentration in each market, product homogeneity (hence price transparency), and relatively inelastic demand which results in high monopoly profits hence high incentive to collude.
- Regular meetings were held between the colluding parties to enforce the collusive agreement, and information on sales volume and prices were exchanged monthly or quarterly.

Evans and Kessides, 1994 (Belleflamme and Peitz, 2010, pp. 353-354)

- Evans and Kessides analyse time-series and cross-sectional variability of airfares in the 1000 largest U.S. city-pair routes between 1984 and 1988. Evans and Kessides find that multimarket contact has a statistically significant positive effect on airfares: fares are, on average, higher on routes where the competing carriers have extensive interroute contacts.

Cabral, 2017

pp. 256-257

- In 1987, Nynex (monopolist) sold telephone directories on CD (relatively homogenous product) for USD 10,000 (monopoly price). Following the entry of competitor, Pro CD, price for telephone directories on CD fell to <USD 1,000 (much closer to marginal cost).

pp. 263-264

- In the late 1990s, excess capacity in the fiber optic cable-laying industry due to growth falling below expectations fueled vicious price wars.

pp. 302-303

- In 1981, Zaire, the world's largest supplier of industrial diamonds announced that it would not sell through the Central Selling Organisation, owned by De Beers Consolidated Mines. Shortly after, the supply of industrial diamonds skyrocketed and the price of industrial diamonds plunged, in what is believed to be a retaliatory move by De Beers. In 1983, Zaire requested to renew its previous contract to sell through the CSO.

pp. 315-316

- In 1986, Quaker Oats, a dominant player in the moist dog food segment acquired Anderson Clayton, strengthening Quaker's position in the moist dog food segment and acquiring a foothold for Quaker in the dry dog food segment. Ralston Purina, the dominant player in the dry segment responded by acquiring Benco Pet Food's Inc., Quaker's primary rival in the moist segment.

- The behaviour of Quaker and Ralston Purina seem consistent with the intention of putting their respective rivals on notice. Were Quaker to initiate a price war in the dry segment, Ralston Purina would be capable of retaliating in the moist segment, and vice versa.

pp. 317-318

- In 1963, GE, a producer of large turbine generators, instituted a most-favoured-customer clause, under which it would be bound, in the event that it reduced prices, to offer all customers in the past six months an identical discount. Rival Westinghouse followed suit within a year. Except for a brief period of price cutting in 1964, prices of the two firms remained stable and identical until regulators intervened in 1975.

pp. 318-319

- From 1993 to 1995, the Danish Competition Council gathered and regularly published actual transaction prices in three regional ready-mixed concrete markets for two grades of ready-mixed concrete. In this period, price dispersion between firms decreased dramatically, and the average price level increased significantly.

[Ashenfelter and Graddy, 2004](#)

[Evans and Kessides, 1994](#)