MFNs of all widths and breadths: when do they matter? An economist's perspective

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Context

- (re) emergence of MFNs
 - digitalisation, platform business models and potential snowballing of scale, increased scope of free-riding
- in principle, can have anti-competitive and pro-competitive effects
- VBER and Vertical Guidelines
 - silent on MFNs
- cases: online hotel bookings investigations; e-books; Amazon Marketplace; insurance

Booking.com







What can we learn from the past cases?

two questions

1. are wide MFNs likely anti-competitive and hence likely to be 'by-object' cases, or could they be procompetitive?

2. are narrow MFNs permissible or it depends on the case and these may be anti-competitive?

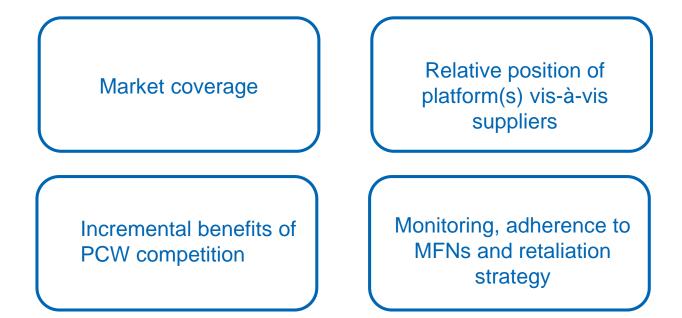
- hotels investigations, and subsequent reversals (Dusseldorf Court)
- ECN ex-post assessment of hotels
 - ambiguous, at best?





What else can we learn from?

- some relevant factors (...among others)
- compare hotels vs. insurance (ongoing case)





What is the appropriate outcome metric?

- the same mechanism can lead to decrease in consumer prices and increase in PCW commissions
- what is/are the outcome variable(s) we want to analyse?
 - PCW commissions (CMA, ECN)
 - consumer prices on platform, and in the market (ECN, partly)
 - market share of the platforms?
 - market share of suppliers?



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