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

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# Context

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- (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



# What can we learn from the past cases?

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

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

Market coverage

Relative position of  
platform(s) vis-à-vis  
suppliers

Incremental benefits of  
PCW competition

Monitoring, adherence to  
MFNs and retaliation  
strategy

# What is the appropriate outcome metric?

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- 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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