

## Competitive Imperfect Price Discrimination and Market Power

by *Paul Belleflamme, Université catholique de Louvain, Belgique*

joint work with *Wing Man Wynne Lamz* and *Wouter Vergotex*

### Abstract

Two duopolists compete in price on the market for a homogeneous product. They can identify consumers' valuations with some probability. If these probabilities are positive but different, then firms achieve positive expected profits at equilibrium. This provides a rationale for firms to (partially and unequally) share data about consumers, or for data brokers to sell different datasets to competing firms. Consumers prefer that both firms identify exactly the same set of consumers, or that only one firm identifies consumers, as this entails marginal cost pricing (so does a policy requiring list prices to be public). Otherwise, more protective privacy regulations have ambiguous effects on consumer surplus.

*Professor Paul Belleflamme* graduated in economics at the University of Namur (1991), where he received his doctoral degree in economics (1997). He also holds a Master of Arts in Economics from Columbia University (1992). In 1998, he became lecturer in economics at Queen Mary, University of London, where he obtained a Post Graduate Certificate in Academic Practice (PGCAP) in November 2001. Since September 2002, Paul is professor of economics at UCLouvain, where he is attached to the Center for Operations Research and Econometrics (CORE) and to the Louvain School of Management (LSM). Between January 2017 and August 2018, Paul took a leave of absence from UCLouvain so as to acquire new experiences; during that period, he was professor at AMSE (Aix-Marseille School of Economics) and visiting professor at Kedge Business School. Paul's main research area is theoretical industrial organization, with a special focus on innovation in the digital economy (which is also the main topic of his blog, [www.IPdigIT.eu](http://www.IPdigIT.eu)). Paul has published widely in leading economics journals and, with Martin Peitz, is the author of *Industrial Organization: Markets and Strategies* (Cambridge University Press, 2010 and 2015). Paul is a fellow of the CESifo Research Network. He is associate editor of *Journal of Economics*, co-editor of *E-economics* and managing editor of *Regards Economiques*. He also served as associate editor of *Information Economics and Policy*, and of *Review of Network Economics*.

**Wednesday, 23 Jan. 2019**

**1:00 - 2:00 pm**

### **Location**

162a, av. de la Faiënerie  
L-1511 Luxembourg  
**Bâtiment des Sciences**  
**Room BS 001**

### **Language**

English

### **Registration**

- Free seminar
- Registration to [crea@uni.lu](mailto:crea@uni.lu) (please specify full name and institution)
- Lunch is planned for registered participants

### **Contact**

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