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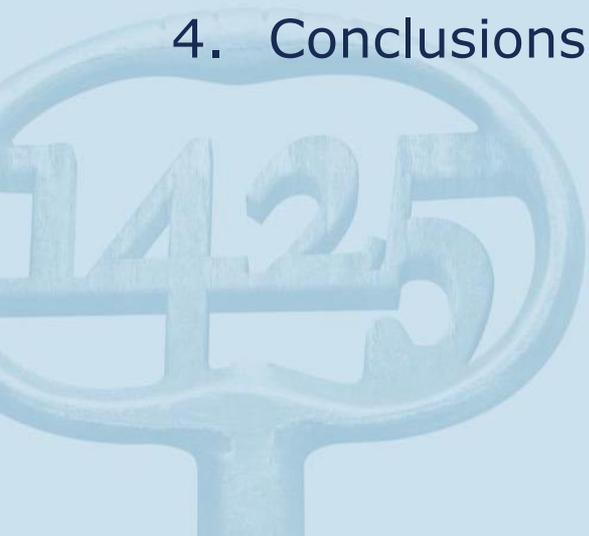


Comments on Aguzzoni et al.'s "Ex-post Analysis of Mobile Telecom Mergers"

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Plan of the presentation

1. What is the object of investigation?
2. Main challenge the authors wrestle with.
3. Suggestions.
4. Conclusions.



1. What is the research object?

- Kwoka (2013): In the last decade,
 1. 15 730 mergers reported to DOJ and FTC.
 2. 749 (4.8%) triggered second requests
 3. 65 (0.4%) were investigated.
- → The object is the effect(s) of a particular merger belonging to a particular class of mergers.

2. Main challenge the authors wrestle with.

- pp. 9: “we also evaluate statistical significance ..., which is challenging ... for two main reasons.”
 1. Single affected country (AT, NTL).
 2. Small sample (of control countries) – 11.



3. Suggestions

- Main analyses at the level of
 1. a user profile (low, medium, high = 3)
 2. of a given tariff (4 cheapest / MNO)
 3. of a given MNO (2 – 4)
 4. in a given country (11 + 1)
 5. in a given quarter (8 + 8).

3. Suggestions

- Now each user profile analyzed separately.
- → 3 analyses / merger.
- Number of treated observations (AT):

$$8 \text{ (post Q)} \times 5 \text{ (MNOs)} \times 4 \text{ (tariffs)} = 160$$



3. Suggestions #1

- Q1: why not pool the user profiles?

→ $3 \times 160 = 480$ treatment observations.



3. Suggestions #1

- As a comparison: Ashenfelter et al. (2014):
 1. Have > 200 products / category.
 2. Estimate 4 treatment effects / category.



3. Suggestions #2

- Q2: why 4 (cheapest) tariffs?
- How many tariffs are there / operator?
- How large part of the market covered by the 4 cheapest?
- Any change in price discrimination?



3. Suggestions #3

- Q3: why not pool the mergers?

→ $2 \times 480 = 960$ treatment observations.

- Counterargument: a merger is unlike another merger.



3. Suggestions #4

- Some things should get more attention:
 1. Price discrimination.
 2. Bundling (handset, usage).
 3. Changing usage patterns (SMS, voice, data).



4. Conclusions

- Great initiative, good work!
- Use of such case studies?
 1. Ex-post validation / refutation?
 2. Learning about the (avg./distribution of) treatment effects?
 3. Informing future decisions?