



Quantitative analyses in merger control Finland

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Overview of methods used in 2017

- Event studies
 - Scandic/Restel (hotels)
 - SOK/Stockmann Herkku (groceries)

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 - Yamaha/Konekesko (Motorboats)

- Bidding analysis
 - Terveystalo/Diacor (Occupational healthcare)
 - Lemminkäinen/YIT (Construction of buildings and infrastructure)

Previous examples of using quantitative methods

- UPP
 - SATS/Elixia 2013/2014 (gym)
- Price-concentration-analysis
 - Kesko/Lähikauppa 2015/2016 (groceries)
- Event-studies
 - Kesko/Lähikauppa 2015/2016 (groceries)

Event studies and closeness of competition

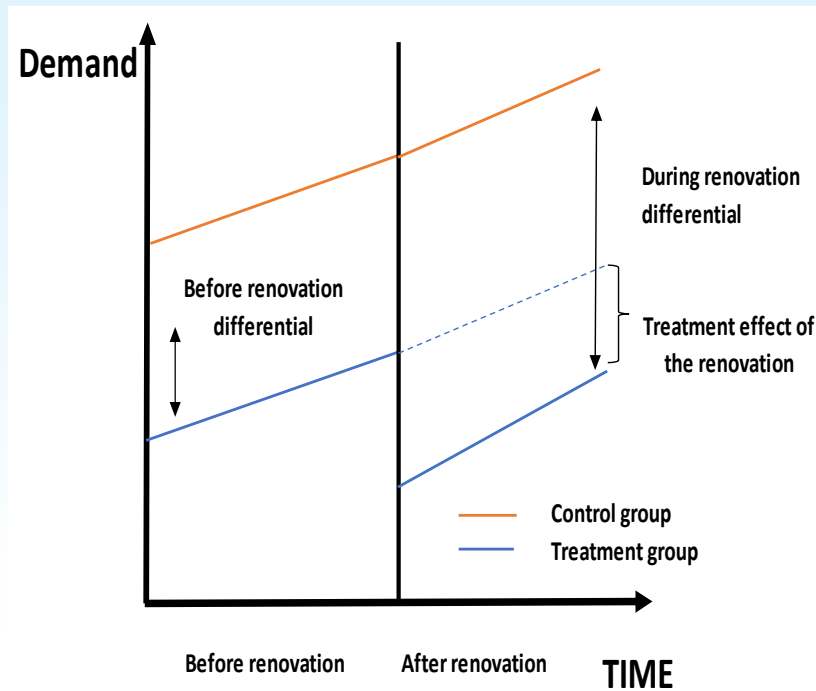
- We try to use actual market data on customer choice when possible
 - "Event studies" allow for a quasi-experimental research design
- Entry and exit in the grocery retail market
 - Kesko/Lähikauppa (2015/2016), S-group/Stockmann (2017)
 - Previous examples: FTC vs. Whole Foods, Competition Comissions retail market enquiry
- Hotel renovations in Scandic/Restel

Closeness of competition: renovations as "natural" experiments

- Hotels are renovated from time to time
- During the renovations part of the hotel is closed and it loses customers
 - **Where do these customers go?**
- Method: Difference-in-differences
 - Treatment-group: Hotels in local markets experiencing renovation
 - Control-group: Hotels that belong to the same chain as the treatment hotel and are located similar local markets where there are no renovations

DIFFERENCES IN DIFFERENCES method

Hotel under renovation



Hotel which local competitor is under renovation

