



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
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AWI This Week

Monday, 27.06.11

Alumni-Tag

14:00-15:00

Gastvortrag von Prof. Dr. Lars Feld, Universität Freiburg

Hörsaal Campus Bergheim

"Die Schuldenproblematik in der Eurozone"

Departmental Seminar

17:15-18:45

Rudolf Winter-Ebmer, University of Linz

AWI 00.010

"99 Cent: Price Points in E-Commerce"

Jour Fixe

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

Departmental Seminar

Rudolf Winter-Ebmer

"99 Cent: Price Points in E-Commerce"

It has been argued that the prevalence of 99 cent prices in shops can be explained with rational consumers who disregard the rightmost digits of the price. This bounded rational behaviour leads to a Bertrand equilibrium with positive markups. We use data from an Austrian price comparison site and find results confirming this theory. We can show that price points (special prices ending in 9 or 0) are prevalent in e-commerce. These price points - in particular prices ending in 9 - are also sticky: price-setters change them with a significantly lower probability; rivals underbid these price points more seldom if they represent the cheapest price on the market. Finally, we explore the impact of these price points on consumers' demand.

Talks and Research Visits

Christian Conrad presented the paper "Anticipating Long-Term Stock Market Volatility" (jointly with Karin Loch) at the Deutsche Bundesbank, Frankfurt, June 17.

Andreas Roider acted as a discussant at the 2011 JITE conference on "Testing Contracts", Krakow, June 15-17.

Thomas Eife presented his paper "Optimal Price Setting During a Currency Changeover: Theory and Evidence from Firm Level Data" (joint with Nicoletta Berardi, Erwan Gautier and Hervé Le Bihan) at the 2011 Meeting of the Swiss Society of Economics and Statistics, Lucerne, June 09-10.

**Editorial deadline for issue 17/2011 of the newsletter:
Wednesday, June 29, 2011, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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please contact the address above