# JEANINE THAL

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## EDUCATION

**University of Toulouse 1**, France:

- Ph.D. in Economics (with highest honors), September 2006

  *Title*: "Essays in Industrial Organization: Collusion, Umbrella Brands, and Vertical Contracts"
  *Committee*: Luis Cabral, Dan Kovenock, David Martimort, Patrick Rey (advisor), Jean Tirole

- European Diploma in Advanced Quantitative Economics, 2003
- M.S. in Economic Theory and Econometrics (1st/26 students), 2002

**University of Maastricht**, The Netherlands:

- M.A. in Economics (with distinction), 2001
- Propaedeuse in Econometrics (with distinction), 1999
- Propaedeuse in International Economics (with distinction), 1998

## POSITIONS

- Max Weber post-doctoral fellow at the European University Institute in Florence, 2006-2007 (Mentor: Massimo Motta)
- Doctoral fellow at INSEE-CREST in Paris, 2005-2006

## FIELDS OF INTEREST

Industrial Organization, Contract Theory, Competition Policy

## WORKING PAPERS

"On the Signaling and Feedback Effects of Umbrella Branding" (<u>job market paper</u>)

*Abstract*:

I consider an adverse selection model of product quality to analyze a firm's incentives to sell different products under an umbrella brand. My main result is that umbrella branding can signal positive quality *correlation* to consumers, even in the absence of any exogenous "technological" correlation between the concerned products. In any equilibrium with positive endogenous quality correlation, the decision to umbrella brand has a positive signaling effect on the price consumers are willing to pay for at least one of the products. Moreover, subsequent successes (failures) of either one of the products have positive (negative) feedback effects on the other product. For such equilibria to exist, it must be that (i) consumers' prior information about product qualities is limited, (ii) the markets for the different products are sufficiently symmetric, (iii) potential quality differences are substantial, and (iv) firms sufficiently care about the repeat sales of all products. There are no equilibria in which umbrella branding either fully certifies high quality, or signals negative quality correlation.

"Optimal Collusion under Cost Asymmetry" ('revise and resubmit' to *Economic Theory*)

*Abstract*:

Cost asymmetry is generally thought to hinder collusion because a more efficient firm has both less to gain from collusion and less to fear from retaliation than less efficient firms. Our paper re-examines this conventional wisdom and characterizes optimal collusion without any prior restriction on the class of strategies. We first stress that firms can "collude" on retaliation schemes that maximally punish even the most efficient firm. This implies that some collusion is sustainable under cost asymmetry whenever collusion is sustainable under cost symmetry; efficient collusion, however, remains more difficult to sustain when costs are asymmetric. Finally, we show that, in the presence of side payments, cost asymmetry generally facilitates collusion.

"Slotting Allowances and Conditional Payments" (with Patrick Rey and Thibaud Vergé)

*Abstract*:

We analyze the competitive effects of *upfront* payments made by manufacturers to retailers. In contrast to Bernheim and Whinston (1998), who study the situation in which competing manufacturers offer contracts to a monopoly retailer, we find that when instead rival retailers offer contracts to a monopoly manufacturer, non-contingent two-part tariffs do not suffice to implement the monopoly outcome. More complex contracts are required to eliminate all the contracting externalities from common agency. In particular, the monopoly outcome can be restored using a three-part tariff, which combines an upfront "slotting allowance" with a two-part tariff conditional on actual trade. The welfare implications of allowing such contracts are ambiguous. On the one hand, slotting allowances eliminate the risk of anticompetitive exclusion, but on the other, their use permits firms to fully collude in a common agency situation.

"Delivered Pricing and the Effect of Horizontal Differentiation on Optimal Collusion"

*Abstract*:

This paper analyzes the impact of horizontal differentiation on the sustainability of collusion when firms charge delivered prices. Gupta and Venkatu (2002) show that differentiation hinders collusion if firms employ standard grim trigger punishments. The reason is that competitive profits are higher the higher the degree of differentiation, which weakens deterrence. We show that the results change dramatically if collusion is sustained by optimal punishments instead, since these yield minmax profits irrespectively of the degree of differentiation. A high degree of differentiation then tends to facilitate collusion by rendering deviations less profitable. Excessive differentiation may hinder collusion however because it also implies high transportation costs for the cartel.

## PROFESSIONAL ACTIVITIES

<u>Presentations at international conferences:</u>

- European Winter Meeting of the Econometric Society, Istanbul, 2005
- Econometric Society World Congress, London, 2005
- International Industrial Organization Conference, Atlanta, 2005
- CEPR/WZB conference "Collusion and Cartels", Berlin, 2004
- European Association for Research in Industrial Economics meeting, Berlin, 2004

<u>Seminars:</u>

- "On the Signaling and Feedback Effects of Umbrella Branding",
  - Microeconomic Theory seminar, European University Institute, Sep 2006
  - Lunch seminar, University of Toulouse, Dec 2006
  - Economic Theory seminar, University of Vienna, Jan 2007
- "Optimal Collusion under Cost Asymmetry", CREST Paris, Sep 2005
- "The Theory of Exclusive Dealing", NERA San Francisco, Aug 2004

<u>Workshops and summer schools:</u>

- Jerusalem Summer School in Economic Theory, Hebrew University, 2005
- Centre for Competition Policy Ph.D. Students Workshop, University of East Anglia, 2005

<u>Referee for:</u>

*Economics Letters*, *Economic Theory*, *International Journal of Industrial Organization*, *Journal of Economics*, *Journal of Economic Theory*

## TEACHING EXPERIENCE

- Teaching Assistant of Patrick Rey, Microeconomics 2a (1st-year Ph.D. course), Toulouse
- Teaching Assistant of Helmuth Cremer, Microeconomics 1 (1st-year Ph.D. course), Toulouse
- Teaching Assistant of Emmanuelle Auriol, Microeconomics (4th-year course), Toulouse

## WORK EXPERIENCE

NERA: Consultant and researcher on antitrust cases

- San Francisco office, Jul-Aug 2004
  (Supervisors: Lawrence Wu, Gregory Leonard)
- London office, Jul-Aug 2003
  (Supervisor: Mark Williams)

## LANGUAGE SKILLS

German (mother tongue), English (fluent), French (fluent), Italian (good), Dutch (intermediate)

## REFERENCES

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