

# The Impact of Fixed Book Price Regulation on Prices and Variety: Evidence from the Italian Book Market

by Lorien Sabatino | Politecnico di Torino

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*Fixed book price (FBP) agreement is a form of resale price maintenance commonly applied to books in various EU countries and one of the most hotly debated regulations. FBP stipulates that the retail price of books is set, not by the retailer, but by the publisher of the book. By restricting retail price competition FBP's main objective is to promote book production variety. Yet, despite its popularity and application in many countries, there is no empirical evidence on its effects. We provide the first systematic evidence on the impact of FBP on book variety and prices using a detailed new dataset from Italy. Our results indicate that FBP raises prices without significantly affecting the number of new books in the marketplace, hence negatively affecting consumer welfare.*