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The Effect of Information on Product Quality : Evidence from restaurant hygiene grade cards

This study examines the effects of a policy increasing the provision of information to customers whether it would cause restaurants to improve their product quality. In this study will analyze a policy change and observe the effect of the information using three keys elements (1) the sensitivity of consumer demand to changes in restaurant's hygiene quality or the quarterly revenue for individual restaurant with research area, (2) the outcomes of health inspection of every restaurant within research area, (3) the number of people who admit to hospitals with foodborne illness within the research area in each month. The grade cards are used as an indicator to answer the question which gives us the result that grade cards can impact on the restaurant's behavior causing restaurants to improve their hygiene quality and also change people's behavior to go with the restaurant with high grade card and it also impact the revenue by that higher grade cards equal higher revenue. In consequence, it also reduces foodborne illness hospitalization and can improve hygiene quality as well. There are statistically significant differences between mandatory and voluntary disclosure, but the differences are only small in magnitude.

Hubs and high fares: dominance and market power in the U.S.airline industry

This study estimates the importance of route and airport dominance in determining the degree of market power exercised by an airline. The results indicate that an airline's share of passengers on a route and at the endpoint airports significantly influences its ability to mark up price above cost. However, according to this paper, it indicates that the correlation between route concentration and high price cannot be adequately explained the effect of dominance and market power in the U.S. airline industry due to the 2 empirical findings (1) the high average prices that some airlines are able to sustain in concentrated markets do not permit all participants in the market to charge similar price (2) one source of market power on city-pair routes seems to be the size of a carrier's operations at the endpoints of the route. The study uses a pricing equation to estimate but it has econometric issues, so a relative pricing equation is used to estimate instead. All these possible benefits of mergers or other increases in airport shares should be weighed against the higher prices that seem likely to result.