

The Effect of Information on Product Quality: Evidence from Restaurant Hygiene Grade Cards

The article analyzes change in consumer behavior toward an increase in product quality information, in particular, hygiene quality grade for restaurant in which this paper mention as “the grade card”. Since the available information could affect the behavior of firms, the grade card contributes to three results. First, rising in restaurant health inspection scores. Second, increasing in elasticity of demand to changes in restaurants’ hygiene quality. And lastly, drop in number of patients from food borne illness. However, these results could not be accountable for only changes in consumer behavior that move from consuming high-grading restaurant rather than the lower one. Other factors is also considered in this study, for instance, the way that the consumers preserve their food and ingredients from supermarket. Data analytics was used in order to support effects from the cards. The author concludes that the grade cards cause improvements in hygiene quality. The study provide s opportunities to that analyze mandatory disclosure could have similar effect to voluntary disclosure.

Hubs and High Fares: Dominance and Market Power in the U.S. Airline Industry

This paper evaluate the necessity of route and airport dominance of degree of market power that controlled by airline. The author found correlation between price and route concentration which the theory could not illustrate fully. The results show that the share of the passengers on the route and at the destination airport has a great effect on the ability to set prices above costs. However, the outstanding airline's high pricing has not made much of an “umbrella effect” due to the fact that small-scale airlines operating in the same market benefit a lot. The author suggests a number of possible explanations for this asymmetry. The linkages between high fare expensive fare and dominance of airport are obvious, welfare has increased airport concentration which eventually lead to benefits in hub operation. These benefits should be taken into account against the high fare.