

The topic of this paper is the effect of an increase in product quality information to consumers on firms' choices of product quality with evidence from restaurant hygiene grade cards. With the new regulation, the results of the inspections have to reveal to consumers via a standard-format grade card to be displayed on the window of each restaurant. They set three key elements to analyse the effects of the increased information with the central question which is : does an increase in the provision of information to consumers about the quality of firms' products cause firms to improve the quality of their products? Firstly, they observe the outcome of every restaurant health inspection in the city. Secondly, they observe quarterly revenue for each restaurant in the city based on confidential sales tax data. Thirdly, they observe the number of people admitted to hospitals with food-related and nonfood-related digestive disorders in each month and in each three-digit zip code. Their goal is to see whether there is evidence of any change in behaviour by firms to the increase in information to consumers. The conclusion of this finding is grade cards can reduce illnesses. People change their purchase decisions and and causes firms to modify their behaviour that lead to improve health for people by providing better information to people. The following effect is decrease in food-related hospitalisations.

Borenstein (1989)

The correlation between route concentration and high prices cannot be adequately. First, 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 prices. Especially, big airline company or large share of route has market power without creating an umbrella effect that allow other airlines to raise their prices as much. Secondly, 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 to increase the airline's share on the south and its average price. Moreover, an airline with a dominant share of the traffic at an airport has a competitive advantage on route that include that airport.

Some factors that affect to competitiveness :

- Frequent-flyer programs and reward systems for travel agents
- Computer reservation systems
- Advantages over its competitors

In conclusion, the link between airport dominance and high fares seems clear since a welfare analysis of increased airport concentration must also include the benefits that may accrue from hub operations. There may be cost savings that are not fully passed along to consumers, but still increase total surplus in the form of profits. Greater flight frequency, easier connections, and more nonstop flights may also be associated with these route systems.