

Hendrik Döpper

Contact Information

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Relevant Positions

Postdoctoral Researcher, Heinrich Heine University	2024–Present
Doctoral Researcher, Heinrich Heine University	2018–2024
Economist, Düsseldorf Competition Economics GmbH Formerly: DICE Consult GmbH Consultant for Competition Economics	2017–2018

Education

Doctor rerum politicarum (PhD equivalent), Heinrich Heine University Supervisors: Alexander Rasch, Joel Stiebale	2024
Visiting Fellow, Harvard University Invited by Elie Tamer (Department of Economics)	2023 (4 months)
Mathematics (<i>no degree</i>), University of Hagen Completed 70 ECTS of the Mathematics Bachelor	2013–2017
Master of Science in Economics, Heinrich Heine University	2017
Bachelor of Science in Economics, Heinrich Heine University	2014

Research Interests

Industrial Organization; Competition Economics, Law and Policy; Structural Econometrics

Publications & Working Papers

Rising Markups and the Role of Consumer Preferences

Coauthors: Alexander MacKay, Nathan Miller and Joel Stiebale

Status: R&R at *Journal of Political Economy*

Abstract: We characterize the evolution of markups for consumer products in the United States from 2006 to 2019. We use detailed data on prices and quantities for products in more than 100 distinct product categories to estimate demand systems with flexible consumer preferences. We recover markups under an assumption that firms set prices to maximize profit. Within each product category, we recover separate yearly estimates for consumer preferences and marginal costs. We find that markups increase by about 30 percent on average over the sample period. The change is attributable to decreases in marginal costs that are not passed through to consumers in the form of lower prices. Our estimates indicate that consumers have become less price sensitive over time.

Presentations: CRESSE (2021, Crete), DICE Brown-Bag Seminar (2021, internal), RGS Doctoral Conference (2022, online), BECCLE (2022, Bergen), EEA (2022, Milano), EARIE (2022, Vienna), VfS (2022, Basel), Scientific Advisory Board of DICE (2022, internal)

Working paper: Link to SSRN

Media coverage: Harvard Gazette (by Christina Pazzanese), Time (Magazin) (by Alana Semuels), Quartz (by Clarisa Diaz), New York Times (article 2) (by Lydia DePillis), Harvard Business Manager (German, via Manager Magazin), New York Times (article 1) (by Lydia DePillis), Coupons in the News, HBS Working Knowledge (by Rachel Layne), Marginal Revolution (by Tyler Cowen)

Mentioned in policy report: OECD on “Competition and Inflation” (2022)

Award: Robert F. Lanzillotti Prize for the best paper in antitrust economics (IIOC 2022)

The Portfolio Power Theory Revisited: Evidence from Cross-Category Mergers in US Retailing

Single authored

Status: work in progress (early stage)

Abstract: I study 57 cross-category mergers among manufacturers in the US consumer packaged goods retail industry to assess the presence, direction, and size of portfolio effects. In doing so, I exploit differences in the pre-merger bargaining positions of the manufacturers at different retailers. I provide evidence that the manufacturer with the weaker pre-merger bargaining position at a retailer can benefit from increased sales. This increase is driven by changes in quantities, not prices. In addition, I also study the effect on measures of marginal costs and perceived quality. I find that changes in perceived quality help explain these patterns but that marginal costs do not play an important role. Finally, I discuss possible channels that could lead to this result and how these channels are related to the portfolio power theory.

Working paper: Link to working paper on personal website

Combinable Products, Price Discrimination, and Collusion

Coauthor: Alexander Rasch

Status: R&R at *International Journal of Industrial Organization*

Abstract: We analyze the effect of different pricing schemes on horizontally differentiated firms' ability to sustain collusion when customers have the possibility to combine (or mix) products to achieve a better match of their preferences. To this end, we compare two-part tariffs with linear prices and quantity-independent fixed fees. We find that a ban of either price component of the two-part tariff makes it more difficult to sustain collusion at profit-maximizing prices. Moreover, linear pricing—as the most beneficial pricing schedule for customers in absence of collusion—harms customers most in presence of collusion.

Presentations: DICE Winter School (2019, Saas-Fee), CISS (2019, Ulcinj), CRESSE (2019, Rhodes), EARIE (2019, Barcelona), Vfs (2023, Regensburg)

Working paper: Revised version on personal website

Working paper (old version): DICE Discussion Paper No 377

A Bargaining Perspective on Vertical Integration

Coauthors: Geza Sapi (DG Comp, European Commission) and Christian Wey

Status: Published in *Canadian Journal of Economics*, Volume 57, Issue 1 (February 2024)

Abstract: We analyze vertical integration incentives in a bilaterally duopolistic industry with bargaining in the input market. Vertical integration incentives are a combination of horizontal integration incentives up- and downstream and depend on the strength of substitutability/complementarity and the shape of the unit cost function. Under particular circumstances, vertical integration can convey more bargaining power to the merged entity than a horizontal merger to monopoly. In a bidding game for an exogenously determined target firm, a vertical merger can dominate a horizontal one, while pre-emption does not occur.

Presentations: CISS (2018, Ulcinj), DICE Brown-Bag Seminar (2019, internal)

Published version: <http://dx.doi.org/10.1111/caje.12700>

Scholarships & Funding

Add-on Fellowship for Interdisciplinary Economics and Interdisciplinary Business Administration of the Joachim Herz Foundation

12,500 €, November 2022–January 2025

Scholarship by Heinrich Heine University

3,000 €, January 2018–March 2018

Awards

Robert F. Lanzillotti Prize at IIOC 2022 (Boston)

Price for the best paper in antitrust economics accepted for presentation at the IIOC (“Rising Markups and the Role of Consumer Preferences,” joint with Alexander MacKay, Nathan Miller and Joel Stiebale)

Award for the best master's thesis in Economics at the Heinrich Heine University (2017)

Service to the Profession

Refereeing (grant proposals): National Science Foundation (US)

Refereeing (journals): Journal of Industry, Competition and Trade

Teaching

Competition Analysis Theory and Empirical Methods

Time: Winter term 2023/2024 (September 2023–March 2024)

Joint with: Tobias Wenzel and André Romahn

Target audience: Bachelor's students

Content: The goal of this course is to introduce bachelor's students to the theoretical and empirical concepts and tools used in competition economics. The theory part includes topics such as oligopolistic market structures, price discrimination, collusion and mergers, while the empirical part mostly deals with demand estimation and its application in competition economics. My responsibilities include a part of the theory lecture, where I introduce the students to the topics of collusion and mergers, and a tutorial that complements the empirics lecture.

Literature research, scientific writing and scientific presenting

Time: Summer term 2018 to winter term 2022/2023 (April 2018–March 2023)

Joint with: Michael Coenen, Jannika Schad (2018–2020), Dmitrij Schneider (2020–2023) and Johannes Kandelhardt (2022–2023)

Target audience: Bachelor's students

Content: Economics and Business Administration bachelor's students are required to write two term papers and an undergraduate thesis. This course is linked to the term papers and is designed to give students all the tools they need to work scientifically. The ultimate goal is to enable them to write an excellent undergraduate thesis. In addition to the teaching duty, the position also includes handling all organizational tasks related to the term papers at DICE.

Workshop on high performance computing

Time: January 2021

Sole responsibility

Target audience: PhD students, Postdocs and Assistant Professors

Content: The goal of the course is to introduce researchers at DICE to the topic of high performance computing and to provide some basic knowledge that is useful when dealing with large data sets. The first part of the course deals with the organization of project directories and version control using GIT, while the second part provides a short introduction to parallel computing, including an overview of the advantages and disadvantages of parallel computing, an introduction to multicore computing with R and an introduction to the high performance cluster of the University of Düsseldorf (HILBERT).