

# DISCUSSION OF ATER AND ORLOV

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# Summary



Very nice paper!

A fair number of papers have looked at the effect of the internet on prices

This one looks at the effect on quality

Nice extension to earlier work (including Orlov, 2011):

Internet lowered prices

Prices and quality

# Main Findings



Higher internet penetration is associated with longer scheduled flight times and longer flight delays

The two compound, i.e. actual flights times were also longer (lower quality)

The effect of internet penetration is **smaller** in

More competitive markets

Markets with Low Cost Carrier Competition


More leisure oriented flights

Identification comes from geographical and time series variation

# Comments



# Alternative Explanations?



Authors include carrier day (really: carrier quarter) ~~§ 208~~

# Remaining Puzzles



Why the change from competition over scheduled flight time to competition over price?

Did passengers' preferences change?

Computer Reservation System made it more                      made