

FTC Contact Lens Study

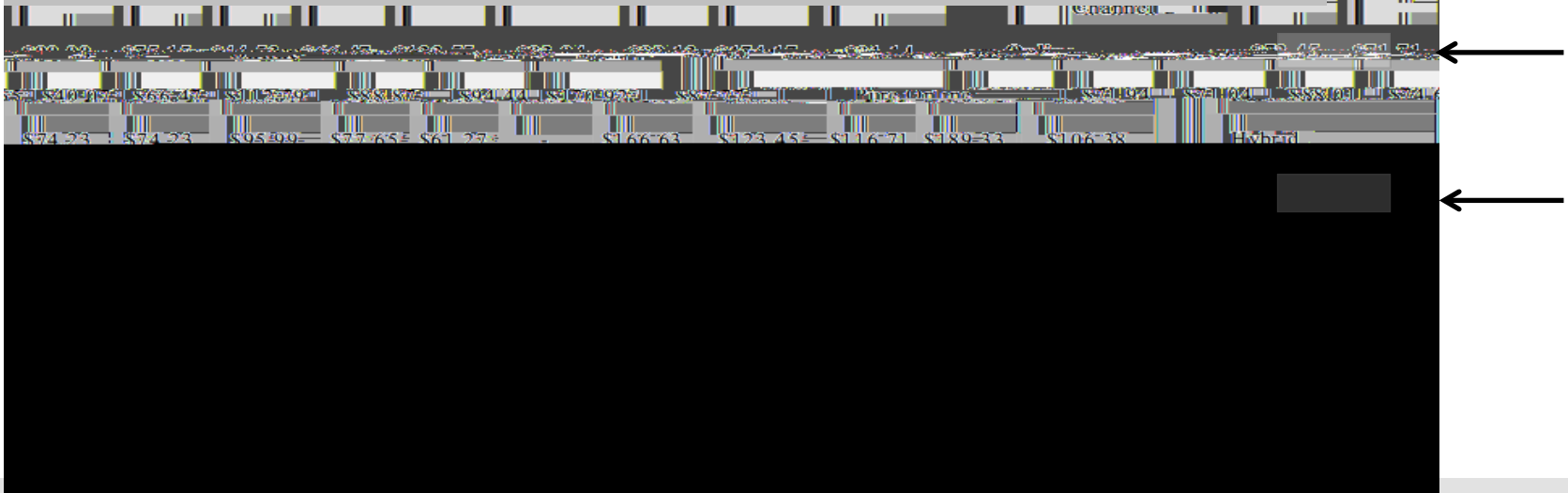
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Background

- FTC had long history of promoting competition in professional services
- OPP investigating barriers to e-commerce
- FCLCA required that the FTC “undertake a study to examine the strength of competition in the sale of prescription contact lenses.”

Online-Offline Price Difference

Regression controlling for mix of lenses finds
\$15.48 difference,
but same intrachannel patterns



Private Label and Limited Distribution Lenses

- Limited distribution and private label lenses widely available online and offline
- No price difference between private label and brand name equivalent (\$76.28 vs. \$77.99)
- No evidence of supra competitive pricing for ProClear

2007 Followup finds No systematic change in gap between online and offline prices since Rx release had gone into effect

No evidence of more intense offline competition as measured by price dispersion

Thank You!
