

”Counter-Cyclical Markups at the Product Level: Evidence from Supermarket Scanner Data”

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The great recession during 2008 - 2009 has hit different US metropolitan regions with varying severity. I use this regional variation to identify the effect of demand shocks on the markup of products sold at supermarkets. To control for changes in marginal cost, I compare price changes of the exact same products in different regions. I find that a 1% decrease in local demand at constant prices causes an increase in markups of about .1%.