

Exclusive Dealing

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 - Gas stations
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Exclusion (*not* foreclosure)
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 - Creates a property right for customers the supplier pulls in.

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- For exclusive dealing, the property right is for the creator and monitor of the right.

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- Dealer avoids charge through “bait-and-switch.”

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Manufacturers did not recognize role of exclusive dealing,
ended up corpses.

Exclusive dealing problems come from lock-in through contracts.

- Aghion-Bolton
- Ramseyer, Rasmussen, and Wiley; Segal and Whinston

No contract, no problem.

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Michael D. Whinston, *Lectures on Antitrust Economics*, p. 178.



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- Beltone Electronics—only remaining dealer-based supplier.

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- Then, and only then, do the trade-off.