

# Price Setting and the Happy Hour Concept

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## Abstract

At Simon-Dach-Strasse in Berlin, right in front of my door, is a quite unique pub environment. The pub density is very high and almost all pubs tend to offer very similar products. Cocktails. Economic questions that arise immediately, are: Is the market for cocktails at Simon-Dach-Strasse competitive? Is there room for supply side collusion of any kind? What means of either competition or collusion are used to maintain the market outcome? This paper tries to give answers to those questions, using microeconomic approaches. It will model the market and afterwards tries to back the model empirically. As results we will answer the question if market outcome is economically desirable and give advice on whether, and if, how to improve cocktail competition on Simon-Dach-Strasse cocktail market.

## 1 Introduction

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## 2 The Market

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\*special thanks go out to Havanna Club, ...



### 2.3.1 Densely Populated

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### 2.3.2 Network and Spill Over

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### 2.3.3 Players

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**Habana** placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext.

$\pm 0$  placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext.

**Euphoria** placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext.

**Jasminreis** placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext.

**EM Bar** placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext.

**Shisha** placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext.

**Fargo** placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext. placeholder text, place holder text, place holdertext.

### **3 The Model**

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#### **3.1 The Happy Hour Concept**

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#### **3.2 Optimal Behaviour**

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### **4 Empiric Evidence**

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#### **4.1 Habana**

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#### **4.2 ±0**

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#### **4.3 Euphoria**

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#### **4.4 Jasminreis**

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#### **4.5 EM Bar**

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#### **4.6 Shisha**

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#### **4.7 Fargo**

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### **5 Results**

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