References

- Aalto-Setälä, V. (1999), *Economies of Scale, Product Differentiation and Market Power*, Ph.D. dissertation, Helsinki: Helsinki School of Economics.
- Adams, W. J. and J. L. Yellen (1976), 'Commodity bundling and the burden of monopoly', *Quarterly Journal of Economics*, **90**, 475–98.
- Affuso, L. (2002), 'An empirical study on contractual heterogeneity within the firm: the vertical integration–franchise contracts' mix', *Applied Economics*, **34**, 931–44.
- Agrawal, J., P. E. Grimm and N. Srinivasan (1993), 'Quantity surcharges in groceries' *Journal of Consumer Affairs*, **27**, 335–56.
- Ailawadi, K., N. Borin and P. Farris (1995), 'Market power and performance: a cross-industry analysis of manufacturers and retailers', *Journal of Retailing*, **3**, 211–48.
- Albion, M. S. (1983), *Advertising's Hidden Effects: Manufacturer's Advertising and Retail Pricing*, Boston: Auburn House Publishing Company.
- Anderson, E.W., C. Fornell and R. Rust (1997), 'Customer satisfaction, productivity and profitability: differences between goods and services', *Marketing Science*, **16**, 129–45.
- Anderson, J. H. and R.R. Betancourt (2002), 'The distribution sector and the development process: are there patterns? Yes', *Economic Inquiry*, **40**, 66–76.
- Arrau, P., J. De Gregorio, C. Reinhart and P. Wickham (1995), 'The demand for money in developing countries: the role of financial innovations', *Journal of Development Economics*, **46**, 317–40.
- Bagwell, K. and G. Ramey, (1994), 'Coordination economies, advertising and search behavior in retail markets', *American Economic Review*, **84**, 498–517.
- Baily, M. N. (1993), 'Competition, regulation and efficiency in service industries', *Brookings Papers on Economic Activity: Microeconomics*, **2**, 71–159.
- Bakhache, S. (1999), *Essays on the Demand for Money by Firms*, Ph.D. dissertation, College Pk., MD: University of Maryland.
- Bandyopadhyay, U. (1998), 'Distribution costs and services in the continuum of goods model', *Review of International Economics*, **6**, 164–78.

- Bandyopadhyay, U. (1999), 'Trade and the distribution sector: some evidence for the OECD countries', *Canadian Journal of Economics*, **32**, 1299–312.
- Barber, C. and B. Tietje (2004), 'A distribution services approach for developing effective competitive strategies against "big box" retailers', *Journal of Retailing and Consumer Services*, **11**, 98–107.
- Barger, H. (1955), *Distribution's Place in the American Economy Since 1869*, Princeton: Princeton University Press.
- Basker, E. (2002), 'Job creation or destruction? Labor market effects of Wal-Mart expansion', forthcoming in *Review of Economics and Statistics*.
- Baumol, W. and Y. Brauneis (1977), 'Empirical study of scale economies and production complementarities: the case of journal publications' *Journal of Political Economy*, **85**, 1037–48.
- Baumol, W., J. Panzar and R. Willig (1982), *Contestable Markets and the Theory of Industry Structure*, New York: Harcourt, Brace, Jovanovich, Inc.
- Becker, G. S. (1965), 'A theory of the allocation of time', *Economic Journal*, **75**, 493–517.
- Berné, C., J. M. Múgica and M. J. Yagüe (1999), 'Una evaluación de los modelos de regresión switching para la medición de la productividad en el comercio minorista', *Economía Industrial*, (326), 159–72.
- Betancourt, R.R. (1993), *An Analysis of the US Distribution System*, Paris: OECD.
- Betancourt, R.R. and D. A. Gautschi (1986), 'The evolution of retailing: a suggested economic interpretation', *International Journal of Research in Marketing*, **3**, 217–32.
- Betancourt, R.R. and D.A. Gautschi (1988), 'The economics of retail firms', *Managerial and Decision Economics*, **9**, 133–44.
- Betancourt, R.R. and D.A. Gautschi (1990), 'Demand complementarities, household production and retail assortments', *Marketing Science*, **9**, 146–61.
- Betancourt, R.R. and D.A. Gautschi (1992a), 'The output of retail activities: French evidence', *Applied Economics*, **24**, 1043–52.
- Betancourt, R.R. and D.A. Gautschi (1992b), 'The demand for retail products and the household production model: new views on complementarity and substitutability', *Journal of Economic Behavior and Organization*, **17**, 257–75.
- Betancourt, R.R. and D.A. Gautschi (1993a), 'Two essential characteristics of retail markets and their economic consequences', *Journal of Economic Behavior and Organization*, **21**, 277–94.
- Betancourt, R.R. and D.A. Gautschi (1993b), 'The outputs of retail activities: concepts, measurement and evidence from US census data' *Review of Economics and Statistics*, **75**, 294–301.
- Betancourt, R.R. and D.A. Gautschi (1996), 'An international comparison of the determinants of retail gross margins', *Empirica*, **23**, 173–89.

- Betancourt, R.R. and D.A. Gautschi (1998), 'Distribution services and economic power in a channel', *Journal of Retailing*, **74**, 37–60.
- Betancourt, R.R. and D.A. Gautschi (2001), 'Product innovation in services: a framework for analysis', in M. R. Baye and J. P. Nelson (eds), *Advances in Applied Microeconomics: Advertising and Differentiated Products* (Volume 10), Amsterdam and Greenwich, CT: JAI Press.
- Betancourt, R. R. and M. Malanoski (1999), 'An estimable model of super-market behavior: prices, distribution services and some effects of competition', *Empirica*, **26**, 55–73.
- Bhatnagar, A. and B. Ratchford (2000), 'A theory of retail margins and assortments', mimeo, R.H. Smith School of Business, University of Maryland.
- Biglaiser, G. and J. W. Friedman (1999), 'Adverse selection with competitive inspection', *Journal of Economics and Management Strategy*, **8**, 1–32.
- Blair R. and F. Lafontaine (2003), 'Legislating exclusive territories: encroachment in franchising and proposed solutions', mimeo, University of Michigan Business School.
- Blass, A.A. and D.W. Carlton (2001), 'The choice of organizational form in gasoline retailing and the cost of laws that limit that choice', *Journal of Law and Economics*, **44**, 511–24.
- Blattberg, R., R. Briesch and E. Fox (1995), 'How promotions work', *Marketing Science*, **14**, 122–32.
- Bliss, C. (1988), 'A theory of retail pricing', *Journal of Industrial Economics*, **36**, 372–91.
- Bloch, P.H., N.M. Ridgeway and S.A. Dawson (1994), 'The shopping mall as consumer habitat', *Journal of Retailing*, **71**, 23–42.
- Boskin, M. J., E. R. Dulberger, Z. Griliches, R. J. Gordon and D. Jorgensen (1996), 'Toward a more accurate measure of the cost of living', Final Report to the US Senate Finance Committee.
- Bresnahan, T.F. and P.C. Reiss (1985), 'Dealer and manufacturer margins', *Rand Journal of Economics*, **16**, 253–68.
- Brynjolfsson, E. and M. D. Smith (2000), 'Frictionless commerce? A comparison of internet and conventional retailers', *Management Science*, **46**, 563–85.
- Brynjolfsson, E. and M. D. Smith and Y. Hu (2003), 'Customer surplus in the digital economy: estimating the value of increased product variety', forthcoming, *Management Science*.
- Bucklin, L. (1973), *Productivity in Marketing*, Chicago, Illinois: American Marketing Association.
- Bultez, A. and P. Naert (1988), 'S.H.A.R.P.: Shelf-Allocation for Retailers' Profit', *Marketing Science*, **7**, 211–31.
- Burstein, A.T., J.C. Neves and S. Rebelo (2003), 'Distribution costs and real exchange rate dynamics during exchange rate based stabilizations', *Journal of Monetary Economics*, **50**, 1189–214.

- Carbajo, J., D. de Meza and D. J. Seidman (1990), 'A strategic motivation for commodity bundling', *Journal of Industrial Economics*, **38**, 283–98.
- Carroll, K. and D. Coates (1999), 'Teaching price discrimination', *Southern Economic Journal*, **66**, 466–80.
- Caves, D., L. Christensen and E. Diewert (1982), 'The economic theory of index numbers and the measurement of input output and productivity', *Econometrica*, **50**, 1393–1404.
- Chae, S. (1992), 'Bundling subscription TV channels: a case of natural bundling', *International Journal of Industrial Organization*, **10**, 213–30.
- Chandler, A.D. (1977), *The Visible Hand: The Managerial Revolution in American Business*, Cambridge, MA: Harvard University Press.
- Chevalier, J. A. (1995), 'Capital structure and product-market competition: empirical evidence from the supermarket industry', *American Economic Review*, **85**, 415–35.
- Chevalier, J. A., A. K. Kashyap and P. E. Rossi (2003), 'Why don't prices rise during periods of peak demand? Evidence from scanner data', *American Economic Review*, **93**, 15–37.
- Christensen, L. and W. Greene (1976), 'Economies of scale in US electric power generation', *Journal of Political Economy*, **84**, 655–76.
- Coase, R.H. (1937), 'The nature of the firm', *Economica*, **4**, 386–405.
- Coughlan, A. and C. Ingene (2002), 'A theory of functional shifting in distribution channels', mimeo, Department of Marketing, Northwestern University.
- Dana, J. and K. Spier (2001), 'Revenue sharing and vertical control in the video rental industry', *Journal of Industrial Economics*, **49**, 223–45.
- Dawson, J. (1993), *The Distribution Sector in the UK*, Paris: OECD.
- De Palma, A., R. Lindsey, B. von Hohenbalken and D. West (1994), 'Spatial price and variety competition in an urban retail market' *International Journal of Industrial Organization*, **12**, 331–57.
- Deacon, R. and J. Sonstelie (1991), 'Price controls and rent dissipation with endogenous transaction costs', *American Economic Review*, **81**, 1361–73.
- Dean, E. and K. Kunze (1992), 'Productivity measurement in the service industries', in Z. Griliches (ed.), *Output Measurement in the Service Sector*, Chicago: University of Chicago Press, pp. 73–107.
- Deaton, A. and J. Muellbauer (1980), *Economics and Consumer Behavior*, Cambridge, UK and New York, US: Cambridge University Press.
- Divakar, S. and B. Ratchford (1995), 'Estimating the demand and supply for retail services', mimeo, Department of Marketing, SUNY at Buffalo.
- Dixit, A. (1983), 'Vertical integration in a monopolistically competitive industry', *International Journal of Industrial Organization*, **1**, 63–78.
- Dixit, A. and J. Stiglitz (1977), 'Monopolistic competition and optimum product diversity', *American Economic Review*, **67**, 297–308.

- Dnes, A.W. (1992), *Franchising: A Case-study Approach*, Aldershot, England and Brookfield, Vermont: Avebury Ashgate Publishing Limited.
- Dudey, M. (1990), 'Competition by choice: the effect of consumer search on firm location decisions', *American Economic Review*, **80**, 1092–104.
- Ehrlich, I. and L. Fisher (1982), 'The derived demand for advertising: a theoretical and empirical investigation', *American Economic Review*, **72**, 366–88.
- Elberfeld, W. (2002), 'Market size and vertical integration: Stigler's hypothesis reconsidered', *Journal of Industrial Economics*, **50**, 23–42.
- Eppli, M. and J. Shilling (1995), 'Large-scale shopping centers development opportunities', *Land Economics*, **71**, 35–41.
- Feenstra, R. and M. Shapiro (2003), 'High frequency substitution and the measurement of price indexes', in R. Feenstra and M. Shapiro (eds), *Scanner Data and Price Indexes*, Chicago: University of Chicago Press, pp. 123–46.
- Fitzell, P. (1998), *The Explosive Growth of Private Labels in North America: Past, Present and Future, A Flickinger Family Private Label Study*, New York: Global Books.
- Foster, L., J. Haltiwanger and C. Krizan (2002), 'The link between aggregate and micro productivity growth: evidence from retail trade', mimeo, Center for Economic Studies, US Bureau of the Census.
- Fuchs, V. (1968), *The Service Economy*, New York, NY: Columbia University Press.
- Furubotn, E. and R. Richter (1997), *Institutions and Economic Theory*, Ann Arbor, Michigan: University of Michigan Press.
- Fuss, M. and D. McFadden (1978), *Production Economics: A Dual Approach to Theory and Applications*, Amsterdam: North Holland Press.
- Geithman, F. E. and B. W. Marion (1993), 'Testing for market power in supermarket prices: a review of the Kaufman-Handy/ERS study', in R.W. Cotterill (ed.), *Competitive Strategy Analysis in the Food System*, Boulder: Westview Press, pp. 253–91.
- Gerstner, E. and J. D. Hess (1987), 'Why do hot dogs come in packs of 10 and buns in 8s and 12s: a demand side investigation' *Journal of Business*, **60**, 491–517.
- Gleason, S. and D. Hosken (1998), 'An example of economic analysis in antitrust litigation', mimeo, Washington, DC: Federal Trade Commission.
- Goldsmith, J. V. (2002), *Essays on Consumer Access to new Products and Technologies*, Ph.D. dissertation, College Pk., MD: University of Maryland.
- Gong, B. and R. Sickles (1992), 'Finite sample evidence on the performance of stochastic frontiers and data envelopment analysis', *Journal of Econometrics*, **51**, 259–84.

- Griliches, Z. (1992), *Output Measurement in the Service Sector*, Chicago: University of Chicago Press.
- Grossman, G. and E. Helpman (2002), 'Integration versus outsourcing in industry equilibrium', *Quarterly Journal of Economics*, **117**, 85–120.
- Hanak, E. (1992a), 'A service based theory of retail banking', *Managerial and Decision Economics*, **13**, 183–200.
- Hanak, E. (1992b), *A Service Based Theory of Retail Banking, with an Application to the Estimation of Money Demand*, Ph.D. dissertation, College Park, MD: University of Maryland.
- Hastings, J. (2004), 'Vertical relationships and competition in retail gasoline markets', *American Economic Review*, **94**, 317–28.
- Henderson, J. M. and R. Quandt (1980), *Microeconomic Theory: A Mathematical Approach*, New York, NY: McGraw-Hill.
- Hoch, S.J., B. Kim, A.L. Montgomery and P. E. Rossi (1995), 'Determinants of store-level price elasticity', *Journal of Marketing Research*, **32**, 17–29.
- Holmstrom, B. (1985), 'The provision of services in a market economy', in R. P. Inman (ed.), *Managing the Service Economy: Prospects and Problems*, London: Cambridge University Press, pp. 183–213.
- Horowitz, A. (2000), 'Pricing in a vertical channel with fixed costs: a sticky price equilibrium with e-commerce implications', mimeo, Department of Economics, University of Arkansas.
- Hosken, D. and D. Reiffen (2004), 'Patterns of retail price variation', forthcoming, *Rand Journal of Economics*.
- Hosken, D., D. Matsa and D. Reiffen (2001), 'Pricing dynamics of multiproduct retailers', in M. R. Baye and J. P. Nelson (eds), *Advances in Applied Microeconomics: Advertising and Differentiated Products* (Volume 10), Amsterdam: JAI Press, pp. 129–53.
- Hotelling, H. (1929), 'Stability in competition', *Economic Journal*, **39**, 41–57.
- Ingene, C. (1984a), 'Productivity and functional shifting in spatial retailing' *Journal of Retailing*, **60**, 15–36.
- Ingene, C. (1984b), 'Scale economies in American retailing: a cross industry comparison', *Journal of Macromarketing*, **4**, 49–63.
- International Franchise Association (2000), *The Profile of Franchising: A Statistical Abstract of 1998 UFOC Data*, www.franchise.org/edufound/profile/profile.asp.
- Ito, T. and M. Maruyama (1991), 'Is the Japanese distribution system really efficient?', in P. Krugman (ed.), *Trade With Japan*, Chicago: University of Chicago Press, pp. 149–73.
- Jarmin, R., S. Klimek and J. Miranda (2002), 'Firm entry and exit in the US retail sector, 1977–1997', mimeo, Center for Economic Studies, US Bureau of the Census.

- Jeuland, A. and S. Shugan (1983), 'Managing channel profits', *Marketing Science*, **2**, 237–72.
- Jin, G.J. and P. Leslie (2003), 'The effects of information on product quality: the evidence from restaurant hygiene grade cards', *Quarterly Journal of Economics*, **118**, 409–51.
- Johnson, A., D. Porter, T. Cobolla and R. Dolamore (2000), *Productivity in Australia's Retail and Wholesale Trade*, Canberra: Productivity Commission Staff Research Paper.
- Kadiyali, V., P. Chintagunta and N. Vilcassim (2000), 'Manufacturer retailer channel interactions and implications for channel power: an empirical investigation of pricing in a local market', *Marketing Science*, **19**, 127–48.
- Kalnins, A. and F. Lafontaine (2003), 'Multi-unit ownership in franchising: evidence from fast-food restaurants in Texas', forthcoming, *Rand Journal of Economics*.
- Kapinos, A. (2002), 'Two decades of the grocery channel: division of profits and changes in performance', mimeo, Department of Marketing, University of California (Berkeley).
- Katz, M. (1989), 'Vertical contractual relationships', in R. Schmalensee and R.D. Willig (eds), *The Handbook of Industrial Organization*, Amsterdam: North Holland and New York, US: Elsevier Science Publishers, pp. 655–721.
- Kaufman, P. J. and F. Lafontaine (1994), 'Costs of control: source of economic rents for McDonald's franchises', *Journal of Law and Economics*, **37**, 417–53.
- Kaufman, P.R. and C. R. Handy (1993), 'The Geithman-Marion review of the ERS supermarket pricing study: a response', in R.W. Cotterill (ed.), *Competitive Strategy Analysis in the Food System*, Boulder: Westview Press, pp. 293–310.
- Khan, M.A. (1999), *Restaurant Franchising* (second edn), New York: Van Nostrand Reinhold Publishing Company.
- Klein, B. (1980), 'Transaction cost determinants of 'unfair' contract arrangements', *American Economic Review*, **70**, 356–62.
- Klein, M. A. (1971), 'A theory of the banking firm', *Journal of Money Credit and Banking*, **3**, 205–18.
- Koelemeijer, K. and H. Oppewal (1999), 'Assessing the effects of assortment and ambiance: a choice experimental approach', *Journal of Retailing*, **75**, 295–318.
- Kranton, R.E. and D. Minehart (2000), 'Network versus vertical integration', *Rand Journal of Economics*, **31**, 570–601.
- Kranton, R.E. and D. Minehart (2001), 'A theory of buyer–seller networks', *American Economic Review*, **91**, 485–504.

- Lach, S. and D. Tsiddon (1996), 'Staggering and synchronization in price-setting: evidence from multiproduct firms', *American Economic Review*, **86**, 1175–96.
- Lachner, J., U. Tager and G. Weitzel (1993), *A Country Study of Distribution Systems: Contribution for the Federal Republic of Germany*, Paris: OECD.
- Lafontaine, F. (1992), 'Agency theory and franchising: some empirical results', *Rand Journal of Economics*, **23**, 263–83.
- Lafontaine, F. (1993), 'Contractual arrangements as signaling devices: evidence from franchising', *Journal of Law, Economics and Organization*, **9**, 256–89.
- Lafontaine, F. and K.L. Shaw (1999), 'The dynamics of franchise contracting: evidence from panel data', *Journal of Political Economy*, **107**, 1041–80.
- Lafontaine, F. and M.E. Slade (1997), 'Retail contracting: theory and practice', *Journal of Industrial Economics*, **45**, 1–25.
- Laitinen, K. and H. Theil (1978), 'Supply and demand of the multiproduct firm', *European Economic Review*, **11**, 107–54.
- Lal, R. (1990), 'Improving channel coordination through franchising', *Marketing Science*, **10**, 299–318.
- Lal, R. and C. Matutes (1989), 'Price competition in multimarket duopolies', *Rand Journal of Economics*, **20**, 516–37.
- Lal, R. and C. Matutes (1994), 'Retail pricing and advertising strategies', *Journal of Business*, **67**, 345–70.
- Lal, R. and C. Narasimhan (1996), 'The inverse relationship between manufacturer and retail margin: a theory', *Marketing Science*, **15**, 132–51.
- Lal, R. and R. Rao (1997), 'Supermarket competition: the case of everyday low pricing', *Marketing Science*, **16**, 60–80.
- Lancaster, K. J. (1966), 'A new approach of consumer theory', *Journal of Political Economy*, **74**, 132–57.
- Lee, E. and R. Staelin (1997), 'Vertical strategic interaction: implications for channel pricing strategy', *Marketing Science*, **16**, 185–207.
- Leeflang, P.S.H., D.R. Wittink, M. Wedel and P.A. Naert (2000), *Building Models for Marketing Decisions*, Norwell, MA and Dordrecht, the Netherlands: Kluwer Academic Publishers.
- Leibtag, E.S. (2002), *Determinants of Retail Price Margins and Quality Adjustment of Price Indices in Retail Food Stores*, Ph.D. dissertation, University of Maryland.
- Lewbel, A. (1985), 'Bundling of substitutes or complements', *International Journal of Industrial Organization*, **3**, 101–07.
- Liebowitz, S.J. (2002), *Re-Thinking the Network Economy: The True Forces that Drive the Digital Marketplace*, New York: AMACOM.
- Lovelock, C. (2001), *Services Marketing: People, Technology, Strategy*, (fourth edn), New Jersey: Prentice Hall.

- Lutz, N. (1995), 'Ownership rights and incentives in franchising', *Journal of Corporate Finance*, **2**, 103–31.
- McAfee, P. R., J. McMillan and M. D. Whinston (1989), 'Multiproduct monopoly, commodity bundling and correlation of values', *Quarterly Journal of Economics*, **104**, 371–83.
- MacGee, J. (2002), 'Distribution, trade and relative prices', mimeo, Department of Economics, University of Western Ontario.
- McKeever, J. R. and N. Griffin (1977), *Shopping Center Development Handbook*, Washington, DC: Urban Land Institute.
- Maruyama, M. (1993), *A Country Study of the Distribution System in Japan*, Paris: OECD.
- Marx, L.M. and G. Shaffer (2001), 'Opportunism and nondiscrimination clauses', mimeo, Simon School of Business, University of Rochester.
- Mathewson, G.F. and R.A. Winter (1983), 'Vertical integration by contractual restraints in spatial markets', *Journal of Business*, **56**, 497–517.
- Mathewson, G.F. and R.A. Winter (1984), 'An economic theory of vertical restraints', *Rand Journal of Economics*, **15**, 27–38.
- Mathewson, G.F. and R.A. Winter (1985), 'The economics of franchise contracts', *Journal of Law and Economics*, **28**, 503–26.
- Mathewson, G.F. and R.A. Winter (1986), 'The economics of vertical restraints in distribution', in F. Mathewson and J. Stiglitz (eds), *New Development in the Analysis of Market Structure*, Cambridge, MA: MIT Press, pp. 211–36.
- Mathewson, G.F. and R.A. Winter (1994), 'Territorial rights in franchising contracts', *Economic Inquiry*, **32**, 181–92.
- Matutes, C. and P. Regibeau (1992), 'Compatibility and bundling of complementary goods in duopoly', *Journal of Industrial Economics*, **40**, 37–54.
- Messerlin, P. (1993), *The French Distribution Industry and the Openness of the French Economy*, Paris: OECD.
- Messinger, P. and C. Narasimhan (1995), 'Has power shifted in the grocery channel?', *Marketing Science*, **14**, 189–223.
- Messinger, P. and C. Narasimhan (1997), 'A model of retail formats based on consumers economizing on shopping time', *Marketing Science*, **16**, 1–23.
- Michael, S.C. (1994), 'Competition in organizational form: mail order versus retail stores, 1910–1940', *Journal of Economic Behavior and Organization*, **23**, 269–86.
- Moorthy, K. (1988), 'Product and price competition in a duopoly', *Marketing Science*, **7**, 141–68.
- Moorthy, K., B.T. Ratchford and D. Talukdar (1997), 'Consumer information search revisited', *Journal of Consumer Research*, **23**, 263–77.
- Mortimer, J.H. (2002), 'The effects of revenue-sharing contracts on welfare in vertically separated markets: evidence from the video rental industry', Harvard Institute of Economic Research, Discussion Paper 1964.

- Mulhern, F. J. and R. P. Leone (1991), 'Implicit price bundling of retail products: a multi-product approach to maximizing store profitability', *Journal of Marketing*, **7**, 63–76.
- Mundlak, Y. (1996), 'Production function estimation: reviving the primal', *Econometrica*, **64**, 431–38.
- Muth, R.F. (1966), 'Household production and consumer demand functions', *Econometrica*, **34**, 699–708.
- Nooteboom, B. (1983), 'Productivity growth in the grocery trade', *Applied Economics*, **15**, 649–64.
- Nooteboom, B. (1985), 'A mark-up model of retail margins', *Applied Economics*, **17**, 647–67.
- Nooteboom, B., A. Kleijweg and R. Thurik (1988), 'Normal costs and demand effects in price setting', *European Economic Review*, **32**, 999–1011.
- Ofer, G. (1973), 'Returns to scale in retail trade', *Review of Income and Wealth*, **19**, 363–84.
- Oi, W. (1992), 'Productivity in the distributive trades: The shopper and the economics of massed reserves', in Z. Griliches (ed.) *Output Measurement in the Service Sector*, Chicago: University of Chicago Press.
- Ortega, B. (1998), *In Sam We Trust: The Untold Story of Sam Walton and How Wal-Mart is Devouring America*, New York: Times Books.
- Palmer, J.W. (1997), 'Electronic commerce in retailing: differences across retailing formats', *The Information Society*, **13**, 97–108.
- Pan, X., B. Ratchford and V. Shankar (2002), 'Can price dispersion in online markets be explained by differences in e-tailer service quality?', *The Journal of Academy of Marketing Science*, **30**, 433–45.
- Parsons, L. (1994), 'Productivity versus relative efficiency in marketing: past and present', in G. Lillien, L. Gilles and B. Pras (eds), *Research Traditions in Marketing*, New York: Kluwer Academic Publishers, pp. 169–96.
- Pashigian, B.P. (1961), *The Distribution of Automobiles, An Economic Analysis of the Franchise System*, Englewood Cliffs, NJ: Prentice Hall.
- Pashigian, B.P. and E. D. Gould (1998), 'Internalizing externalities: the pricing of space in shopping malls', *Journal of Law and Economics*, **41**, 115–42.
- Pellegrini, L. and L. Cardani (1993), *The Italian Distribution System*, Paris: OECD.
- Pepall, L., D.J. Richards and G. Norman (1999), *Industrial Organization: Contemporary Theory and Practice*, Cincinnati: South Western College Publishing.
- Perry, M.K. (1989), 'Vertical integration: determinants and effects', in R. Schmalensee and R. Willig (eds), *Handbook of Industrial Organization*, Amsterdam: North Holland and New York, US: Elsevier Science Publishers, pp 183–255.

- Perry, M.K. and R.H. Groff, (1985), 'Resale price maintenance and forward integration into a monopolistically Competitive Industry', *Quarterly Journal of Economics*, **100**, 1293–311.
- Perry, M.K. and R. Porter (1990), 'Can resale price maintenance or franchise fees correct sub-optimal levels of retail services?', *International Journal of Industrial Organization*, **8**, 115–41.
- Pesendorfer, M. (2002), 'Retail sales. A study of pricing behavior in super-markets', *Journal of Business*, **75**, 33–66.
- Preston, L. (1962), 'Markups, leaders and discrimination in retail pricing', *Journal of Farm Economics*, **444**, 291–306.
- Rao, R.C. and S. Srinivasan (1995), 'Why are royalty rates higher in service-type franchises?', *Journal of Economics and Management Strategy*, **4**, 7–31.
- Ratchford, B. (2003), 'Has the productivity of retail food stores really declined,' *Journal of Retailing*, **79**, 171–82.
- Ratchford, B. and G. Stoops (1992), 'An econometric model of a retail firm', *Managerial and Decision Economics*, **13**, 223–32.
- Ratchford, B., X. Pan and V. Shankar (2003), 'On the efficiency of internet markets for consumer goods', *Journal of Public Policy and Marketing*, **22**, 4–16.
- Ray, D. (1998) *Development Economics*, Princeton: Princeton University Press.
- Reinsdorf, M. (1992), 'Changes in comparative price and changes in market share: evidence from the BLS point of purchase survey', *Managerial and Decision Economics*, **13**, 233–45.
- Richards, T. J. (1999), 'A dynamic model of fresh fruit promotion: a household production approach', *American Journal of Agricultural Economics*, **81**, 195–211.
- Robinson, E. (1958), *The Structure of Competitive Industry*, Chicago: University of Chicago Press.
- Romano, R. (1994), 'Double moral hazard and resale price maintenance', *Rand Journal of Economics*, **25**, 455–66.
- Rotemberg, J. and G. Saloner (1986), 'A supgame-theoretic model of business cycle and price wars during booms', *American Economic Review*, **76**, 390–407.
- Salinger, M. A. (1995), 'A graphical analysis of bundling', *Journal of Business*, **68**, 85–98.
- Salop, S. and J. Stiglitz (1977), 'Bargains and rip-offs: a model of monopolistically competitive price dispersion', *Review of Economic Studies*, **44**, 493–510.
- Santos-Requejo, L. (1996), *Factores Determinantes del Margen de las Empresas Minoristas en España*, Ph.D. dissertation, Salamanca: University of Salamanca.

- Sayman, S., S.J. Hoch and J.S. Raju (2002), 'Positioning of store brands', *Marketing Science*, **21**, 378–97.
- Sen, K.C. (1993), 'The use of initial fees and royalties in business-format franchising', *Managerial and Decision Economics*, **24**, 58–77.
- Sharkey, W. (1982), *The Theory of Natural Monopoly*, London: Cambridge University Press.
- Shaw, S., D. Nisbet and J. Dawson (1989), 'Economies of scale in UK supermarkets: some preliminary findings', *International Journal of Retailing*, **4**, 12–26.
- Shepard, A. (1993), 'Contractual form, retail price, and asset characteristics in gasoline retailing', *Rand Journal of Economics*, **24**, 58–77.
- Simon, H. (1989), *Price Management*, Amsterdam: Elsevier Science Publishers (North-Holland).
- Smith, A. and D. Hitchens (1985), *Productivity in the Distributive Trades*, London: Cambridge University Press.
- Smith, M. and E. Brynjolsson (2001) 'Customer decision making at an internet shopbot: brand still matters', *Journal of Industrial Economics*, **49**, 541–58.
- Smith, R. (1982), 'Franchise regulation: an economics analysis of state restrictions on automobile distribution', *Journal of Law and Economics*, **25**, 125–57.
- Spence, M. (1976), 'Product selection, fixed costs, and monopolistic competition', *Review of Economic Studies*, **43**, 217–35.
- Stern, L.W. and A.J. El-Ansary (1992), *Marketing Channels*, Englewood Cliffs, NJ: Prentice Hall.
- Stremersch, S. and G. Tellis (2002), 'Strategic bundling of products and prices: a new synthesis for marketing', *Journal of Marketing*, **66**, 55–72.
- Syrquin, M. and H. Chenery (1989), 'Patterns of development: 1950–1985', *World Bank Discussion Paper*, No. 41.
- Thompson, S. (1994), 'The franchise life cycle: a contractual solution to the Penrose effect', *Journal of Economic Behavior and Organization*, **24**, 207–18.
- Thurik, A. R. (1981), 'Transaction size per customer in retailing: theoretical and empirical aspects concerning French supermarkets, Research Paper 8106, Research Institute for Small and Medium Sized Business in the Netherlands.
- Thurik, A. R. (1994), 'Comments', in G. Lillien, L. Gilles and B. Pras (eds), *Research Traditions in Marketing*, New York: Kluwer Academic Publishers, pp. 197–200.
- Tirole, J. (1988), *The Theory of Industrial Organization*, Cambridge, MA: The MIT Press.
- US Bureau of the Census (1991, 1998, 1999, 2000, 2001), *Statistical Abstract of the United States*, Washington, DC: Department of Commerce.

- Vance, S.S. and R.V. Scott (1994), *Wal-Mart: A History of Sam Walton's Retail Phenomenon*, New York: Twayne Publishers and Toronto: Maxwell Macmillan Canada.
- Varian, H. (1984), *Microeconomic Analysis*, New York: W.W. Norton & Company.
- Walden, M. A. (1988), 'Why unit prices of supermarket products vary', *The Journal of Consumer Affairs*, **22**, 74–84.
- Waldfoegel, J. and L. Chen (2003), 'Does information undermine brand?: Information intermediary usage and preference for branded web retailers', mimeo, The Wharton School, University of Pennsylvania.
- Warner, E. J. and R. B. Barsky (1995), 'The timing and magnitude of retail store markdowns: evidence from weekends and holiday', *Quarterly Journal of Economics*, **110**, 321–52.
- Wernerfelt, B. (1994), 'An efficiency criterion for marketing design', *Journal of Marketing Research*, **31**, 462–70.
- West, D.S. (1992), 'An empirical analysis of retail chains and shopping center similarity', *Journal of Industrial Economics*, **40**, 201–21.
- West, D.S. (2000), 'Double marginalization and privatization in liquor retailing', *Review of Industrial Organization*, **16**, 395–415.
- Whitin, T.M. (1952), 'Inventory control in theory and practice', *Quarterly Journal of Economics*, **67**, 505–21.
- Wibe, S. (1993), *The Distribution System in Sweden*, Paris: OECD.
- Wierenga, B. and G. van Bruggen (2000), *Marketing Management Support Systems: Principles, Tools and Implementation*, Norwell, MA and Dordrecht, the Netherlands: Kluwer Academic Publishers.
- Williamson, O. (1985), *The Economic Institutions of Capitalism*, New York: Free Press.
- Winter, R. (1993), 'Vertical control and price versus non-price competition', *Quarterly Journal of Economics*, **108**, 61–76.
- Zeithaml, V.A. and M.J. Bitner (1996), *Services Marketing*, London and New York: McGraw-Hill.