

[Seminario de Microeconomía Aplicada - An Empirical Model of Quantity Discounts with Large Choice Sets](#)

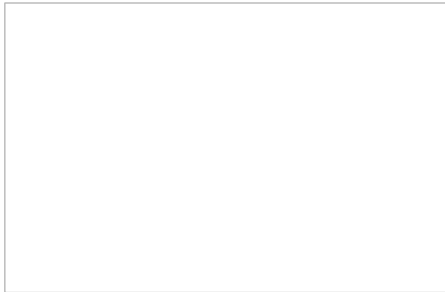
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El seminario de Microeconomía Aplicada del Banco de la República es un espacio para discutir trabajos en progreso en las diferentes áreas de la microeconomía aplicada como economía laboral, organización industrial, economía de la salud, economía agrícola, economía de la educación, desarrollo económico, crimen, economía pública, medio ambiente, entre otras.

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Resumen del documento: We introduce a Generalized Nested Logit model of demand for bundles that can be estimated sequentially and virtually eliminates any challenge of dimensionality related to large choice sets. We use it to investigate quantity discounts for carbonated soft drinks by simulating a counterfactual with linear pricing. The prices of quantities up to 1L decrease by -31.5% while those of larger quantities increase by $+14.8\%$. Purchased quantities decrease by -20.4% , associated added sugar by -23.8% , and industry profit by -20.5% . Consumer surplus however reduces only moderately, suggesting that linear pricing may be effective in limiting added sugar intake.

Tiempo de exposición: 1:30 p. m. a 2:30 p. m.



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