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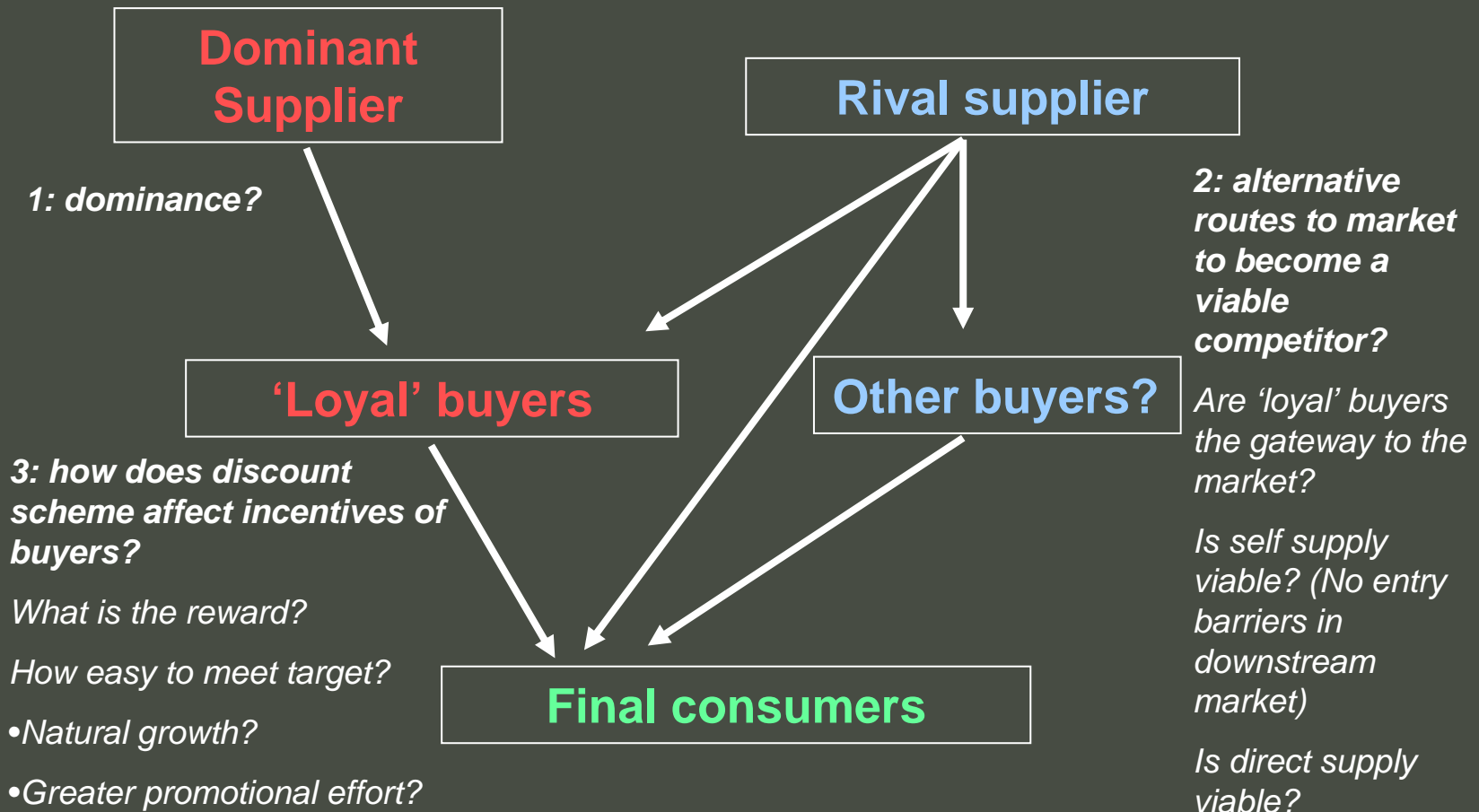
Simon Bishop

# ASSESSING THE COMPETITIVE BENEFITS OF LOYALTY REBATES

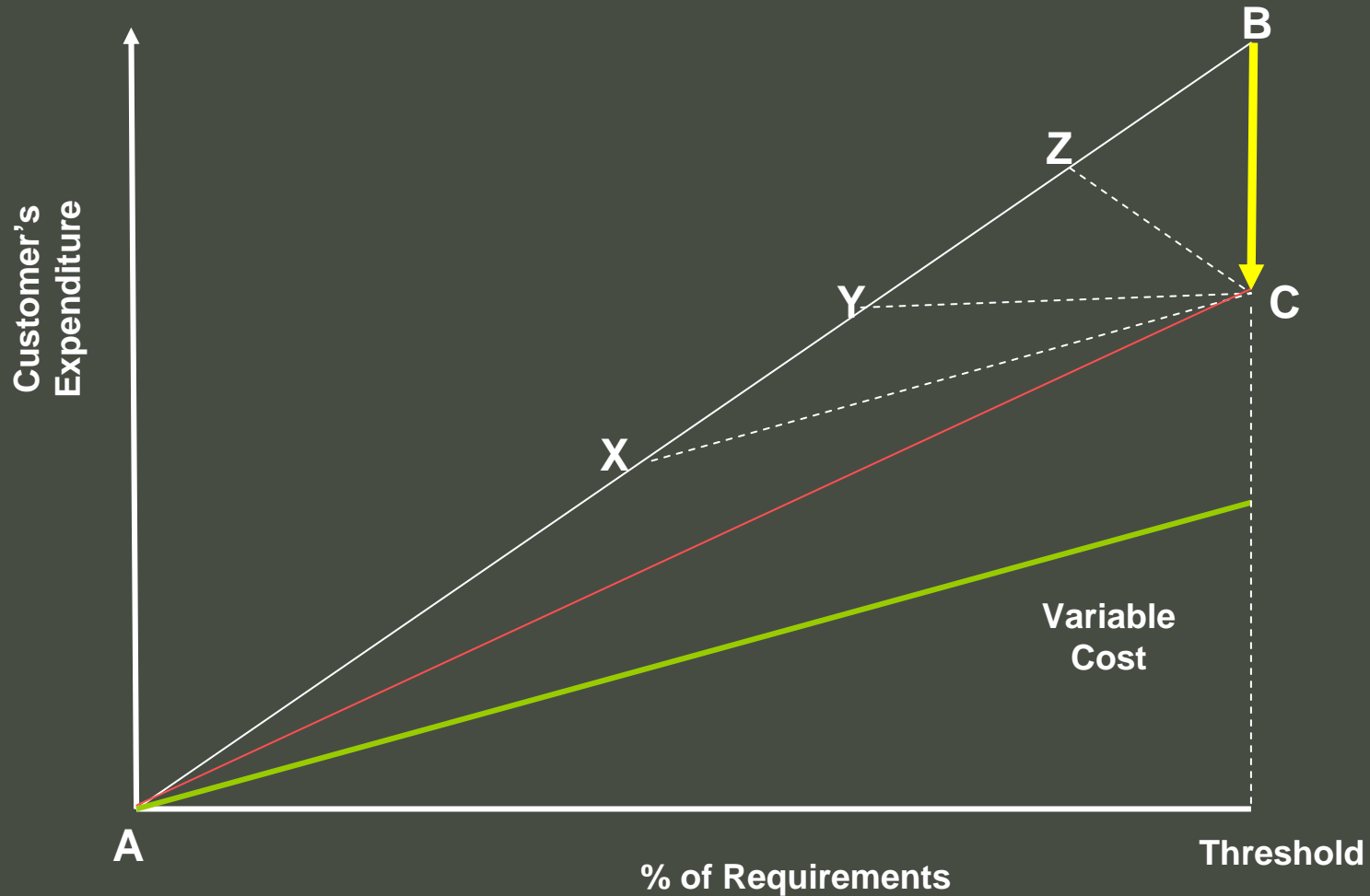
## Overview

- Form-based prohibitions make sense only if they deter many more harmful practices than beneficial ones
- Economic theory rarely supports such rules
- An effects-based framework for analysing alleged loyalty rebate abuses requires:
  - **sound economic principles**
  - a **consistent framework** for addressing foreclosure effects
  - **safe harbours** that make economic sense

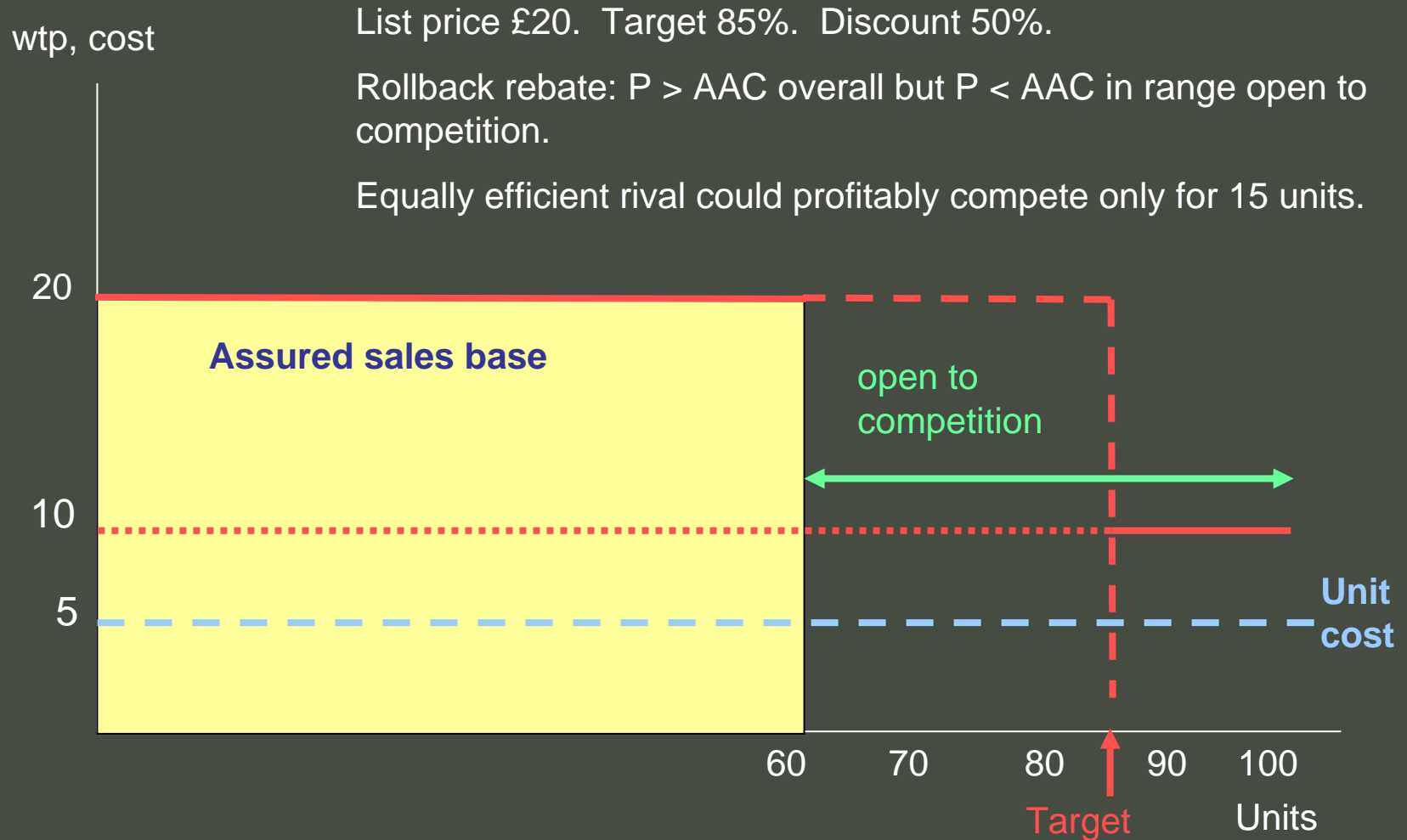
# Framework for Assessing Competitive Effects



# Assessing the Competitive Effects of Loyalty Rebates



# Allocating Discounts



## Conclusions

- *Per se* approach not justified
- Effects-based approach need not result in a “paralysis in competition law enforcement”
- Importance of judges going forward