

Press release

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ESMT Berlin professor awarded 1.5 million euro grant for research on digital markets

Özlem Bedre-Defolie, associate professor of economics at ESMT Berlin, has been awarded the prestigious [European Research Council \(ERC\)](#) Starting Grant. Bedre-Defolie's project "Digital Platforms: Pricing, Variety, and Quality Provision" (DIPVAR) will receive €1.49 million between 2020 and 2024. This includes funding of several new positions for post-doctoral researchers and PhD candidates.

DIPVAR aims to develop models capturing important dynamics of digital platforms, which are not fully accounted for by existing work. "The rise of globally operating platforms, such as Amazon, Alibaba, and Google, affects the lives of hundreds of millions of people," says Bedre-Defolie. "Most of these platforms have a very high market share, which might hurt consumers even if they have access to many valuable services at zero price. Indeed, there has been significant anti-trust scrutiny and interventions into business practices of dominant platforms."

After having devised suitable models, the project's second goal is to take a deeper look at the effects a dominant platform's practices have on prices, variety and quality provision to buyers, and small rivals. On this basis, DIPVAR will make recommendations for an effective competition policy in digital markets, which could greatly improve consumer welfare in the European Union.

ERC Starting Grants are awarded to exceptional early-career researchers of all nationalities and disciplines. Initiated by the European Commission, the ERC aims to raise status and visibility of the best brains in Europe, while also attracting talent from abroad. Of this year's over 3,100 Starting Grant proposals only 13 percent received funding.

"We are very delighted that the ERC recognizes Özlem Bedre-Defolie's remarkable talent and excellent research – this is an extraordinary academic achievement," says ESMT President Jörg Rocholl. "The intersection of new technologies, business, and the economy plays a large role in research and teaching at ESMT."

[Özlem Bedre-Defolie](#) received her PhD in economics from the Toulouse School of Economics (TSE) in France. Before joining ESMT in 2010, she was as a postdoctoral research fellow at the Ecole Polytechnique in Paris. Bedre-Defolie also worked as a visiting scholar in the research department of the Financial Stability Wing of Norges Bank, the central bank of Norway. Her research focuses on contracts and pricing strategies of digital platforms, pricing and variety choices of multiproduct firms, demand estimation in the payment card industry, and vertical relationships.

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About ESMT Berlin

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