

Reply to Referee Report 1

“Oligopoly Price Discrimination, Competitive Pressure and Total Output”

(MS#3323)

Thank you very much for your comments and suggestions. They will be very useful in the revision of the paper and the paper will hopefully improve in valuable dimensions.

Following your suggestion, in the next version of the paper, I will stress the linear demand case. Perhaps a good idea would be to present firstly the linear case, and then, as an extension, to move to the nonlinear demand discussion. The matter is to clearly state that under oligopoly, differences in the intensity of competition across markets are more important than the relative curvature of demands and inverse demands, to determine the effect of price discrimination on total output (and therefore on social welfare). This is the main contribution of the paper and, therefore, the key takeaway idea for readers.

With respect to the case of Bertrand competition with differentiated products and linear demand, I absolutely agree with you and the next version of the paper will include more discussion (and likely a formal proof in an Appendix).

Thank you so much for calling my attention to several typos, one always tries to minimize them but unfortunately still remain.

Again, thank you very much for your comments. They will be very useful for the new version of the paper.