

# Do Transparency Policies Work as Expected?

## Evidence from the Retail Gasoline Market

Ragıp Kaan Erdemli\*

September 2025

### Abstract

This paper investigates the effects of a price transparency policy on spatial competition in a retail fuel market. Using post-policy data, I examine how increased consumer-side transparency affects competition. I develop an empirical model of demand and supply that accounts for both fully informed consumers and those facing price uncertainty. Prior research shows that major brands coordinated before the policy and continued to do so afterward. Building on this evidence, I model coordination among major brands and allow its stability to depend on the share of informed consumers. I find that as more consumers become informed, price dispersion and profit margins decline. However, the extent of coordination among major firms remains stable. These findings suggest that while consumer-side transparency increases competitive pressure, its pro-competitive effects may be limited or even reversed if coordinating firms can also access the same transparency tools.

Keywords: market transparency, collusion stability, retail gasoline prices

JEL Classification: D22, D43, D83, L13, L50, Q41

---

\*University of Barcelona, Department of Econometrics, Statistics & Applied Economics  
rkerdemli@ub.edu