



## **1. Introduction**

In many differentiated products markets, f







### **3.1 Aggregate Demand Expansionary vs. Aggregate Demand Shrinking Effects**

Table 1 shows that evidence of an aggregate demand expansionary effect is inferred from

4.

while the remaining 86% of the demand for single-cup products switched to the closest substitute, pre-existing auto-drip coffee products. Put differently, in the factual world with the market



## 4.1 Robustness Checks

The above-mentioned results were obtained under several assumptions made in Gayle and Lin (2022). Here, we change some of the assumptions  $t^* = nBT/F3 \cdot 12 \cdot Tf1 \cdot 0 \cdot 0 \cdot 2 \cdot 0 \cdot 612 \cdot 792 \cdot reW^* = nBT2 \cdot 708.4Tm/G$ .



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**Figure A.3:**