

# Concentration in Product Markets\*

C. Lanier Benkard<sup>†</sup>, Ali Yurukoglu<sup>‡</sup> and Anthony Lee Zhang<sup>§</sup>

May 2020

## Abstract

This paper studies trends in concentration in product markets in the US from 1994 to 2017. We merge individual level data on brand-level consumption to brand ownership data. Product market HHIs that account for brand ownership range from around 1200 to 3100. This range is somewhat higher than estimates using production establishment data or using product market data without taking into account brand ownership. In narrowly defined product markets, the average HHI was stable during the sample period, and fell when accounting for consumers' locations. HHIs at a broader sector level rose over the sample period. These results are consistent with a model in which concentration measures are driven by trade costs and communication costs.

Keywords: Concentration

*JEL* classifications:

---

\*Julien Weber and Korinayo Thompson provided outstanding research assistance.

<sup>†</sup>Graduate School of Business, Stanford University and NBER; lanierb@stanford.edu

<sup>‡</sup>Graduate School of Business, Stanford University and NBER; ayurukog@stanford.edu

<sup>§</sup>University of Chicago Booth School of Business; Anthony.Zhang@chicagobooth.edu.