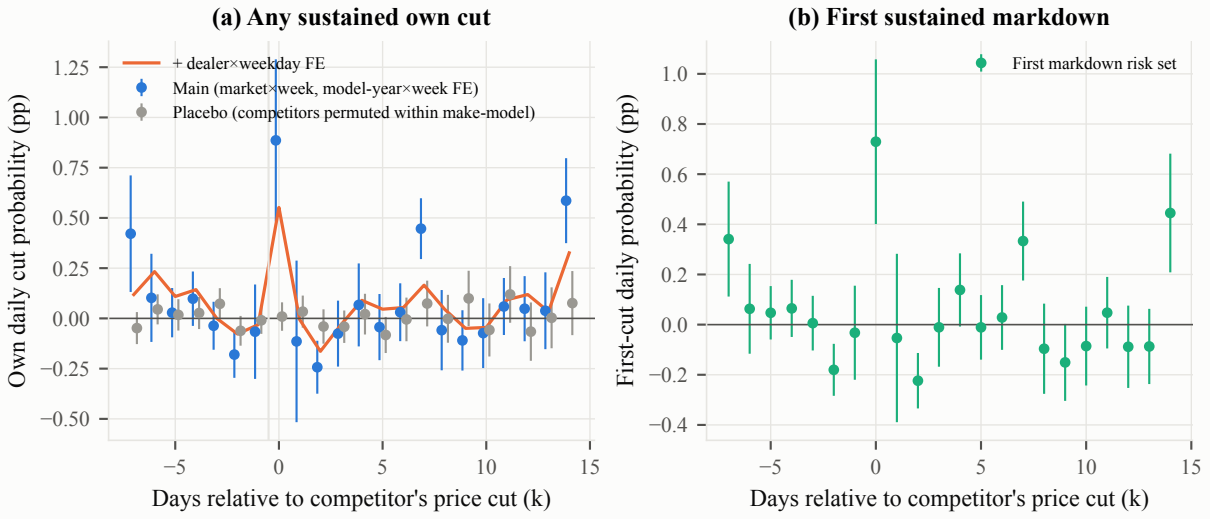

(a) Any sustained own cut
+ dealer×weekday FE
Main (market×week, model-year×week FE)
Placebo (competitors permuted within make-model)
Own daily cut probability (pp)
1.25
1.00
0.75
0.50
0.25
0.00
−0.25
−0.50
−5
0
5
10
15
Days relative to competitor's price cut (k)
(b) First sustained markdown
First markdown risk set
First-cut daily probability (pp)
1.0
0.8
0.6
0.4
0.2
0.0
−0.2
−0.4
−5
0
5
10
15
Days relative to competitor's price cut (k)