**The Effect of Mandatory Disclosure of Retail Prices: Evidence from the Israeli Supermarket Industry. (Itai Ater and Oren Rigbi)**

**Abstract:**

We exploit a regulation that required Israeli food retailers to post online—and continuously update—the prices of each and every item sold in their stores to study its impact on price levels, price dispersion and product availability.

Using rich data collected before and after the regulation, a differences-in-differences research design and various control groups we find strong evidence that prices have fallen by 3% to 5% after the regulation and that the decline in prices is concentrated among supermarket chains that set relatively high prices.

We also find that price dispersion has fallen.