Naked Exclusion in the Lab:  
The Case of Sequential Contracting

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Abstract: In the context of the naked exclusion model of Rasmusen, Ramseyer and Wiley (1991) and Segal and Whinston (2000b), we examine whether sequential contracting is more conducive to exclusion in the lab, and whether it leads to lower exclusion costs for the incumbent than simultaneous contracting. We find that an incumbent, who proposes exclusive contracts to buyers sequentially, is better able to deter entry than an incumbent who proposes contracts simultaneously. In contrast to theory, this comes at a substantial cost for the incumbent.