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# Algorithmic against Human decision-making ? The case of pricing strategy.

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## Résumé

Enhanced capacities and performance of algorithms enable economic agents to delegate an increasing part of their decisions to algorithms. A distinctive feature of these algorithms is their velocity, i.e. their ability to make a decision at a rapid pace as compared to human decision-making. For a firm, pricing is a key strategic decision that needs to be frequently updated and for which algorithms' velocity can be profitably exploited. In this paper, we study to what extent the use of a rapid algorithm facing a human decision-maker can be employed as a commitment device by a firm in a pricing context. For that, we consider a theoretical two-period model based on an Hotelling framework. Preliminary results suggest that the market outcome resulting from this setting is characterized by softer competition as compared to a situation in which a firm can only manually adjust its price.

**Mots-Clés:** algorithmic pricing, product differentiation, velocity, algorithms

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