ABSTRACT:

Parking economics literature main attention has been paid to the cruising externality and garage market power issues, but all works assume that perfect information exists. But imperfect information may arise as (1) drivers may not know all available options in their choice set; and (2) they lack of information to evaluate them; further exacerbating already mentioned distortions. In this paper we provide compelling evidence on the existence and extent of information frictions in this market; based on the case study of Barcelona. We also test whether parkers’ lack of knowledge translates into undesirable market outcomes.