

Assaf Eilat

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COMPASS LEXECON

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EDUCATION

Stanford University, Economics Department, Stanford, CA

Ph.D. in Economics (2008)

Research Fields: Industrial organization, Applied Microeconomic Theory, Antitrust

Primary Advisors: Jon Levin and Paul Milgrom

Thesis Title: "Packaging of Services with Base Goods"

Hebrew University, Jerusalem, Israel

LL.B. in Law and Economics, Summa Cum Laude (2002)

PROFESSIONAL EXPERIENCE

Senior Economist, Compass-Lexecon, San Francisco, CA (2008)

Teaching Assistant, Stanford University, Economics Department (2005-2008)

Lecturer, Open University of Israel, Economics Department (2002-2003)

Law Intern, Antitrust Authority, Israel; Passed the Israeli bar exams (2002-2003)

Lieutenant, Israeli Defense Forces; Instructor at the Officers' Training Academy (1994-1997)

HONORS AND AWARDS

Outstanding Teaching Assistant Award, Stanford University, Economics Dept., 2007-2008

Outstanding Teaching Assistant Award, Stanford University, Economics Dept., 2006-2007

Outstanding Teaching Assistant Award, Stanford University, Economics Dept., 2005-2006

Law and Economics Olin Fellowship, Stanford University, Law School, 2004, 2005, 2006

Graduate Studies Fellowship, Stanford University, Economics Department, 2003-2005

Annual Economics Department Prize, Hebrew University, Economics Dept., 1998-2001

Law School Dean's Prize, Hebrew University, Law School, 1999

RESEARCH PAPERS

“Packaging and Costly Consumer Search” (*job market paper*)

Firms such as hotels, banks, and telecommunication operators offer packages of a base good and services. This paper asks why firms include services in a package ('packaging') and which services are likely to be included. The main argument is that consumers incur a search cost to discover multiple prices set by a single firm. Consequently firms' ability to commit to service prices is limited, and firms may respond by packaging. I show that the packaging decision does not depend on services' costs and valuations: what matters is the correlation between the valuations of the service and the base good. The theory predicts that more expensive hotels are less likely to include services such as internet and breakfast in the room price, a prediction that is empirically supported using a dataset of San Francisco hotels.

“Optimal Payment Cards Fees”

Credit card rebates, which are paid to all credit card users regardless of borrowing, have grown substantially. This paper analyzes this phenomenon by comparing the socially and privately optimal interchange fees in debit and credit cards. Compared to debit cards, credit cards raise efficiency by allowing convenient borrowing, but also tax nonholders in order to finance the rebates paid to credit card users. A welfare-enhancing and legally-feasible policy is suggested, under which the regressive tax is cancelled while the efficiencies of credit cards are preserved. An outcome of the proposed policy is that credit cards are used for credit purposes only, while debit cards are used as a convenient payment instrument.

“The Determinants of Pricing: Evidence from Gas Stations” (*work in progress, with Oren Rigbi*)

According to standard economic theory prices vary with cost and demand, but a large body of evidence suggests that reality is more complicated. Gas prices seem as an attractive vehicle for exploring pricing strategies, as both marginal costs and demand conditions exhibit high volatility. We explore how cost and demand affect pricing using a dataset of gas stations in California that belong to a national supermarket chain. We directly observe costs, demand conditions, prices, and quantities. Preliminary results suggest that gas prices vary with the level of demand at the supermarket (although supermarket prices rarely do).

REFERENCES

Professor Jon Levin (Primary Advisor)	(650) 723-5962	jdlevin@stanford.edu
Professor Paul Milgrom (Primary Advisor)	(650) 723-3397	pmilgrom@gmail.com
Professor Ran Abramitzky (Advisor)	(650) 723-9276	ranabr@stanford.edu