

# Assaf Eilat

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Dual Israeli and American citizen

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## EDUCATION

**Stanford University**, Economics Department, Stanford, CA  
Ph.D. in Economics, September 2003 – June 2008 (expected)  
Advisors: Jon Levin, Paul Milgrom, Ran Abramitzky  
Thesis Title: “Essays on Pricing”  
**Hebrew University**, Jerusalem, Israel  
LL.B. in Law and Economics, Summa Cum Laude, 2002

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## RESEARCH AND TEACHING INTERESTS

Primary: Applied Microeconomic Theory, Microeconomic Theory  
Secondary: Industrial Organization, Law and Economics, Antitrust

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## TEACHING EXPERIENCE

*\* Teaching evaluations are posted on my website*  
**Teaching Assistant**, Stanford University, Economics Department  
Microeconomic Theory (Head TA), 2007-2008  
Microeconomic Theory (Head TA), 2006-2007  
Microeconomic Theory, 2005-2006  
**Lecturer**, Open University of Israel, Economics Department  
Advanced Microeconomic Theory, 2002-2003  
**Teaching Assistant**, Hebrew University, Economics Department  
Microeconomics Theory and Game Theory, 2001-2003

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## ADDITIONAL WORK EXPERIENCE

**Law Intern**, Antitrust Authority, Israel  
Passed the Israeli bar exams in May 2003  
**Research Assistant**, Hebrew University, Economics Department  
Labor Economics (for Prof. J. Zeira), 2000-2002  
**Lieutenant**, Israeli Defense Forces  
Instructor at the Officers’ Training Academy, 1994-1997

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## HONORS AND AWARDS

**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

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### **“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).

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## REFERENCES

<b>Professor Jon Levin</b> (Primary Advisor)	(650) 723-5962	<a href="mailto:jdlevin@stanford.edu">jdlevin@stanford.edu</a>
<b>Professor Paul Milgrom</b> (Primary Advisor)	(650) 723-3397	<a href="mailto:pmilgrom@gmail.com">pmilgrom@gmail.com</a>
<b>Professor Ran Abramitzky</b> (Advisor)	(650) 723-9276	<a href="mailto:ranabr@stanford.edu">ranabr@stanford.edu</a>