

EC 8854: Industrial Organization II
Spring 2016 Syllabus—Last updated March 20, 2017
Tuesday/Thursday 3-4:20pm, Maloney 330
Last Updated: March 20, 2017

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Course Requirements

1. Problem Sets (15%): Problem sets will be announced throughout the semester.
2. Class Discussion (20%): Please read assigned papers and participate in discussion.
3. Research Proposal & Presentation (35%): See below.
4. Final Exam, Wednesday May 11 at 9:00 a.m. (30%)

Homework

You are encouraged to work together in groups, but each student must write up their own solutions independently.

1. PS 1 Nonlinear Pricing: Due to my mailbox by Monday January 30th at 4:30pm.
2. PS 2 Search: Cancelled.
3. PS 3 Switching Costs: Due in class, Tuesday February 28th.
4. PS 4 Insurance: Due to my mailbox by Monday March 13th at 4:30pm.
5. PS 5 Present Bias: Due to my mailbox by Monday March 22nd at 4:30pm.
6. PS 6 Hidden Fees: Due to my mailbox by Monday March 27th at 4:30pm.
7. PS 7 Consumer Protection & Pass-Through: Due to my mailbox by Monday April 17th at 4:30pm.

Research Proposal & Presentation

During the final two weeks of classes, students will present research proposals in class. Research proposals will be due on the last day of class, May 5. Research proposals should be relatively short (about 6 pages in length) but of high quality. This should be very difficult to write. Please include four main sections:

1. Research Question: Define the research question and explain why it is important.
2. Data: Describe the data you will use. You can describe a hypothetical “dream” dataset, but even better would be to describe an actual dataset or data structure that you have some chance of obtaining.
3. Model: Sketch a simple model that informs your approach. This could be a purely theoretical model, perhaps simplified to an example, that informs your question and motivates reduced form analysis. Alternatively, this could be a simplified version of a model that might be estimated with data, that can help illustrate the role of key parameters.
4. Methods: Describe the methods you will use to answer the research question using the data, and discuss how key parameters of interest can be identified.

Research proposal presentations should convey the same information. Presentations should follow the advice for effective presentations on the Canvas course website.

Academic Integrity

It is my obligation to remind you that you are expected to uphold all Boston College standards of academic integrity, as described at <http://www.bc.edu/offices/stserv/academic/integrity.html>.

Syllabus Notes

- This syllabus contains hyperlinks and hence is most useful in its electronic form.
- I am continuing to update this course, and it is still under development, so please expect the syllabus to evolve over the semester. In particular, readings on search, adverse selection, and insurance are likely to change.
- Readings, lecture notes, reading guides, and other materials are available on Canvas.

Seminar Attendance

- I expect you to attend the Applied Microeconomics Seminar 12:00-1:30pm on Tuesdays if it does not conflict with other classes.
- I expect you to attend all job talks given in the department that you are able to attend. These can give you an excellent sense of where you should be aiming to be in 3 years time.

Course Calendar

Table 1: Course Calendar–Part I. *Asterisk indicates class may need to be rescheduled.

Date	Topic	Reading/Assignment
T Jan 17	Nonlinear Pricing	Tirole (1988, Sections 3.3, 3.5); Lecture Notes
R Jan 19*	Nonlinear Pricing	Crawford and Shum (2007) (Conflict = Job Talk 3:30-5)
T Jan 24*	Price Discrimination & Demand Uncertainty	Lecture Notes; Dana (1999)
R Jan 26	Price Discrimination	Leslie (2004); Tirole (1988, Chapter 3); Lecture Notes
T Jan 31	Search	Lecture notes; Varian (1980); A. T. Sorensen (1999, Appendix A-B, pp32-48); Stahl (1996)
R Feb 2	Search	Allen, Clark, and Houde (2014) (tentative, mention De Los Santos, Hortaçsu, and Wildenbeest (2015))
T Feb 7	IO Job Talk	J. Li (2017)
R Feb 9	Snow Day	
T Feb 14*	Switching Costs & Inertia	Farrell and Klemperer (2007) (excluding Sections 1.2 and 3); Klemperer (1995) (Sections 1-4)
R Feb 16	Searching & Switching	Wilson (2012); Honka (2014)
T Feb 21*	Consumer Confusion & Obfuscation	Chioveanu and Zhou (2013); Grubb (2015c)
R Feb 23	Mexican SS	Duarte and Hastings (2012)
T Feb 28	Insurance	Cohen and Einav (2007)
R Mar 2	Insurance	Einav, Finkelstein, and Cullen (2010); (Ceccarini, Jeziorski, and Krasnokutskaya (2015) was not yet available.)
March 6-10 Spring Break		

Table 2: Course Calendar–Part II. *Asterisk indicates class may need to be rescheduled.

Date	Topic	Reading/Assignment
T Mar 14	Snow Day for Blizzard Stella	
R Mar 16	Present Bias	Lecture notes; DellaVigna and Malmendier (2004)
T Mar 21	Present Bias	DellaVigna and Malmendier (2006); Oster and Scott Morton (2005)
R Mar 23	Hidden Fees	Gabaix and Laibson (2006)
T Mar 28	Dynamic Nonlinear Pricing	Lecture notes & Grubb (2009); Grubb (2015b)
R Mar 30	Dynamic Nonlinear Pricing	Grubb and Osborne (2015)
T Apr 4	Pass-through Rate	Lecture Notes; Bulow and Pfleiderer (1983); E. Glen Weyl and Fabinger (2013)
R Apr 6	Consumer Protection	Grubb (2015d); Lecture Notes (use quantity pass-through)
T Apr 11*	Trusted Choices	Handel and Kolstad (2015) (We will see Ketcham, Kuminoff, and Powers (2015) 3-28 seminar)
R Apr 13	Easter break	
T Apr 18	Collusion	Tirole (1988, Chapter 6); Harrington and Skrzypacz (2011)
R Apr 20	Collusion	Miller and Weinberg (2015)
T Apr 25*	Learning	Covert (2015)
R Apr 27	Student Presentations	
T May 2	Student Presentations	
R May 4	Student Presentations	Research Proposals Due
S May 13	IO Final Exam: Wednesday May 11 at 9:00am	

Suggested Reading List by Topic; required readings are in bold

Required Reading

- Allen, Jason, Robert Clark, and Jean-François Houde (2014). “Search Frictions and Market Power in Negotiated Price Markets”. NBER Working Paper No. 19883. DOI: 10.3386/w19883.
- Bulow, Jeremy I. and Paul Pfleiderer (1983). “A Note on the Effect of Cost Changes on Prices”. *The Journal of Political Economy* 91.1, pp. 182–185.
- Chioveanu, Ioana and Jidong Zhou (2013). “Price competition with consumer confusion”. *Management Science* 59.11, pp. 2450–2469. DOI: 10.1287/mnsc.2013.1716.
- Cohen, Alma and Liran Einav (2007). “Estimating Risk Preferences from Deductible Choice”. *American Economic Review* 97.3, pp. 745–788. DOI: 10.1257/aer.97.3.745.
- Covert, Thomas (2015). “Experiential and Social Learning in Firms: The Case of Hydraulic Fracturing in the Bakken Shale”. Available from Tom Covert’s homepage at <http://home.uchicago.edu/~tcovert/webfiles/fracking.pdf>.
- Crawford, Gregory S. and Matthew Shum (2007). “Monopoly Quality Degradation and Regulation in Cable Television”. *The Journal of Law and Economics* 50.1, pp. 181–219. DOI: 10.1086/508310.
- Dana James D., Jr. (1999). “Equilibrium Price Dispersion under Demand Uncertainty: The Roles of Costly Capacity and Market Structure”. *RAND Journal of Economics* 30.4, pp. 632–660.
- DellaVigna, Stefano and Ulrike Malmendier (2004). “Contract Design and Self-Control: Theory and Evidence”. *The Quarterly Journal of Economics* 119.2, pp. 353–402. DOI: 10.1162/0033553041382111.
- DellaVigna, Stefano and Ulrike Malmendier (2006). “Paying Not to Go to the Gym”. *The American Economic Review* 96.3, pp. 694–719. DOI: 10.1257/aer.96.3.694.
- Duarte, Fabian and Justine S. Hastings (2012). “Fettered Consumers and Sophisticated Firms: Evidence from Mexico’s Privatized Social Security Market”. NBER Working Paper No. 18582. Accessed at <http://www.nber.org/papers/w18582> on April 30, 2015. DOI: 10.3386/w18582.
- Einav, Liran, Amy Finkelstein, and Mark R. Cullen (2010). “Estimating Welfare in Insurance Markets Using Variation in Prices”. *The Quarterly Journal of Economics* 125.3, pp. 877–921. DOI: 10.1162/qjec.2010.125.3.877.

- Farrell, Joseph and Paul Klemperer (2007). “Coordination and Lock-in: Competition with Switching Costs and Network Effects”. In: *Handbook of Industrial Organization*. Ed. by Mark Armstrong and Robert H. Porter. Vol. 3, chapter 31. Amsterdam, The Netherlands: Elsevier, pp. 1967–2072. DOI: 10.1016/S1573-448X(06)03031-7.
- Gabaix, Xavier and David Laibson (2006). “Shrouded Attributes, Consumer Myopia, and Information Suppression in Competitive Markets”. *The Quarterly Journal of Economics* 121.2, pp. 505–540. DOI: 10.1162/qjec.2006.121.2.505.
- Goldfarb, Avi and Mo Xiao (2011). “Who Thinks about the Competition? Managerial Ability and Strategic Entry in US Local Telephone Markets”. *American Economic Review* 101.7, pp. 3130–61. DOI: 10.1257/aer.101.7.3130.
- Grubb, Michael D. (2009). “Selling to Overconfident Consumers”. *American Economic Review* 99.5, pp. 1770–1807. DOI: 10.1257/aer.99.5.1770.
- Grubb, Michael D. (2015b). “Consumer Inattention and Bill-Shock Regulation”. *The Review of Economic Studies* 82.1, pp. 219–257. DOI: 10.1093/restud/rdu024.
- Grubb, Michael D. (2015c). “Failing to Choose the Best Price: Theory, Evidence, and Policy”. *Review of Industrial Organization* 47.3, pp. 303–340. DOI: 10.1007/s11151-015-9476-x.
- Grubb, Michael D. (2015d). “Overconfident Consumers in the Marketplace”. *Journal of Economic Perspectives* 29.4, pp. 9–36. DOI: 10.1257/jep.29.4.9.
- Grubb, Michael D. and Matthew Osborne (2015). “Cellular Service Demand: Biased Beliefs, Learning, and Bill Shock”. *The American Economic Review* 105.1, pp. 234–71. DOI: 10.1257/aer.20120283.
- Handel, Benjamin R. and Jonathan T. Kolstad (2015). “Health Insurance for “Humans”: Information Frictions, Plan Choice, and Consumer Welfare”. *American Economic Review* 105.8, pp. 2449–2500. DOI: 10.1257/aer.20131126.
- Harrington, Joseph E. and Andrzej Skrzypacz (2011). “Private Monitoring and Communication in Cartels: Explaining Recent Collusive Practices”. *American Economic Review* 101.6, pp. 2425–49. DOI: 10.1257/aer.101.6.2425.
- Honka, Elisabeth (2014). “Quantifying search and switching costs in the US auto insurance industry”. *The RAND Journal of Economics* 45.4, pp. 847–884. DOI: 10.1111/1756-2171.12073.
- Klemperer, Paul (1995). “Competition When Consumers Have Switching Costs: An Overview with Applications to Industrial Organization, Macroeconomics, and

- International Trade”. *The Review of Economic Studies* 62.4, pp. 515–539. DOI: 10.2307/2298075.
- Leslie, Phillip (2004). “Price Discrimination in Broadway Theater”. *RAND Journal of Economics* 35.3, pp. 520–541.
- Li, Jing (2017). “Compatibility and Investment in the U.S. Electric Vehicle Market”. Accessed from Jing Li’s website <http://scholar.harvard.edu/files/jingli/> on February 22, 2017.
- Miller, Nathan H. and Matthew C. Weinberg (2015). “Mergers Facilitate Tacit Collusion: Empirical Evidence from the US Brewing Industry”. Available at <http://www.nathanhmilller.org/miller-weinberg-2015.03.25.pdf>.
- Oster, Sharon M. and Fiona M. Scott Morton (2005). “Behavioral Biases Meet the Market: The Case of Magazine Subscription Prices”. *Advances in Economic Analysis & Policy* 5.1. DOI: 10.1515/1538-0637.1323.
- Sorensen, Alan T. (1999). *Empirical Studies of Oligopolistic Pricing and Heterogeneous Consumer Search*. <http://dspace-test.mit.edu/handle/1721.1/9451>. Massachusetts Institute of Technology, Department of Economics.
- Stahl, Dale O. (1996). “Oligopolistic pricing with heterogeneous consumer search”. *International Journal of Industrial Organization* 14.2, pp. 243–268. DOI: 10.1016/0167-7187(94)00474-9.
- Tirole, Jean (1988). *The Theory of Industrial Organization*. Cambridge, Mass.: MIT Press, p. 479.
- Varian, Hal R (1980). “A Model of Sales”. *The American Economic Review* 70.4. Available at <http://www.jstor.org/stable/1803562>., pp. 651–659.
- Weyl, E. Glen and Michal Fabinger (2013). “Pass-Through as an Economic Tool: Principles of Incidence under Imperfect Competition”. *Journal of Political Economy* 121.3, pp. 528–583. DOI: 10.1086/670401.
- Wilson, Chris M. (2012). “Market frictions: A unified model of search costs and switching costs”. *European Economic Review* 56.6, pp. 1070–1086. DOI: 10.1016/j.euroecorev.2012.05.007.

Reference Books

- Anderson, Simon P., André de Palma, and Jacques-François Thisse (1992). *Discrete Choice Theory of Product Differentiation*. Cambridge, MA: The MIT Press.

- Armstrong, Mark and Robert H. Porter, eds. (2007). *Handbook of Industrial Organization*. Vol. 3. Handbooks in Economics 10. Available at <http://www.sciencedirect.com.proxy.bc.edu/science/handbooks/1573448X/3>. Elsevier.
- Schmalensee, Richard and Robert D. Willig, eds. (1989a). *Handbook of Industrial Organization*. Vol. 1. Handbooks in Economics 10. Available at <http://www.sciencedirect.com.proxy.bc.edu/science/handbooks/1573448X/1>. Elsevier.
- Schmalensee, Richard and Robert D. Willig, eds. (1989b). *Handbook of Industrial Organization*. Vol. 2. Handbooks in Economics 10. Available at <http://www.sciencedirect.com.proxy.bc.edu/science/handbooks/1573448X/2>. Elsevier.
- Spiegler, Ran (2011). *Bounded Rationality and Industrial Organization*. New York: Oxford University Press.
- Tirole, Jean (1988). *The Theory of Industrial Organization*. Cambridge, Mass.: MIT Press, p. 479.**

Nonlinear Pricing

- Anderson, Eric T. and James D. Dana (2009). “When Is Price Discrimination Profitable?” *Management Science* 55.6, pp. 980–989. DOI: 10.1287/mnsc.1080.0979.
- Armstrong, Mark and John Vickers (2001). “Competitive Price Discrimination”. *RAND Journal of Economics* 32.4, pp. 579–605.
- Boleslavsky, Raphael and Maher Said (2012). “Progressive Screening: Long-Term Contracting with a Privately Known Stochastic Process”. *The Review of Economic Studies*. DOI: 10.1093/restud/rds021.
- Borzekowski, Ron, Raphael Thomadsen, and Charles Taragin (2009). “Competition and price discrimination in the market for mailing lists”. *QME* 7.2, pp. 147–179. DOI: 10.1007/s11129-009-9050-7.
- Busse, Meghan and Marc Rysman (2005). “Competition and Price Discrimination in Yellow Pages Advertising”. *The RAND Journal of Economics* 36.2, pp. 378–390.
- Courty, Pascal and Hao Li (2000). “Sequential Screening”. *The Review of Economic Studies* 67.4, pp. 697–717. DOI: 10.1111/1467-937X.00150.
- Crawford, Gregory S. and Matthew Shum (2007). “Monopoly Quality Degradation and Regulation in Cable Television”. *The Journal of Law and Economics* 50.1, pp. 181–219. DOI: 10.1086/508310.**
- Rochet, Jean-Charles and Lars Stole (2003). “The Economics of Multidimensional Screening”. In: *Advances in economics and econometrics: theory and applications - eighth world Congress*.

Ed. by M. Dewatripont, Lars Peter Hansen, and Stephen J. Turnovsky. Vol. 36. Econometric Society Monographs. New York: Cambridge University Press.

Rochet, Jean-Charles and Lars A. Stole (2002). “Nonlinear Pricing with Random Participation”. *The Review of Economic Studies* 69.1, pp. 277–311.

Seim, Katja and V. Brian Viard (2011). “The Effect of Market Structure on Cellular Technology Adoption and Pricing”. *American Economic Journal: Microeconomics* 3.2, pp. 221–51. DOI: 10.1257/mic.3.2.221.

Price Discrimination and Demand Uncertainty

Dana James D., Jr. (1999). “Equilibrium Price Dispersion under Demand Uncertainty: The Roles of Costly Capacity and Market Structure”. *RAND Journal of Economics* 30.4, pp. 632–660.

Leslie, Phillip (2004). “Price Discrimination in Broadway Theater”. *RAND Journal of Economics* 35.3, pp. 520–541.

Shiller, Benjamin Reed (2014). “First-Degree Price Discrimination Using Big Data”. Available at from Ben Shiller’s homepage at http://benjaminshiller.com/images/First_Degree_PD_Using_Big_Data_Apr_8,_2014.pdf.

Search

Allen, Jason, Robert Clark, and Jean-François Houde (2014). “Search Frictions and Market Power in Negotiated Price Markets”. NBER Working Paper No. 19883. DOI: 10.3386/w19883.

Armstrong, Mark, John Vickers, and Jidong Zhou (2009). “Prominence and consumer search”. *The RAND Journal of Economics* 40.2, pp. 209–233.

Burdett, Kenneth and Kenneth L. Judd (1983). “Equilibrium Price Dispersion”. *Econometrica* 51.4, pp. 955–969. DOI: 10.2307/1912045.

De Los Santos, Babur, Ali Hortaçsu, and Matthijs R. Wildenbeest (2012). “Testing Models of Consumer Search Using Data on Web Browsing and Purchasing Behavior”. *American Economic Review* 102.6, pp. 2955–80. DOI: 10.1257/aer.102.6.2955.

De Los Santos, Babur, Ali Hortaçsu, and Matthijs R. Wildenbeest (2015). “Search with Learning for Differentiated Products: Evidence from E-commerce”. Available at <http://kelley.iu.edu/mwildenb/learning.pdf>.

Ellison, Glenn and Sara Fisher Ellison (2009). “Search, Obfuscation, and Price Elasticities on the Internet”. *Econometrica* 77.2, pp. 427–452. DOI: 10.3982/ECTA5708.

- Ellison, Glenn and Alexander Wolitzky (2012). “A Search Cost Model of Obfuscation”. *The RAND Journal of Economics* 43.3, pp. 417–441. DOI: 10.1111/j.1756-2171.2012.00180.x.
- Hong, Han and Matthew Shum (2006). “Using Price Distributions to Estimate Search Costs”. *The RAND Journal of Economics* 37.2, pp. 257–275. DOI: 10.1111/j.1756-2171.2006.tb00015.x.
- Hortaçsu, Ali and Chad Syverson (2004). “Product Differentiation, Search Costs, and Competition in the Mutual Fund Industry: A Case Study of S&P 500 Index Funds”. *The Quarterly Journal of Economics* 119.2, pp. 403–456. DOI: 10.1162/0033553041382184.
- Mehta, Nitin, Surendra Rajiv, and Kannan Srinivasan (2003). “Price Uncertainty and Consumer Search: A Structural Model of Consideration Set Formation”. *Marketing Science* 22.1, pp. 58–84. DOI: 10.1287/mksc.22.1.58.12849.
- Sorensen, Alan T. (1999). *Empirical Studies of Oligopolistic Pricing and Heterogeneous Consumer Search*. <http://dspace-test.mit.edu/handle/1721.1/9451>. Massachusetts Institute of Technology, Department of Economics.**
- Sorensen, Alan T. (2000). “Equilibrium Price Dispersion in Retail Markets for Prescription Drugs”. *Journal of Political Economy* 108.4, pp. 833–850. DOI: 10.1086/316103.
- Stahl, Dale O. (1996). “Oligopolistic pricing with heterogeneous consumer search”. *International Journal of Industrial Organization* 14.2, pp. 243–268. DOI: 10.1016/0167-7187(94)00474-9.**
- Varian, Hal R (1980). “A Model of Sales”. *The American Economic Review* 70.4. Available at <http://www.jstor.org/stable/1803562>., pp. 651–659.**
- Zhou, Jidong (2014). “Multiproduct Search and the Joint Search Effect”. *American Economic Review* 104.9, pp. 2918–39. DOI: 10.1257/aer.104.9.2918.
- Zhou, Jidong (2015b). “Homepage”. See Jidong’s homepage for a variety of recent theory papers on search <https://sites.google.com/site/jidongzhou77/research>.

Switching Costs and Inertia

- Arie, Guy and Paul L. E. Grieco (2014). “Who Pays for Switching Costs?” *Quantitative Marketing and Economics* 12.4, pp. 379–419. DOI: 10.1007/s11129-014-9151-9.
- Dubé, Jean-Pierre, Günter J. Hitsch, and Peter E. Rossi (2009). “Do Switching Costs Make Markets Less Competitive?” *Journal of Marketing Research* 46.4, pp. 435–445. DOI: 10.1509/jmkr.46.4.435.
- Farrell, Joseph and Paul Klemperer (2007). “Coordination and Lock-in: Competition with Switching Costs and Network Effects”. In: *Handbook of Industrial Orga-***

- nization*. Ed. by Mark Armstrong and Robert H. Porter. Vol. 3, chapter 31. Amsterdam, The Netherlands: Elsevier, pp. 1967–2072. DOI: 10.1016/S1573-448X(06)03031-7.
- Handel, Benjamin R. (2013). “Adverse Selection and Inertia in Health Insurance Markets: When Nudging Hurts”. *American Economic Review* 103.7, pp. 2643–82. DOI: 10.1257/aer.103.7.2643.
- Ho, Katherine, Joseph Hogan, and Fiona M. Scott Morton (2015). “The Impact of Consumer Inattention on Insurer Pricing in the Medicare Part D Program”. NBER Working Paper No. 21028. Accessed at <http://www.nber.org/papers/w21028> on April 30, 2015. DOI: 10.3386/w21028.
- Illanes, Gaston (2016). “Switching Costs in Pension Plan Choice”. Accessed from <http://economics.mit.edu/files/11215> on January 12, 2016.
- Klemperer, Paul (1987). “Markets with Consumer Switching Costs”. *The Quarterly Journal of Economics*, pp. 375–394.
- Klemperer, Paul (1995). “Competition When Consumers Have Switching Costs: An Overview with Applications to Industrial Organization, Macroeconomics, and International Trade”. *The Review of Economic Studies* 62.4, pp. 515–539. DOI: 10.2307/2298075.**
- Osborne, Matthew (2011). “Consumer Learning, Switching Costs and Heterogeneity: A Structural Examination”. *Quantitative Marketing and Economics* 9.1, pp. 25–70. DOI: 10.1007/s11129-010-9092-x.
- Park, Minjung (2011). “The Economic Impact of Wireless Number Portability”. *The Journal of Industrial Economics* 59.4, pp. 714–745. DOI: 10.1111/j.1467-6451.2011.00471.x.
- Shi, Mengze, Jeongwen Chiang, and Byong-Duk Rhee (2006). “Price Competition with Reduced Consumer Switching Costs: The Case of “Wireless Number Portability” in the Cellular Phone Industry”. *Management Science* 52.1, pp. 27–38. DOI: 10.1287/mnsc.1050.0466.
- Stango, Victor (2002). “Pricing with Consumer Switching Costs: Evidence from the Credit Card Market”. *The Journal of Industrial Economics* 50.4, pp. 475–492. DOI: 10.1111/1467-6451.00187.
- Viard, V. Brian (2007). “Do switching costs make markets more or less competitive? The case of 800-number portability”. *The RAND Journal of Economics* 38.1, pp. 146–163. DOI: 10.1111/j.1756-2171.2007.tb00049.x.

Searching and Switching

- Honka, Elisabeth (2014). “Quantifying search and switching costs in the US auto insurance industry”. *The RAND Journal of Economics* 45.4, pp. 847–884. DOI: 10.1111/1756-2171.12073.
- Luco, Fernando (2014). “Distinguishing Sources of Inertia in a Defined-Contribution Pension System”. Accessed from <https://sites.google.com/site/flucoe/> on April 13, 2015.
- Wilson, Chris M. (2012). “Market frictions: A unified model of search costs and switching costs”. *European Economic Review* 56.6, pp. 1070–1086. DOI: 10.1016/j.euroecorev.2012.05.007.

Consumer Confusion and Obfuscation

- Bordalo, Pedro, Nicola Gennaioli, and Andrei Shleifer (2014). “Competition for Attention”. Accessed at <https://sites.google.com/site/pbordalo/> on December 8, 2014.
- Chioveanu, Ioana and Jidong Zhou (2013). “Price competition with consumer confusion”. *Management Science* 59.11, pp. 2450–2469. DOI: 10.1287/mnsc.2013.1716.
- Duarte, Fabian and Justine S. Hastings (2012). “Fettered Consumers and Sophisticated Firms: Evidence from Mexico’s Privatized Social Security Market”. NBER Working Paper No. 18582. Accessed at <http://www.nber.org/papers/w18582> on April 30, 2015. DOI: 10.3386/w18582.
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- Gabaix, Xavier, David Laibson, et al. (2013). “The Impact of Competition on Prices with Numerous Firms”. Accessed from <http://pages.stern.nyu.edu/~xgabaix/> on August 3, 2015.
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- Hastings, Justine S., Ali Hortaçsu, and Chad Syverson (2013). “Advertising and Competition in Privatized Social Security: The Case of Mexico”. NBER Working Paper No. 18881. Accessed at <http://www.nber.org/papers/w18881> on April 30, 2015. DOI: 10.3386/w18881.
- Hastings, Justine S. and Lydia Tejada-Ashton (2008). “Financial Literacy, Information, and Demand Elasticity: Survey and Experimental Evidence from Mexico”. NBER Working Paper

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- Matějka, Filip and Alisdair McKay (2012). “Simple Market Equilibria with Rationally Inattentive Consumers”. *American Economic Review* 102.3, pp. 24–29. DOI: 10.1257/aer.102.3.24.
- Piccione, Michele and Ran Spiegler (2012). “Price Competition Under Limited Comparability”. *The Quarterly Journal of Economics* 127.1, pp. 97–135. DOI: 10.1093/qje/qjr053.
- Spiegler, Ran (2006). “Competition Over Agents with Boundedly Rational Expectations”. *Theoretical Economics* 1.2, pp. 207–231.
- Spiegler, Ran (forthcoming). “Choice Complexity and Market Competition”. *Annual Review of Economics*.
- Thaler, Richard H. and Cass R. Sunstein (2008). *Nudge: Improving Decisions about Health, Wealth, and Happiness*. New Haven: Yale University Press.

Adverse Selection in Insurance Markets

- Ceccarini, Olivia, Przemyslaw Jeziorski, and Elena Krasnokutskaya (2015). “Adverse Selection and Moral Hazard in a Dynamic Model of Auto Insurance”.
- Chiappori, Pierre-André and Bernard Salanié (2000). “Testing for Asymmetric Information in Insurance Markets”. *Journal of Political Economy* 108.1, pp. 56–78. DOI: 10.1086/262111.
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