

# BENJAMIN KLOPACK

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## EDUCATION

Ph.D. in Economics, Stanford University,  
Expected Completion: June 2019

DISSERTATION: “*Essays in the Market Structure of Retail Industries*”

B.A. in Economics, University of California, Berkeley, 2006-2010 (High Honors).

## DISSERTATION COMMITTEE

Prof. Liran Einav (primary)  
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## RESEARCH AND TEACHING FIELDS

Primary field: Industrial Organization.

Secondary fields: Urban Economics, Public Economics.

## RESEARCH PAPERS

*One Size Fits All? The Value of Standardized Retail Chains (Job Market Paper)*

Multi-outlet firms, or chains, make up a large and growing part of the US retail sector, with significant variation across store category and geographic location. This paper quantifies the demand-side incentives to operate a network of stores as a chain: various forms of economies of scale allow chains to generate higher demand than independent firms, but at the same time chains are less flexible in customizing product selection or prices across locations. To quantitatively assess this tradeoff, I develop a simple model and estimate it using a large transaction-level dataset from a payment card company, focusing on restaurant purchases. I find that on average chains could earn 22% more transactions if they could

customize their product optimally to local tastes, but they would lose 13% of their transactions if they were to operate as unconstrained independents. Policies that ban chain restaurants would result in a loss of consumer welfare equivalent to 1.5% of restaurant spending and would disproportionately impact lower income consumers. Considering the endogenous entry of independent restaurants dampens the effects of chain bans by 30%.

*Assessing the Gains from E-Commerce* (with P. Dolfen, L. Einav, P. Klenow, J. Levin, L. Levin, W. Best)

E-commerce represents a rapidly growing share of U.S. retail spending. We use transactions-level data on credit and debit cards from Visa, Inc. between 2007 and 2017 to quantify the resulting consumer surplus. We estimate that the gains from e-commerce reached the equivalent of a 1.3% permanent boost to consumption by 2014, or about \$1,250 per household. The gains arose mostly from accessing a wider variety of merchants online, but also from saving the travel costs of buying items in brick-and-mortar stores. The richest counties gained roughly twice as much as the poorest counties (top vs. bottom quartiles), and densely populated counties gained more than sparsely populated counties.

*Strategic Default, Loan Modification, and Foreclosure* (with N. Pierri)

We study borrower strategic default in the residential mortgage market. We exploit a discontinuity in the eligibility criteria of the Home Affordable Modification Program (HAMP), a large federal government program that incentivized lenders to renegotiate mortgages for borrowers who were more than 60 days delinquent on their loans. In contrast to prior literature, we find that HAMP increased rates of delinquency by 13% among eligible borrowers and that the effect is driven primarily by underwater loans. At the same time, the program succeeded in its stated purpose of lowering foreclosure rates among borrowers that were already delinquent and increasing the likelihood that they return to making payments. Our results suggest that borrower strategic response is an important consideration in designing debt relief policies.

*Vertical Contracting and Price Parity Agreements: Evidence from Hotels in Europe* (with N. Pierri)

This paper investigates the effect of "price parity" clauses in contracts between hotels and online travel agencies. These restrictions require a hotel to set its lowest prices for a given room on a travel agency's website and have come under recent scrutiny by antitrust regulators. We study the effect of price parity clauses on hotel prices by exploiting two recent policy changes in Europe: a settlement in 2014 in Germany that banned price parity clauses by the largest online travel agency and subsequent regulatory action in 2015 in Sweden, Italy, and France. Using a differences-in-differences strategy, we find that these regulatory actions were associated with a decrease in prices of between 9% and 15%, with the largest effects on lower quality hotels.

## **RELEVANT POSITIONS**

2011-13     Consultant, Keystone Strategy, San Francisco.

2014-18     Research Assistant for Prof. L. Einav, Prof. P. Klenow, Prof. J. Levin, Stanford University.

## **SCHOLARSHIPS, HONORS AND AWARDS**

2018-19     Patricia Liu McKenna and Kenneth McKenna Graduate Fellowship.

## **PROFESSIONAL ACTIVITIES**

Referee for *Econometrica*.