

MATS KÖSTER

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PERSONAL INFORMATION

Date of Birth: March 27th, 1991

Citizenship: German

EDUCATION

Heinrich-Heine University, Düsseldorf

Ph.D. in Economics, supervisor: Prof. Paul Heidhues

October 2016 – Present

B.Sc. in Mathematics with a minor in Economics

April 2014 – Present

M.Sc. in Economics, *final grade: 1.0*

October 2014 – September 2016

B.Sc. in Economics, *final grade: 1.3*

October 2011 – September 2014

Gymnasium Gerresheim, Düsseldorf

Abitur, *final grade: 2.0*

August 2010

INTERNSHIPS AND WORK EXPERIENCE

Düsseldorf Institute for Competition Economics

Student/Research Assistant

July 2013 – September 2016

Düsseldorf, Germany

Coppik Economics

Consultancy for sector specific regulation and antitrust

Two times one-month internship

March and September 2015

Krefeld, Germany

Federal Ministry of Labour and Social Affairs

Department of economic foundations of minimum wages

One-month internship

March 2014

Berlin, Germany

TEACHING

Behavioral Economic Theory, M.Sc., Tutor

WS 16/17

Microeconomics, B.Sc., Tutor

WS 13/14, WS 14/15, WS 15/16

Economic Policy, B.Sc., Tutor

SS 14, SS 15

Statistics I and II, B.Sc., Tutor

WS 13/14, WS 15/16, SS 14

Average evaluation: 1.3 on a scale from 1 = “very good” to 5 = “very bad”

SCHOLARSHIPS AND AWARDS

“Chancen Nutzen”: Scholarship of North Rhine-Westphalia

October 2014 - September 2016

Award for best Master’s Thesis in Economics by
Düsseldorf Chamber of Commerce and Industry (IHK)

October 2016

Award for best Bachelor’s Thesis in Economics by
Düsseldorf Chamber of Commerce and Industry (IHK)

October 2014

RESEARCH

Peer-Reviewed Publications

Violations of First-Order Stochastic Dominance as Saliency Effects (joint with M. Dertwinkel-Kalt).
Journal of Behavioral and Experimental Economics, 59, 2015, 42-46.

Abstract: In contradiction to expected utility theory, various studies find that splitting events or attributes into subevents and subattributes can reverse a decision maker's choices. Most notably, these effects can induce first-order stochastic dominated choices. Such violations of first-order stochastic dominance are framing effects, which expected utility theory, cumulative prospect theory and salience theory of choice under risk cannot account for. However, we propose a version of salience theory which unravels the underlying mechanism triggering such effects and which can explain the impact of event- and attribute-splitting on choices. Hereby, we provide further rationale for the broad validity of the salience mechanism and its strong descriptive power concerning human decision making.

Other Publications

Psychology and Economics: Economic Implications of Saliency Theory (joint with M. Dertwinkel-Kalt).
published in German: *Psychologie und Ökonomie: Ökonomische Implikationen der Salienztheorie*.
DICE Policy Brief, No. 7, 2016.

Working Paper

Salient Compromises in the Newsvendor Game (joint with M. Dertwinkel-Kalt).
Revised and resubmitted to **Journal of Economic Behavior & Organization**.

Abstract: The newsvendor problem denotes the puzzle that a retailer facing an uncertain demand for some product underreacts to profit margins, thereby adjusting the order quantity toward the expected demand. Due to its range of applications in operations management, this problem has drawn much interest in recent years. Various articles have tried to reconcile the newsvendor problem with loss aversion under ad hoc assumptions on the underlying reference point. We, instead, argue that the newsvendor problem is an application of the well-studied compromise effect. As the compromise effect is based on violations of the IIA axiom, we argue that models of context-dependent behavior, such as salience theory, better explain newsvendor-like behavior than loss aversion-based models. We conduct a novel experiment which allows us to clearly distinguish between the role of loss aversion and salience, and find strong support for the latter. Thereby, we also add to the agenda of comparing loss aversion-based models and salience theory.

Local Thinking and Skewness Preferences (joint with M. Dertwinkel-Kalt).

Abstract: We show that continuous models of stimulus-driven attention can account for skewness-related puzzles in decision-making under risk. First, we delineate that these models provide a well-defined theory of choice under risk. We therefore prove that in continuous—in contrast to discrete—models of stimulus-driven attention each lottery has a unique certainty equivalent that is monotonic in probabilities (i.e., it monotonically increases if probability mass is shifted to more favorable outcomes). Second, we show that whether an agent seeks or avoids a specific risk depends on the skewness of the underlying probability distribution. As unlikely, but outstanding payoffs attract attention, an agent exhibits a preference for right-skewed and an aversion toward left-skewed risks. While cumulative prospect theory can also account for such skewness preferences, it yields implausible predictions on their magnitude. We show that these extreme implications can be ruled out for continuous models of stimulus-driven attention.

Work in Progress

Focusing Effects in the Field (joint with M. Dertwinkel-Kalt and M. Sutter).

PRESENTATIONS

DICE Brown Bag Seminar (Düsseldorf, Germany) 2016
Nordic Conference on Behavioral and Experimental Economics (Oslo, Norway)

ATTENDED CONFERENCES AND WORKSHOPS

1st Motivation & Self-Control Symposium (University of Cologne, Germany) 2015
Workshop on *Auctions and Procurement* (University of Cologne, Germany)
7th Petersberg-Regulation-Conference (Bonn, Germany)

ATTENDED PHD-COURSES

Advanced Econometrics (Prof. Florian Heiß, Prof. Joel Stibale)
Advanced Economic Theory (Prof. Hans-Theo Normann, Prof. Christian Wey)
Experimental and Behavioral Economics (Prof. Hans-Theo Normann)
Behavioral Economic Theory (Prof. Paul Heidhues)

IT SKILLS

LaTeX, MS Office, Stata, R, Matlab, Maple, z-Tree

REFERENCES

Prof. Paul Heidhues
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Prof. Hans-Theo Normann
Heinrich-Heine University, Düsseldorf
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Düsseldorf, March 2017