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NBER INNOVATION RESEARCH BOOT CAMP 2025

Dear Organizing Committee,

My name is Javier Boncompte, I am a fifth-and-final year PhD candidate in Economics at University College London (UCL), where I specialize in Industrial Organization and Applied Econometrics. I am also affiliated with the Centre for Microdata Methods and Practice (CEMMAP) at the Institute for Fiscal Studies (IFS) and I am honored to have Professor Lars Nesheim, my supervisor, as my recommendation letter writer.

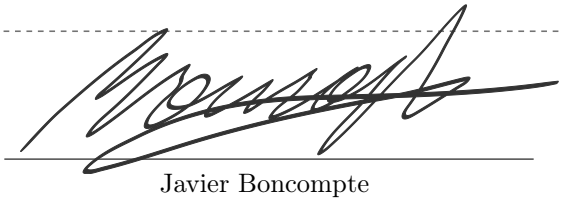
I am writing to share with you my interest in applying for the NBER Innovation Research Boot Camp 2025. During my PhD program, I have taken several graduate courses, which has provided me with a strong foundation in microeconomic theory and econometric methods.

Microeconomics (1 year)	International Economics (at LSE)
Microeconomics (1 year)	Bounded Rationality
Macroeconomics (1 year)	Frontiers of Mechanism Design
Econometrics (1 year)	Econometrics Workshop
Real Analysis / Probability Theory	Public Economics

As a former tech entrepreneur who is now a researcher, I bring a unique blend of rigorous academic training and hands-on experience with the challenges of bringing innovative products to market. This background informs my research on the role of innovation in the product space and how consumers respond to novel products. It also makes me a valuable asset to the Innovation Boot Camp and the community it aims to cultivate.

In 2023, I attended the Entrepreneurship Research Boot Camp, which significantly enriched my research and deepened my understanding of market dynamics, particularly the role of firm entry and exit in driving innovation. Since then, my work has focused on exploring how new firms position themselves in the product space, differentiate from incumbents, and bring innovation to the market. As I learned during the Boot Camp, new firms are critical drivers of innovation along emerging technological paths. My current research aims to identify these paths through the product offerings of new firms. I see this Innovation Boot Camp as a next step to further enhance my research. I am confident that the opportunity to learn from leading scholars and connect with peers focused on identifying and measuring innovation will greatly benefit both my current and future work.

Sincerely,



Javier Boncompte

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Research Statement

I am an empirical economist studying how firms respond to market and regulatory constraints, with a particular focus on in-market dynamics and competition. My research explores the various ways firms innovate to differentiate themselves, not just through technological advancements but also through their positioning in the product space and other strategic adaptations. By broadening the concept of innovation to include these dimensions, my work combines tools from Industrial Organization and Applied Econometrics to expand our understanding of how firms navigate their competitive landscapes and respond to policy interventions.

In my main project, I study how the multi-tier structure of the UK's sugar tax on soft drinks led firms to reformulate up to 40% of their product portfolios to reduce sugar content. This reformulation helped firms mitigate price increases but also resulted in lower product quality, reducing differentiation and intensifying price competition. My findings suggest that smaller firms were disproportionately affected by the tax, contributing to the recent surge in mergers and acquisitions within the industry. To capture these dynamics, I develop a novel model of product reformulation that accounts for the endogenous relationships among product characteristics, allowing changes in observed attributes to influence unobserved ones, like taste or quality. In a follow-up project, I examine how the reduction in product differentiation opened opportunities for a new wave of firms to redefine the industry's product space. This shift enabled entrants to introduce novel products that leverage entirely new dimensions and flavors, reshaping competitive dynamics and expanding consumer choice.

In another project, in collaboration with a fellow PhD student at UCL, we look at how customer portfolio churning decisions impacts the growth trajectories of exporters using a dynamic model of endogenous network formation. Our model incorporates a costly bilateral search for new leads in the global market, exporters actively optimizing their customer portfolios while facing relationship upkeep costs, and multilateral price bargaining between firms. The goal is to anticipate firms responses in developing countries to exogenous shocks in their trade conditions. For this, we secured a £22k grant from the International Growth Center (https://www.theigc.org) through their Small Research Grant program.

My future projects share my focus on the evolution of market product spaces and innovation. I am currently in the early stages of two co-authored projects. The first examines the adoption of new technologies in the web browser market, exploring the power of dominant firms to steer technological trajectories to their advantage. The second project seeks to measure the economic value of high-speed mobile internet, accounting for the quality improvements enabled by faster connectivity.

Overall, my work seeks to understand innovation through its impact on product spaces — the tangible outputs that consumers ultimately purchase and benefit from. As seen above, my research interests span multiple industries and methodologies, combining structural models with robust econometric tools to provide a comprehensive analysis of the evolution of industries and technology.

I see the NBER Innovation Boot Camp as the best opportunity available in the final year of my PhD to gain fresh insights and exposure for my research, discover new data sources, connect with peers working on similar topics, and - hopefully - initiate new collaborations. Having benefited from the 2023 Entrepreneurship Boot Camp, I know how transformative this experience can be for my research and career as an academic Economist. I look forward to contributing my work and experience with the Innovation community later this year.

Dear Committee,

I am writing to provide a recommendation letter for Javier Boncompte Guarde who is applying to attend the 2025 NBER Innovation Bootcamp.

Javier is a star phd student working on innovation and empirical industrial organization. He has developed a model to understand innovation in the form of firms reformulating product characteristics in response to government policy. This model uses state of the art methods:
1) interactive fixed effects models to account for endogenous product characteristics and to infer endogenous product characteristics
2) modelling of firms' choices (innovations) of unobserved product characteristics to pin down economic valuation of those characteristics and to infer costs
3) quantitative analysis of costs/benefits to consumers, firms and government.

In addition, Javier is developing new data sources on innovation in web pages and in mobile internet markets.

He will be a great asset to have at the bootcamp. I strongly recommend that he be accepted to the program.

If you have questions or require further information, please contact me.

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