

Francis Guiton

Address:

Department of Economics
University of Toronto
150 St. George St.
Toronto, Ontario
M5S 3G7, Canada

Phone: +1-437-237-2302**Email:** francis.guiton@mail.utoronto.ca**Website:**English: <https://www.francisguiton.com>French: <https://www.francisguiton.com/français>**Citizenship:**

Canadian

Research Interests:

Industrial Organization, Business Economics, Applied Econometrics

EDUCATION

Ph.D. in Economics, University of Toronto 2024 (Expected)

Committee: Victor Aguirregabiria (supervisor), Heski Bar-Isaac,
Avi Goldfarb

M.A in Economics, McGill University 2018

Committee: Laura Lasio (supervisor)

B.Com. in Economics, McGill University 2016

RESEARCH

Managerial Incentives, Common Ownership, and Within-Firm Competition in Retail Chains (Job Market Paper)

Decentralized Decision-Making in Retail Chains: Evidence from Inventory Management with Victor Aguirregabiria [Under Journal Review]

AWARDS AND GRANTS

University of Toronto Doctoral Fellowship 2018 - 2024

PROFESSIONAL EXPERIENCE

Teaching Assistant 2018 - present

- ECO 310, ECO 380: Industrial Organization
- ECO 404: Managerial Economics
- ECO 460: Financial Risk Management
- ECO 374: Forecasting and Time Series
- ECO 220: Applied Econometrics
- ECO 105, ECO 200, ECO 202, ECO 313: Microeconomics and Macroeconomics

Research Assistant

2017 - 2021

- Victor Aguirregabiria (University of Toronto): Advanced programming and numerical analysis
- Jim Goldman (University of Toronto): Data collection and cleaning
- Francesca Carrieri (McGill University): Financial data analysis

CONFERENCE PRESENTATIONS (* ATTENDED BY COAUTHOR)

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| Annual Conference of the European Association for Research in Industrial Economics (Rome) | 2023 |
| Annual Conference of the International Association for Applied Econometrics (Oslo) | 2023 |
| Annual Conference of the Canadian Economics Association (Winnipeg) | 2023 |
| Access to Cash and Financial Services Workshop (Ottawa) | 2023 |
| Annual Conference of the Canadian Economics Association (Ottawa) | 2022 |
| International Industrial Organization Conference (Boston)* | 2022 |
| Conference to Honor John Rust (Washington)* | 2022 |
| Annual Conference of the European Association for Research in Industrial Economics (Bergen) | 2021 |

ACADEMIC SERVICE

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| Training Coordinator for Teaching Assistants, Department of Economics | 2021 |
| Co-President, Graduate Economics Union | 2019 - 2020 |

LANGUAGES

French (native language), English (bilingual)
Programming: MATLAB, Stata, R

REFERENCES

Victor Aguirregabira
Department of Economics
University of Toronto
150 St. George St.
Toronto, Ontario
M5S 3G7, Canada
victor.aguirregabiria@utoronto.ca
+1-416-978-4358

Heski Bar-Isaac
Rotman School of Management
University of Toronto
105 St. George St.
Toronto, Ontario
M5S 3E6, Canada
heski.bar-isaac@rotman.utoronto.ca
+1-416-978-3626

Avi Goldfarb
Rotman School of Management
University of Toronto
105 St. George St.
Toronto, Ontario
M5S 3E6, Canada
agoldfarb@rotman.utoronto.ca
+1-416-946-8604

Matthew Mitchell
Rotman School of Management
University of Toronto
105 St. George St.
Toronto, Ontario
M5S 3E6, Canada
matthew.mitchell@rotman.utoronto.ca
+1-416-946-3149

Abstracts

Managerial Incentives, Common Ownership, and Within-Firm Competition in Retail Chains

(Job Market Paper)

Managerial incentives designed to reward individual performance can decrease the degree of common ownership, leading to a misalignment of objectives between the organization and its managers. This paper examines this trade-off in the context of a large Canadian retail chain, in which store managers receive performance-based incentives for overseeing the inventory management of their store. Using a revealed preference approach, the estimation of a game of product assortment decisions shows that the degree of common ownership varies significantly across store managers in the retail chain. Particularly, results indicate that a larger store size and a closer proximity to rivals are associated with lower degrees of common ownership, creating an avenue for within-firm competition. Counterfactual experiments reveal that competitive interactions imply a substantial profit loss for the organization, particularly within denser clusters of stores, but that the impact on consumer surplus is ambiguous. Incentives that align the degree of common ownership across managers – for instance, by enhancing the role of district managers – are explored, and are found to mitigate these cannibalization effects.

Decentralized Decision-Making in Retail Chains: Evidence from Inventory Management

with Victor Aguirregabiria [Under Journal Review]

This paper investigates the impact of decentralizing inventory decision-making in multi-establishment firms using data from a large retail chain. Analyzing two years of daily data, we find significant heterogeneity among the inventory decisions made by 634 store managers. By estimating a dynamic structural model, we reveal substantial heterogeneity in managers' perceived costs. Moreover, we observe a correlation between the variance of these perceptions and managers' education and experience. Counterfactual experiments show that centralized inventory management reduces costs by eliminating the impact of managers' skill heterogeneity. However, these benefits are offset by the negative impact of delayed demand information.