

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:** <https://www.francisguiton.com>

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

B.Com. in Economics, McGill University 2016

RESEARCH

Misaligned Objectives and Within-Firm Competition in Retail Chains (Job Market Paper)

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

AWARDS AND GRANTS

University of Toronto Doctoral Fellowship 2018 - 2023

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

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
Annual Conference of the European Association for Research in Industrial Economics (Bergen)	2021

ACADEMIC SERVICE

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 Aguirregabiria
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

Misaligned Objectives and Within-Firm Competition in Retail Chains

(Job Market Paper)

In large retail organizations, the objectives of store managers can be misaligned with the objectives of the firm. In particular, competitive interactions between store managers driven by performance-based incentives can lead to sub-optimal outcomes from the point of view of the organization. This paper examines this potential misalignment in the context of a large Canadian retail chain, in which store managers oversee the inventory management of their store under the supervision of a district manager. Leveraging a unique and highly-detailed dataset describing the inventories, sales, and prices of all products carried by stores in the retail chain, the structural estimation of a game of product assortment decisions shows that store managers do not fully internalize the outcomes of other stores in their district. Results also show that the extent to which store managers behave in their own self-interest is correlated with the size of their store and the number of same-district stores in their neighbourhood. Counterfactual experiments reveal that this misalignment of objectives implies a substantial loss in profit for the firm, but an ambiguous effect on consumer welfare. Aligning the objectives of store managers with the objectives of the organization is shown to mitigate these cannibalization effects and provide consumers with greater product variety.

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

with Victor Aguirregabiria

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.