

Matthew Leisten

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**Fields**

Research: Industrial Organization  
Teaching: Microeconomics, Industrial Organization

**Education**

Ph.D., Economics, Northwestern University, 2020 (Anticipated)  
Dissertation: *Empirical Studies of Firm Behavior and Information*  
Committee: Robert Porter (Chair), Gaston Illanes, Michael Mazzeo  
B.A., Economics (with Highest Distinction) and Environmental Thought and Practice,  
University of Virginia, 2013

**Fellowships &  
Awards**

Graduate Dissertation Fellowship, 2019–2020  
Distinguished Teaching Assistant, 2016, 2017, 2018  
University Fellowship, 2014–2015  
Duncan Clark Hyde Award, 2013  
Kenneth G. Elzinga Scholarship, 2012

**Grants**

Center for the Study of Industrial Organization (Northwestern), \$1650

**Teaching Experience**

Teaching Assistant, Northwestern University, 2015-2018  
Principles of Microeconomics, Intermediate Microeconomics I and II,  
Industrial Economics, Environmental Economics, Public Finance  
Conference Leader, Northwestern New TA Conference, 2017

**Research Experience**

Research Assistant, Gaston Illanes, Northwestern University, 2018–2019  
Summer Research Intern, Karen Palmer and Margaret Walls, Resources for the Future, 2013

**Conferences**

Empirics and Methods in Economics Conference (EMCON), 2018 (Discussant)

**Job Market Paper**

**“Information, Managerial Incentives, and Scale: Evidence from Hotel Pricing”**

I measure what determines the quality of information firms have about market demand when setting prices, with application to the hotel industry. The hotel industry is vertically disintegrated between national chains and smaller franchisees. Chains delegate pricing to franchisees and extract royalty payments as a percentage of revenues; larger chains charge higher royalties. Franchisees affiliated with larger hotel chains may have better information about demand because larger chains have more data, or they may have worse information because higher royalties create weaker incentives to gather information. I develop a novel method to infer the quality of firms’ information from price and quantity data. I use this method to show that hotels affiliated with large chains have worse information than hotels affiliated with smaller chains. In a counterfactual in which royalties are fixed across chains, large chains become better-informed than small chains, suggesting that franchisee effort in

gathering information is an important driver of information quality. My findings suggest that local knowledge is the key driver of hotel information quality and explains why the hotel industry is vertically disintegrated.

## Works in Progress

### “Informational Complementarities and IT Arms Races”

Economic theory predicts that, across a broad class of supermodular games, including most forms of price competition, information is *complementary* in the following sense: the better any player’s information becomes, the more valuable information is to the player’s rivals. This implies that, if one player obtains better information, rivals will be more inclined to do so as well. This can lead to informational arms races, in which firms suddenly invest heavily in information technologies in response to each other. I measure how complementary information quality is in the hotel industry. I first measure the quality of information hotels have about demand when setting prices. I then simulate counterfactual hotel revenues if a hotel were to unilaterally gain better information, and counterfactual hotel revenues if all hotels gain better information. Finally, I predict the equilibrium levels of information in hotel markets if the costs of acquiring information became smaller for one hotel chain only.

## Non-Economics Publications

“Fine-scale spatial variability of heat-related mortality in Philadelphia County, USA, from 1983-2008: a case-series analysis”, with D. Hondula (lead author), R. Davis, M. Saha, L. Veazey, and C. Wegner, *Environmental Health*, 2011.

## Previous Employment

Compass Lexecon, 2013–2014  
Environmental Law Institute, 2011

## Languages

English (native)

## Programming

MATLAB, Stata, Python (basic), ArcGIS (basic)

## References

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## Last Updated

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