Updated October 2023

MENGQI ZHANG

Department of Economics, University of Colorado Boulder, 256 UCB Boulder, CO 80309

+1(720)-266-8863 • mengqi.zhang@colorado.edu

https://sites.google.com/colorado.edu/mengqi-zhang

EDUCATION

University of Colorado Boulder *Expected 2024*
Ph.D. in Economics

University of Colorado Boulder *2019*
M.A. in Economics

Shanghai Jiao Tong University *2017*
Master's Program in Economics

South China University of Technology *2014*
B.A. in Economics

RESEARCH INTERESTS

Microeconomic Theory, Industrial Organization, Marketing

WORKING PAPER

"Over-Persuasion and Mechanism Design"

(Job Market Paper)

The effect of Bayesian persuasion depends on the Receiver's prior belief. When the persuasive message must be broadcast, an optimal persuasion strategy chosen for one Receiver may over-persuade some other Receivers with different prior beliefs, resulting in a negative persuasion value. We design a mechanism in which contract transfer is contingent on signal realization. The agents have the option of accepting the contract and revealing the persuasion signal, or rejecting it and maintaining their prior beliefs. This mechanism, which also aims to improve persuasiveness, is designed to discourage certain Receivers from engaging in persuasion, as opposed to the conventional approach, which encourages Receivers to accept persuasive messages tailored to their types from a menu. By leveraging the conformation bias based on the Receiver's heterogeneous prior beliefs, incentive compatibility is easier to implement in this signal-contingent mechanism. Additionally, the signal-contingent mechanism allows a persuasive message be broadcast to all Receivers, making it more practical in the real world.

"Receiver Inattention and Persuading to be Persuaded"

In a Bayesian Persuasion game, when a Sender realizes he cannot immediately convince an inattentive Receiver to make a desirable decision immediately, he emphasizes persuading the Receiver to be persuadable in his next attempt. In an endogenously sequential persuasion model, we show that the Sender may favor sequential persuasions over static persuasions when the Receiver is rationally inattentive. The Sender designs experiments to increase the likelihood of a bad signal occurring in the current stage but makes it less bad when it occurs to accommodate for the subsequent persuasion attempt. This tactic decreases the success rate of the current persuasion but creates or increases the Receiver's willingness to be persuaded again if the current persuasion attempt fails. If the Sender is permitted more persuasion attempts, the experiments he conducts during each attempt will transmit less information and leads to "piecemeal" information disclosure. With more opportunities to persuade, a small rate of success in each attempt accumulates into a large one, thereby making the sequential persuasion more effective than the static persuasion.

"Price Signal in Conspicuous Consumption"

(Invited Resubmission at *Management Science*)

In conspicuous consumption, if consumers lack information on actual demand, they are uncertain about the exclusivity for which they are willing to pay a premium. We show that the price set by a monopolistic seller who has full knowledge of demand distribution can serve as a signal for consumers to estimate the exclusivity of the product, which is essential for supporting conspicuous consumption. Conspicuous consumption supported by the price signal mechanism exhibits a conventional pattern of selling to fewer consumers at a higher markup. However, the nature of this mechanism tends to cause consumers to underestimate the conspicuous value, sometimes resulting in a loss for the seller or even the elimination of conspicuous consumption. Our findings are robust in contexts where consumer types are subject to binary and continuous distribution.

"Income Effect and Product Quality in Conspicuous Consumption"

For conspicuous consumption to occur, certain price levels must exclude low-income consumers while retaining as many high-income consumers as possible to create exclusivity. This phenomenon necessitates the income effect if consumers with different incomes share similar preferences for a status good. However, as a result of the income effect, the direct value determined by product quality and the conspicuous value determined by exclusivity may act as substitutes for consumers. Therefore, when a product becomes a status good, its quality may decrease. Consumers who purchase a good solely for its direct value may incur a loss, and the market may experience a decrease in efficiency. Moreover, the quality decline of a status good reduces the effectiveness of price as a signal of product quality, whereas a high price indicates only high quality if the good is an ordinary good under the same conditions.

RESEARCH IN PROGRESS

"Counterfeiting as a Signal of Exclusivity in Conspicuous Consumption"

"Buying to Qualify: Manufactured Purchases and Scarcity Pricing in the Luxury Market"

"Optimal Pricing under Mechanism and Persuasion Designs"

PRESENTATION (CONFERENCE AND WORKSHOP)

2023 Midwest International Trade & Theory Conference — *November 10-12, 2023 (Scheduled)*

2023 INFORMS Annual Meeting (Phoenix, AZ) — *October 15-18, 2023 (Scheduled)*

TEACHING EXPERIENCE

Instructor

Intermediate Macroeconomic Theory — *Fall 2019*

Teaching Assistant

Intermediate Microeconomic Theory — *Spring 2022, Fall 2022*

Introduction to Statistics with Computer Applications — *Fall 2023*

Principles of Microeconomics	*Spring 2018, Spring 2020 - Fall 2021*
Principles of Macroeconomics	*Fall 2017, Fall 2018, Spring 2019, Spring 2023*
Natural Resource Economics	*Fall 2017*
Advanced Microeconomic Theory	*Fall 2015*

ACADEMIC AWARDS

Sieglinde Talbott Haller Endowed Economics Scholarship	*2021*
Paula M. Hildebrandt Economics Graduate Student Support Award	*2020*
Morris E. Garnsey Fellowship	*2019*
Yordon Prize in Microeconomics	*2018*
Robert and Lauri McNown Award	*2018*
Bacon Family Fellowship	*2017*

LANGUAGES

Mandarin (Native), Cantonese (Native), English (Fluent)

REFERENCES

Jin-Hyuk Kim
Associate Professor of Economics
Department of Economics
University of Colorado Boulder
jinhyuk.kim@colorado.edu

Piotr Dworczak
Associate Professor of Economics
Department of Economics
Northwestern University
piotr.dworczak@northwestern.edu

Yongmin Chen
Professor of Economics
Department of Economics
University of Colorado Boulder
yongmin.chen@colorado.edu

Chuan He
Professor of Strategy,
Entrepreneurship and Operations
Leeds School of Business
University of Colorado Boulder
chuan.he@colorado.edu