

BROWNBAG SEMINAR

Expert Markets with Consumer Search

By Prof. ZHANG Tianle (Associate Professor, Department of Economics)

Abstract:

In many situations, consumers must rely on experts to identify and provide the correct type of service (e.g. auto and home repairs). There is casual and empirical evidence that experts may cheat by exaggerating the severity of a problem and recommending a service that is not necessary. In response, consumers may search for a second opinion which, however, may be costly.

Does consumer search reduce cheating by experts? This paper develops a model of consumer search to study this research question. We show and explain why a reduction in search cost may increase or decrease expert cheating. Policy implications will also be discussed.

Date: 30 November 21 (Tue)

Time: 12:30-13:30

Venue: WYL314

****Registration is required**

Register Here:

