

## Topic-Defence Seminar

# *“Selling to Reference-Dependent Consumers”*

(in English)

**Presenter:** Mr. LEUNG Hin-shing (MPhil Student)

**Date:** 11 April 2019 (Thursday)

**Time:** 4:15 pm – 4:45 pm

**Venue:** WYL314, Dorothy Y. L. Wong Building

**Chief Supervisor:** Prof. ZHANG Tianle (Associate Professor)

**Co-supervisor:** Prof. HONG Fuhai (Associate Professor)

### Abstract:

We develop a theoretical model to study a monopoly firm's optimal selling strategy when consumers are reference dependent. In the model, a consumer receives a gain (a loss) if her intrinsic value of a product is higher (lower) than the expected value. We first study the optimal pricing when consumers' expectation on product value is fixed and show how the firm adjusts its pricing as expectation varies. We then propose to study the situation in which the firm can also influence consumers' expectation.

ALL ARE WELCOME