

Communication Enhancement through Information Acquisition by Uninformed Player

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Abstract

We investigate strategic information transmission between an informed expert and an uninformed decision maker. The decision maker can privately acquire imperfect information about the states of the world. The information acquisitions are costly, and the precision of information depends on how much the decision maker spends on the activities. It is shown that, in equilibrium, the decision maker's information acquisitions can enhance communication, compared to the situation where she cannot gather information. What is more interesting is that the information structure is endogenized, namely, it is determined which information she acquires in the equilibrium.

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