Informing to Divert Attention

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Abstract

We study a multidimensional Sender-Receiver game in which Receiver can acquire limited information after observing the Sender's signal. Depending on the parameters describing the conflict of interest between Sender and Receiver, we characterise optimal information disclosure and the information acquired by Receiver as a response. We show that in case of partial conflict of interests (aligned on some dimensions and misaligned on others) Sender uses multidimensionality of the environment to divert Receiver's attention away from the dimensions of misalignment of interests. Moreover, there is negative value of information in the sense that Receiver would be better off if she could commit not to extract private information or to have access to information of lower quality. We present applications to informational lobbying and optimal bonus policies.