# Elias Tsakas

## *Presentation Title*
## Pricing unverifiable information
(with Salil Sharma and Mark Voorneveld)

## *Abstract*
We study markets for information which is not verifiable by the principal (viz., the buyer). We provide a full characterization of the menus (viz., the compensation schemes) that guarantee that the desired signal will be chosen by the expert (viz., the seller) who incurs costs for acquiring information. The cheapest among all such menus is then identified, which allows us to compute the guaranteed surplus for the expert. We show that even in ideal settings for the principal (e.g., when the expert is completely uninformed and all the strategic power lies with the principal), the expert's surplus is strictly positive, i.e., the expert is always overpaid. This prediction is strikingly distinct from the corresponding one in markets for commodities or markets for stored information (e.g., datasets), and it is attributed to the fact that information is unverifiable.

## *Keywords*
Information acquisition, experts, verifiability, incentives, surplus.

## *Affiliation*
Maastricht University