

MENGQI ZHANG

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EDUCATION

University of Colorado Boulder

2017 - Expected 2023

Ph.D. in Economics

Committee Members: Jin-Hyuk Kim (Chair), Yongmin Chen, Chuan He, Sergey Nigai, Yucheng Ding

University of Colorado Boulder

2017 - 2019

M.A. in Economics

Shanghai Jiao Tong University

2014 - 2017

Master's Program in Economics

South China University of Technology

2010 - 2014

B.A. in Economics

RESEARCH INTERESTS

Industrial Organization, Behavioral Economics, Microeconomic Theory

WORKING PAPER

Price Signal in Conspicuous Consumption (Job Market Paper)

A price that excludes some consumers from the market for a status good results in exclusivity and conspicuous consumption. But if rational consumers are not fully aware of the market demand, they may infer from the price signal that such exclusivity cannot be too great, because the seller would not otherwise be willing to exclude these consumers at this price. Therefore, a price that supports conspicuous consumption also sends a signal that threatens it by undermining consumers' confidence in exclusivity. This paper demonstrates that when price sends such a signal, a monopoly seller may need to sell more than he wants to at a lower price, which impairs his profitability and even eliminates conspicuous consumption entirely. A firm with a lower profit from conspicuous consumption will be impacted by the price signal more heavily.

Income Effect and Product Quality in Conspicuous Consumption

For conspicuous consumption to occur, certain price levels must exclude low-income consumers while retaining as many high-income consumers as possible in the status goods market. Such separate purchasing decisions necessitate the income effect if consumers with different incomes share a similar preference for a status good. However, due to the income effect, direct value and conspicuous value both generated by a status good become substitutes for consumers who place a premium on conspicuous value. Therefore, when a product becomes a status good and its conspicuous value is activated, its optimal quality may depreciate. Due to this depreciation, consumers who purchase a good solely for its direct value incur a loss, and the market may also suffer a deadweight loss. Moreover, becoming a status good reduces the effectiveness of price as a signal of product quality, as a high price may be associated not only with high quality but also with high conspicuous value and depreciated quality.

RESEARCH IN PROGRESS

Counterfeiting as a Signal of Exclusivity in Conspicuous Consumption
Information Processing, Signal Quality, and Competition among Candidates

TEACHING EXPERIENCE

Instructor

Intermediate Macroeconomic Theory *Fall 2019*

Teaching Assistant

Intermediate Microeconomic Theory *Spring 2022, Fall 2022*

Principles of Microeconomics *Spring 2018, Spring 2020 - Fall 2021*

Principles of Macroeconomics *Fall 2017, Fall 2018, Spring 2019*

Natural Resource Economics *Fall 2017*

Advanced Microeconomic Theory *Fall 2015*

ACADEMIC AWARDS

Sieglinde Talbott Haller Endowed Economics Scholarship *2021*

Paula M. Hildebrandt Economics Graduate Student Support Award *2020*

Morris E. Garnsey Fellowship *2019*

Yordon Prize in Microeconomics *2018*

Robert and Lauri McNown Award *2018*

Bacon Family Fellowship *2017*

LANGUAGES

Mandarin (Native), Cantonese (Native), English (Fluent)

REFERENCES

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Leeds School of Business
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