**Competitive Advertising and Pricing**

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**Abstract**

We consider an oligopoly market in which each firm decides not only its price but also how much information about its product to reveal to consumers. Utilizing a recently developed technique in information design, we fully characterize symmetric pure-strategy market equilibria of this game. We illustrate how a firm’s advertising strategy is shaped by its pricing decision and how the equilibrium advertising level depends on the underlying distribution of consumers’ true values. A direct but important corollary of our analysis is that more intense competition (more firms in the market) induces each firm to reveal more product information.

JEL Classification Numbers: D43, L11, L13, L15, M37.

Keywords: Informative advertising; information disclosure; Bertrand competition.