Lying Aversion and Vague Communication: An Experimental Study
Keh-Kuan Sun† and Guangying Chen‡
†Postdoctoral Research Associate, Smith Institute for Political Economy and Philosophy, Chapman University. Email: sesun@chapman.edu
‡Marketing PhD Student, Olin Business School, Washington University in St. Louis. Email: guangyingchen@wustl.edu

An agent may benefit from misleading the audience’s belief about the state of the world. While a blatantly misleading message may be more effective than a vague message, this may cause the individual to feel more guilt or negatively affect the audience’s social identity. We explore the extent to which these two types of lying costs affect communication in a novel experiment setting that generalizes the framework of Fischbacher and Föllmi-Heusi (2013) and provides a bridge between the literature of lying behavior to a broader set of studies involving vague communication.

People exploit vagueness so as to be consistent with the truth, while leveraging the imprecision to their own benefit. Their belief about how their message would be interpreted determines the degree of vagueness.