Signaling quality in vertical relationships

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  - Refinements assume quite sophisticated behaviors

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  - No selection criterion

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- Market share for the unknown product
  $D(p, \mu) = \frac{2A + \mu\Delta - p}{2t}$, with $A = \frac{t + \alpha(c - \Delta)}{2}$

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  - Upward distorsion for H when $c < \min\left\{2A, \sqrt{\Delta\left(4A+\Delta\right)}\right\}$

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  - High optimism prevents information disclosure

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  - $\widehat{w}_L = 0$ and $\hat{F}_L = \widehat{\pi}_L^M$
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     - *Optimal contracts induce the retailer to set the pooling price* $p^* = \underline{p}_2(c, F_H^*, \mu_0) = \overline{p}_2(0, F_L^*, \mu_0)$