

Zheng, Charles Zhoucheng**Optimal auction with resale.** (English) Zbl 1141.91412

Econometrica 70, No. 6, 2197-2224 (2002).

Summary: This paper investigates the design of seller-optimal auctions when winning bidders can attempt to resell the good. In that case, the optimal allocation characterized by *R. B. Myerson* [Math. Oper. Res. 6, 58–73 (1981; [Zbl 0496.90099](#))] cannot be achieved without resale. I find a sufficient and necessary condition for sincere bidding given the possibility of resale. In two-bidder cases, I prove that the Myerson allocation can be achieved under standard conditions supplemented with two assumptions. With three or more bidders, achieving the Myerson allocation is more difficult. I prove that it can be implemented in special cases. In those cases, the Myerson allocation is generated through a sequence of resale auctions, each optimally chosen by a reseller.

MSC:

[91B26](#) Auctions, bargaining, bidding and selling, and other market models
[91A40](#) Other game-theoretic models

Cited in **2** Reviews
Cited in **20** Documents**Full Text:** [DOI](#)