Abstract
We study how the suspicion that communicated information might be deceptive affects the nature of what can be communicated in a sender-receiver game. The receiver forms beliefs about the state of the world that depend on the prior distribution of the state, the sender’s message strategy, and the actual message sent. The sender may deceive the receiver by sending a message that is different from what she was supposed to send given her message strategy, at an endogenous cost that is increasing in the distance between the beliefs induced by the message actually sent, and the beliefs that would have been induced under the message that was supposed to be sent. A message function that induces the sender to engage in deception is said to be non-credible. Such a message function cannot be part of equilibrium. We study credible communication in Bayesian persuasion and in cheap-talk games.

Importantly, the cost of deception also parametrizes the sender’s ability to commit to her strategy. Through varying the cost of deception, our approach spans the range from no commitment (cheap-talk), to full commitment (Bayesian persuasion.)