

Work in Progress: Do They Really Mean It? Assessing Decision Market Outcomes

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Abstract: Decision markets are social media for decision making where the options to choose from are traded for (with real or play money) by the decision makers. The market equilibrium resulting from the competition between the options offered by sellers and sought for by buyers is interpreted as a collective consent and the relative market prices are interpreted as a ranking of the options. However, on decision markets like on financial markets market equilibrium prices may also arise out of mimicry resulting from either indecision or pure greed. The more the trading behavior is driven by indecision or greed, the less the equilibrium prices reflect genuine preferences. This article proposes a novel approach to decision making. It further describes to rely on artificial perturbations of a market's equilibrium for uncovering indecision or greed on decision markets. Based on the hypothesis that profit seeking is affected by psychological norms that can be activated by context cues and social interaction, an experimental evaluation is proposed that shifts a market's framing between a competitive individualistic and a collaborative communal setting. Social norms in the collaborative communal setting are expected to lessen greed and thus give ways to true preferences: The equilibria of markets with a collaborative communal setting are therefore expected to be less vulnerable to artificial perturbations than those with a competitive individualistic setting. This article describes in a principled manner first the market perturbations, second the experimental evaluation framework.