CS395T
Agent-Based Electronic Commerce
Fall 2006

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Week 8b

Good Afternoon, Colleagues

Are there any questions?

Stopping Rules, Activity Rules

Goal: Fast auction; simultaneous closings; simple

- Close licenses separately, but slow down bidding on each one as final prices are approached.
- Close the core "big" licenses first and simultaneously, then the smaller ones separately.
  - efficiency on big licenses, speed after that.
- Simultaneous close, but require activity
  - Activity on a license: bid placed or previous high bid
  - Low activity lowers *eligibility*
  - Eligibility bounds what you can bid on
  - Activity requirements increase as time goes on

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  Bidders can be counted on to seek ways to outfox the mechanism — Milgrom p. 150 (top)

Used laboratory experiments too

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- How do you evaluate whether an auction succeeded?
  - Or even better, whether it **will** succeed?

Combinatorial bidding

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- 700 MHz never happened

Human factors

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- Throwing good money after bad
  - German auction
  - Auction 35 (p.27,28)

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- Dynamic, so more transparent than VCG (good for dependent values)

Class Discussion

- Honain Khan on auctions vs. beauty contests

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- We had to define:
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  - Their values
  - Their knowledge of each other's values
  - Their strategies
- Started out as an exploration of strategy space in the simulator

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- The auctions are a poker game!

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  - Used to compute *satisfaction*

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- How can you do better?

Fairing and cheater detection

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- How were the magic numbers determined?

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- Is it a dominant strategy in this domain?
- Why are the game matrices representative?
- Is SDR illegal? What about publishing PRSDR?

Allocations vs. Assignment

- You have 30 old textbooks
  - Sell as a group, or one volume at a time?
  - What if they're volumes of a dictionary?
- How would you build/test a theory of allocations?

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- Why did WirelessCo bid-withdraw-rebid in round 99? (page 10?)
- Any other moves you want to discuss?