Experimental Auctions

Economists, psychologists, and marketers are interested in determining the monetary value people place on non-market goods for a variety of reasons: to carry out cost-benefit analysis, to determine the welfare effects of technological innovation or public policy, to forecast new product success, and to understand individual and consumer behavior. Unfortunately, many currently available techniques for eliciting individuals' values suffer from a serious problem in that they involve asking individuals hypothetical questions about intended behavior. Experimental auctions circumvent this problem because they involve individuals exchanging real money for real goods in an active market. This represents a promising means for eliciting non-market values. Lusk and Shogren provide a comprehensive guide to the theory and practice of experimental auctions. It will be a valuable resource for graduate students, practitioners, and researchers concerned with the design and utilization of experimental auctions in applied economic and marketing research.

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Jayson L. Lusk and Jason F. Shogren

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This book is dedicated to our families their support and patience during the writing of this book.

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