



The Logic of Passion: Auction Theory and the Collector's eBay

Ken Steiglitz

Vickrey's 1961 paper started the development of a theory of auctions that is both elegant and successful in capturing many aspects of behavior in this microcosm of economics. Internet auctions now present the field with new challenges and opportunities. I'll outline the cornerstones of the theory, some history of auctions, and show how together they help explain the development of eBay as today's dominant online auction venue. I'll then describe how eBay is being used to test auction theory empirically, and discuss the ways in which the theory works and doesn't work. I will focus particularly on the sale of unique items, those that inflame the passion of collectors and stress the theory.

Ken Steiglitz is Eugene Higgins professor of computer science at Princeton University. His current research interests include applied auction theory and the physics of computation---especially information processing with solitons. He has written "Combinatorial Optimization: Algorithms and Complexity" (with Papadimitriou), "A DSP Primer," and, most recently, "Snipers, Shills, and Sharks: eBay and Human Behavior."

Date: Thursday, April 17, 2008, 8:00 pm. (Refreshments and networking at 7:30 pm.)
Place: Sarnoff Corp., Routes 1 and 571, Princeton, NJ
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On-line info: http://www.acm.org/chapters/princetonacm

All ACM / IEEE-CS meetings are open to the public. Students and their parents are welcome. There is no admission charge, and refreshments are served.

A pre-meeting dinner with the speaker is held at 6:00 p.m. at Ruby Tuesday's Restaurant on Route 1. Please send email to princetonacm@acm.org in advance if you plan to attend the dinner.

