

What makes a worthwhile experiment?

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What makes a worthwhile experiment?

Why should you listen to me?

- I have been conducting experiments for over 20 years.
- I am on the editorial board of European Economic Review (A*), Experimental Economics (A*), Journal of Behavioral and Experimental Economics (B).

Why should you *not* listen to me?

- I get a lot of rejections (by my count, 19 in the last 12 months).
- Editors often don't follow my recommendations as referee (I am both too mean and too nice).

What makes a worthwhile experiment?

Question: What do I know now that I wish I'd known when I started conducting experiments?

Conducting your own experiments...

Consider your target (academic publication, advice for policy makers, ...).

(from Anbarci and Feltovich, 2013 Int. Econ. Rev.)

Round 2 of 2 Remaining time [sec]: 43

History of your past outcomes:

Round	Your cost of production (£)	Your price (£)	Other firm price (£)	Number of buyers visiting you	Quantity you sold	Your profit (£)
1	10.00	12.99	10.00	0	0	0.00

This is the beginning of Round 2. You are a **SELLER**.

You have been randomly grouped with another seller and two buyers.

Please choose your price for this round. Your choice can be any multiple of £0.01, between **£10.00** and **£20.00** inclusive.

MY PRICE: £

Conducting your own experiments...

Consider your target (academic publication, advice for policy makers, ...).

(from Buchanan and Wilson, 2012 w.p.)

The screenshot shows a game interface for 'Client A' with several panels:

- Cart:**
 - Cents Balance: 225
 - Light Gray Goods: 4
 - Dark Gray Goods: 3
 - Buttons: Post Gray Offer
 - Table:

#	Color	Value	Usage Fee	Creator	Offers	Accepts
1	2.2.4	9	0	You	Offered	1
2	3.2.3	40	1	Other	Offer	
 - Summary:
 - Color Revenue: 49
 - Color Usage Fees: -1
 - Potential Gray Revenue: 27
 - Cents Balance: 225
 - Loan Payment: -250
 - Today's Potential Profit (€): 50
- Village:** A grid of 10 houses labeled A through J.
- Bulletin Board:**
 - Color Goods:**

Color	Value	Price	Poster	Accepts
3.2.3	40	37	E	Accepted
3.1.3	30	27	E	Accept
3.1.4	9	5	E	Accept
2.2.4	9	8	A	Edit
2.1.4	5	10	C	Accept
3.3.3	30	25	E	Accept
3.1.4	9	10		Accept
3.1.2	9	6	J	Accept
 - Gray Goods:**

Color	Price	Poster	Accepts
Light	4		Accepted
Dark	5	G	Accepted
Light	5	H	Accepted
Light	7	H	Accept
Light	4	B	Accepted
Light	4		Accepted
Light	5	F	Accepted
Light	5	F	Accepted
Light	4	B	Accepted
Light	5	F	Accepted
- Chat:**
 - Day 1
 - Person J: nom nom nom
 - Input: Chat Type Chat Here
 - Actions:
 - Day 1
 - You accepted a Light good.
 - You accepted item 3.2.3.
 - Your Bulletin Board item #1 has been accepted.
 - Your Cart item #1 has been accepted.
 - You accepted a Light good.
 - You accepted a Light good.
 - You accepted a Light good.
- Status:**
 - Total Earnings (\$): 0
 - Day: 1
 - Time Remaining: 01:19
- Buttons:** Enter Studio, Transfer Cents, Send Items

Conducting your own experiments...

Scour the literature.

Think about your statistical analysis ahead of time.

Keep your instructions simple and clear.

Write the “experimental procedures” section of your paper when you’re designing the experiment.

Err on the side of collecting more data (within reason).

- More observations
- More variables per observation

Some resources - texts

Camerer, *Behavioral Game Theory* (2003)

Kagel and Roth, *Handbook of Experimental Economics* (1995)

(NB, v. 2 coming soon)

Friedman and Sunder, *Experimental Methods: a Primer for Economists* (1994)

Davis and Holt, *Experimental Economics* (1993)

Some resources - people

Experimental economists in Australia (based mostly on my recollection, so apologies to anyone wrongly excluded or included):

UNSW: Gigi Foster, Ben Greiner, Andreas Ortmann

Sydney: Stephen Cheung, Pablo Guillen, Bob Slonim, Agnieszka Tymula

UTS: Jacob Goeree, John Wooders, Jingjing Zhang

Deakin: Aaron Nicholas

Melbourne: Nisvan Erkal, Tom Wilkening

Monash: Klaus Abbink, Lisa Cameron, Lata Gangadharan, Phil Grossman, Elias Khalil, Andreas Leibbrandt, Birendra Rai, Anmol Ratan, Erte Xiao

Adelaide: Ralph Bayer, Paul Pezanis-Christou

QUT: Uwe Dulleck, Changxia Ke, Lionel Page, Markus Schaffner, Benno Torgler

UQ: Marco Faravelli, Lana Friesen, Kenan Kalayci, Vera te Velde

Tasmania: Hugh Sibly, John Tisdell

Murdoch: David Butler