

Accepted Manuscript

Lowest-Unmatched Price Auctions

Jürgen Eichbergera, Dmitri Vinogradovb

PII: S0167-7187(15)00075-2
DOI: doi: [10.1016/j.ijindorg.2015.07.004](https://doi.org/10.1016/j.ijindorg.2015.07.004)
Reference: INDOR 2246

To appear in: *International Journal of Industrial Organization*

Received date: 3 February 2014
Revised date: 14 July 2015
Accepted date: 15 July 2015



Please cite this article as: Eichbergera, Jürgen, Vinogradovb, Dmitri, Lowest-Unmatched Price Auctions, *International Journal of Industrial Organization* (2015), doi: [10.1016/j.ijindorg.2015.07.004](https://doi.org/10.1016/j.ijindorg.2015.07.004)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

Lowest-Unmatched Price Auctions

Jürgen Eichberger
University of Heidelberg, Germany

Dmitri Vinogradov
University of Essex, UK

July 2015

Abstract

Lowest-Unmatched Price Auctions (LUPA) specify that the lowest bid placed by only one participant wins. They are used in internet trading and TV and radio shows. We model LUPAs as games with minimal restrictions, in particular allowing players to place more than one bid, since multiple bids have been observed in most actual LUPAs. Though LUPAs are games for which a closed-form solution does not seem to exist in general, our model generates several testable implications about the type of strategies played in equilibrium and the highest bid in a given LUPA. Our analysis suggests that players follow strategic considerations and arrive at decisions which, at least in the aggregate, are generally consistent with theoretical predictions, yet there are some remarkable deviations.

JEL Classification: C71, D44

Keywords: unmatched bid auction, bidding behavior, overbidding

Address for Correspondence: Dmitri Vinogradov, Essex Business School, University of Essex, Wivenhoe Park, Colchester, CO4 3SQ, United Kingdom. Email: dvinog@essex.ac.uk

Download English Version:

<https://daneshyari.com/en/article/5077837>

Download Persian Version:

<https://daneshyari.com/article/5077837>

[Daneshyari.com](https://daneshyari.com)