

# The wisdom of networked crowds

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- ▶ Are threshold models appropriate?
- ▶ Which classes of diffusion models definitely don't work, and which are promising?

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- ▶ Theoretical justification for this comes from the Law of Large Numbers, with appropriate assumptions on distribution of the errors made by individuals.
- ▶ Independence of estimates (or even negative correlation) gives good results, but positively correlated estimates can give bad ones, in theory.
- ▶ When estimates can be revised and information about others' estimates is available, **herding** can occur.

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- ▶ Sometimes there are strategic incentives for conformity rather than correctness. We focus on the case where individual performance is incentivized and answers are objective.
- ▶ Group performance depends greatly on protocols used (for example, discussion can often hinder rather than help). The **Delphi technique** is a generally successful method for combining estimates allowing for iterative guesses based on feedback from the group, conveyed via a central controller.

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- ▶ We found little literature on this situation. Without the iteration and network, Condorcet's Jury Theorem and its descendants show that crowds are often wiser than their experts.
- ▶ We seek to investigate this experimentally with a view to developing more realistic models that we can analyse. In particular, we want to model undecidedness.

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  - ▶ those who know they don't know;
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## What the subjects saw

Question

1 out of 5

Remaining time to make your choice 14

This is iteration 2.

The percentages of your feeds who chose answers 1), 2) or 3) were 0%, 0%, 100%, respectively. Your previous answer to this question was 2. (Note: "0" means you did not answer).

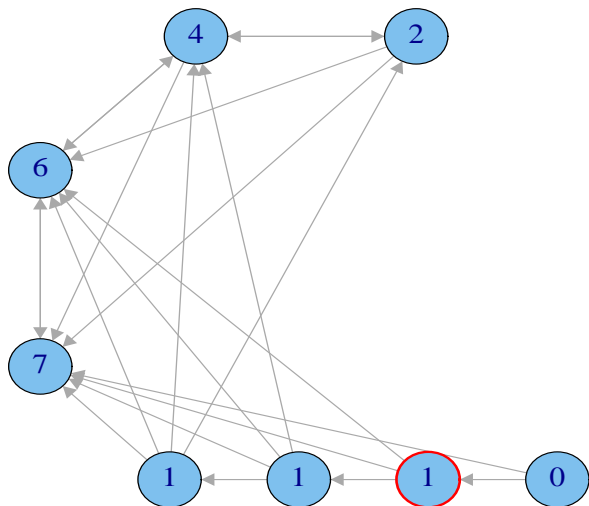
### Question

If it takes 5 machines 5 minutes to make 5 widgets, how long will it take 100 machines to make 100 widgets?

### Options

- 1) At least 50 minutes
- 2) Less than 50 minutes
- 3) I am not sure

## Novel topology creating heterogeneity in feed information



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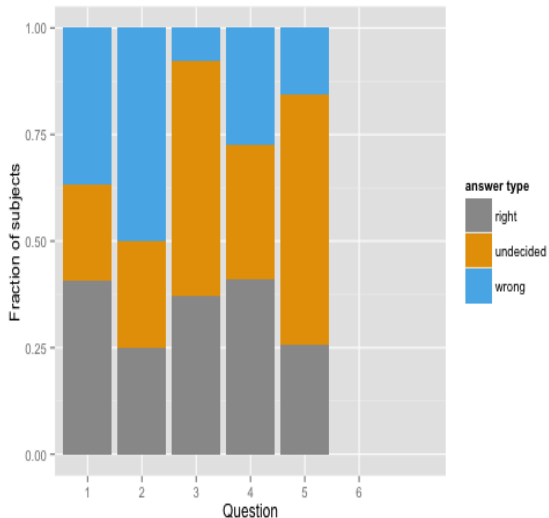
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  - ▶ One was essentially impossible without being given the correct answer (which we gave to a few subjects).
- ▶ Let  $C, U, I$  be the fraction of correct, undecided, incorrect answers given at the first iteration, so  $1 = C + U + I$ . A key property of questions seems to be **trickiness**, which we define as  $I$ . This is distinct from **difficulty**, which we define as  $U + I$ .

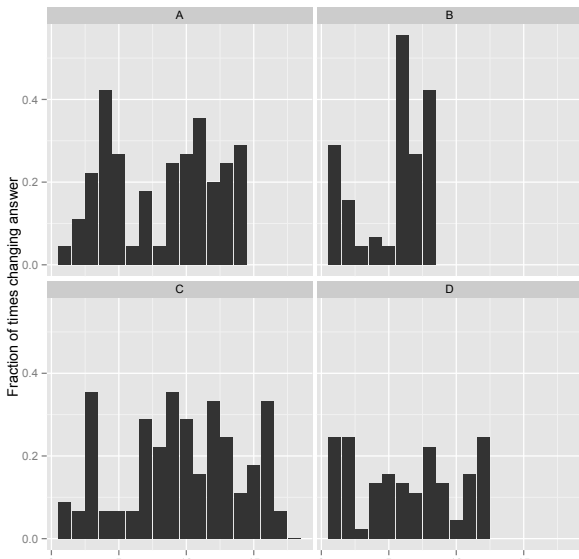
## Difficulty and trickiness of questions



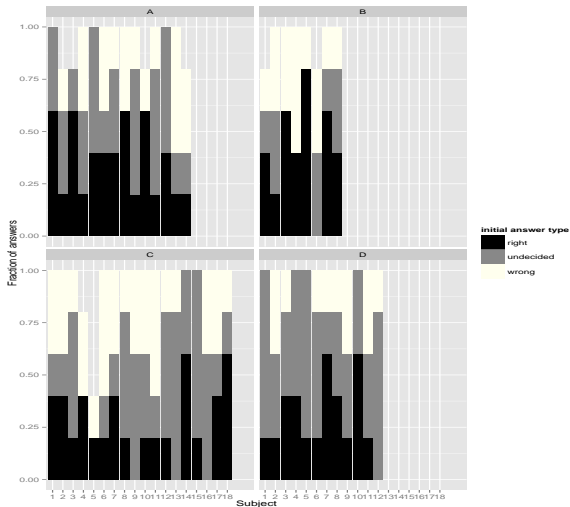
## Strong asymmetry between "I am not sure" and others



## Participants changed their answer rather often



## About 80% were tricked on some question





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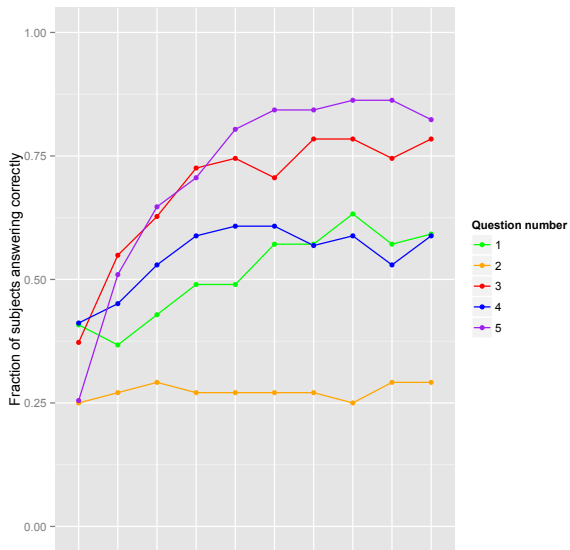
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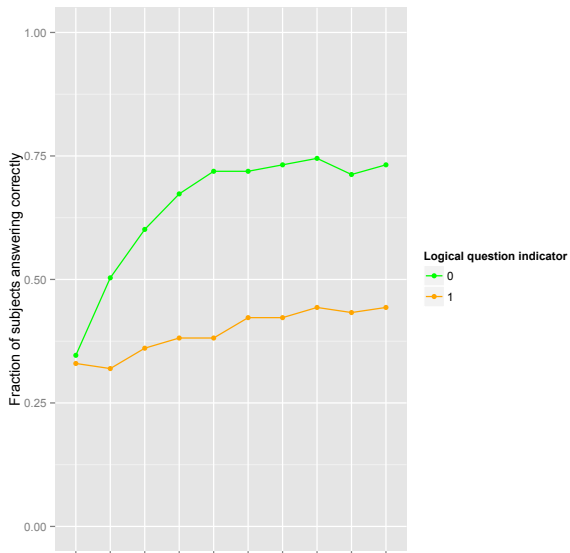
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- ▶ Logical questions elicit more changes but worse social learning.

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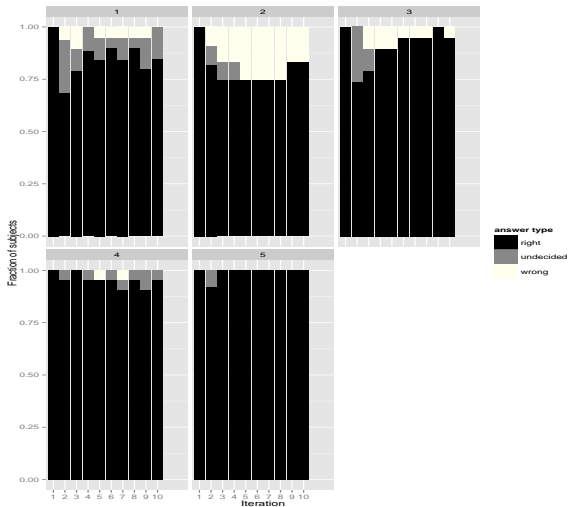
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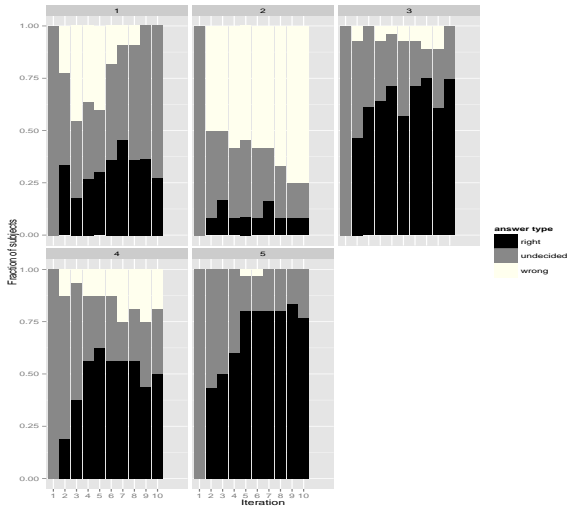
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- ▶ It does not seem that the members of these groups are the same for each question, but more work is needed.

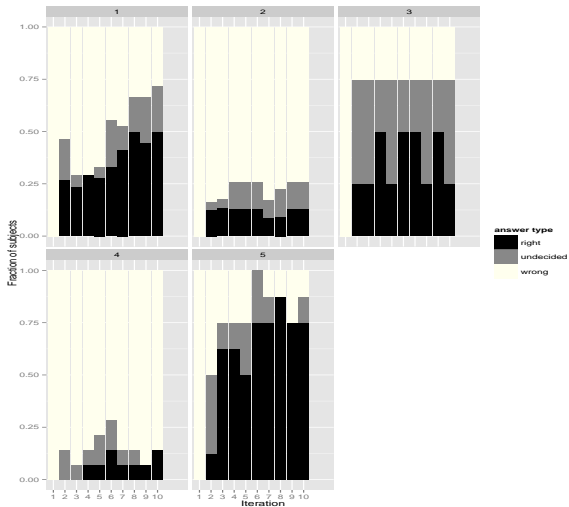
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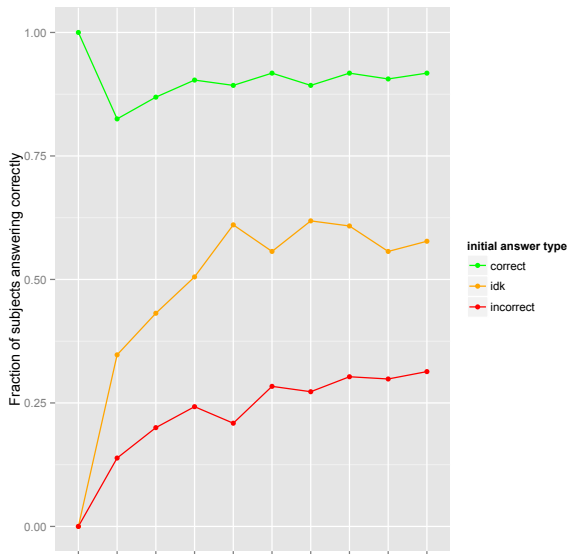
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## Learning according to first answer



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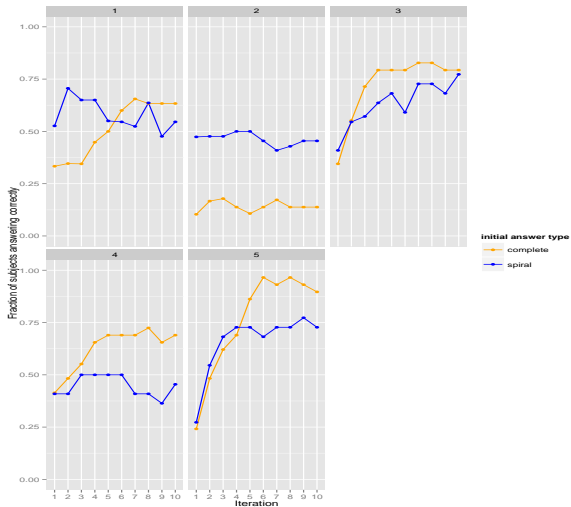
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- ▶ Our results, in quite a different setting, seem to agree with those of Lazer & Friedman (2007) on exploration vs exploitation in optimization problems.
- ▶ Topologies promoting easy information-sharing tend to yield worse social learning for hard questions, as too little exploration occurs owing to herding.

# Learning by question and topology



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- ▶ Threshold-type models for opinion change won't work directly: any model with zero weight on agent's own opinion is strongly refuted by our data.
- ▶ If  $p_1, p_2, p_3$  are fractions of neighbours with opinions 1, 2 or "I am not sure", then threshold models use  $p_1$  to predict answer 1 by agent. However we find that  $p_1 - p_2$  and  $p_3$  are much better predictors.



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- ▶ Standard software ORSEE used to recruit from a pool of students, zTree used to perform the experiment.

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- ▶ There are 3 possible answers: option 1, option 2 and “I am not sure”. This we think is novel.
- ▶ Subjects are paid for answering correctly at the last iteration and a randomly chosen other one. They are paid 1 for correct, 0 for wrong, 0.6 for “I am not sure”.



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- ▶ We have 52 subjects over 4 sessions, so 2600 data points. In only 72 of these was no answer made. We discard those points for most of the analysis, leaving 2528.

## Key references

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