Auction complexity and bidder behavior in iterative adjustment processes

Katerina Sherstyuk*

WORK IN PROGRESS
June 2006

Abstract

We suggest a way to evaluate complexity of strategies in iterative adjustment processes such as auctions. Complexity may explain bidder choice of strategies in such iterative adjustment procedures.

JEL classification code: C92, D44
Key words: auctions; complexity

*Department of Economics, University of Hawaii at Manoa, 2424 Maile Way, Honolulu, HI 96822. Fax: (808)-956-4347; phone: (808)-956-7851; email: katas@hawaii.edu. I would like to thank the participants of 2006 Annual Meetings of the Economic Science Association in Atlanta, Georgia, for helpful discussion. I am especially grateful to Yan Chen for many motivating discussions.