SEEL NEWS

What is SEEL?
The Department of Economics is the home to Scotland's first experimental economics laboratory: The Scottish Experimental Economics Laboratory (SEEL).
SEEL also refers to the Aberdeen’s research group interested in experimental economics (and related subjects), which includes researchers from not only the Business School, but also other units and institutes of the University of Aberdeen, such as the Health Economics Research Unit (HERU) and the Rowett Institute for Nutrition and Health (RINH).

SEEL activities in 2014

- **First SEEL workshop.** Dr Mauro Papi and other colleagues organized a workshop in experimental economics on the 28th of March 2014 (see below for more details).
- **Stated Preferences Conference.** Dr Verity Watson and other colleagues organized a half-day conference on stated preferences on the 9th of July 2014 (see below for more details).
- **SEEL internal seminar series.** Dr Mauro Papi presented his project on search heuristics in individual decision-making on the 15th of May 2014.
- **PhD Supervision.** Dr Verity Watson along with Prof Euan Phimister is supervising a PhD student (Mr Sebastian Heidenreich) whose research interests are closely related to experimental economics.

Welcome to the second SEEL Newsletter!!!

In this publication we will highlight the research produced, the events organized, and the activities carried out by the SEEL research group.

Unless specified, all images and the logo are borrowed from the University of Aberdeen's website. If you have comments and/or queries, please get in touch with Dr Mauro Papi (m.papi@abdn.ac.uk).
Dr Verity Watson

Verity Watson is a Senior Research Fellow in the Health Economics Research Unit in the College of Life Science and Medicine.

Verity leads the Methods of Benefit Valuation research theme in HERU.

Verity's research focuses on use of stated preference methods to value goods and services that are not usually traded in markets, such as health care or environmental amenities.

Verity’s research in SEEL seeks to understand how reliable answers to stated preference methods are and if ‘ex-ante corrections’ such as asking people to sign an honesty oath improve their answers.

External seminar speakers. Dr Mauro Papi, as one of the external Department of Economics Seminars organizer, has invited several researchers interested in experiments, including Prof Ido Erev (Technion and Warwick), Dr Kohei Kawamura (Edinburgh), and Prof Nick Hanley (St Andrews).

Teaching. Dr Juergen Bracht taught experimental economics to fourth year undergraduate students. Some of his classes were taught in the laboratory to make student better understand the issues involved in the implementation of an experiment.

Other activities: given the success of the first workshop, the SEEL research group is thinking of organizing a second conference in the future.

SEEL Workshop, 28th of March 2014

Below is the list of the papers presented along with the respective speaker and affiliation.

- “The trade-off between welfare and equality in a public good experiment”, Dr Agathe Rouaix (Business School, Aberdeen)
- “The Behavioural and Institutional Determinants of Gift Exchange: Evidence From a Real-effort Labour Market Experiment”, Prof Miguel Fonseca (Exeter)
- “Eliciting and estimating valid subjective probabilities: An experimental investigation of the exchangeability method”, Dr Simone Cerroni (RIHN, Aberdeen)
- “Trading in Networks: Theory and Experiment”, Prof Syngjoo Choi (UCL)
- “Are choice experiments reliable? Evidence from the lab”, Dr Verity Watson (HERU, Aberdeen)
- “Do to no one what you yourself dislike? An experimental study of the Golden Rule”, Prof Miguel Costa-Gomes (St Andrews)

The workshop was funded by the Business School’s Research Seminars Fund, the Principal's Interdisciplinary Fund, the Scottish Graduate Programme in Economics, and the Economics Department’s Fund.
Stated Preference Conference, 9th of July 2014

On 9th July 2014, the Methods of Benefit Valuation theme organised a half-day Stated Preference Conference. Researchers and PhD students in HERU were joined by Dr Simone Cerroni from RINH, and Dr Dean Regier from the Canadian Centre for Applied Research in Cancer Control at the BC Cancer Agency and the School of Population and Public Health at University of British Columbia. Dr Regier was a visiting scholar in HERU at the time.

The presentations – listed below - were organised around the themes of ‘Decision Heuristics and Stated Preference Responses’ and ‘Information and Framing in Stated Preference Tasks’.

- “What can hypothetical choices tell us about unobservable behaviours? Regret minimisation, rational non-attendance and randomness in choice experiment responses”, Dr Nicolas Krucien (HERU)
- “Exploring decision heuristics in discrete choice experiments using eye-tracking methods”, Prof Mandy Ryan (HERU)
- “Can we separate decision heuristics from genuine preferences? The effect of familiarity on attribute non-attendance in discrete choice experiments”, Mr Sebastian Heidenreich (HERU)
- “The medium is the message: information-giving in for stated preference DCEs”, Dr Dean Regier (School of Population and Public Health, University of British Columbia, and Canadian Centre for Applied Research in Cancer Control, BC Cancer Agency)
- “Subjective probabilities, scientific information, and food choices: A test of scenario adjustment in choice experiments”, Dr Simone Cerroni (RINH)
- “A discrete choice experiment under oath”, Dr Verity Watson (HERU)

THE BIG-STAR

Prof Ido Erev’s “Limits of Rationality” Lecture

Drs Juergen Bracht and Mauro Papi invited Prof. Ido Erev - a leading experimental economist – to give a public lecture on “Limits of Rationality”. Prof Erev is affiliated with the Technion (Haifa, Israel) and the University of Warwick. Prof. Erev is interested in the effects of the economic environment on human decision-making. He focuses on the possibility that simple models of learning and response rules can clarify complex behavioural phenomena.

This event took place on the 22nd of August 2014 in the David Craig Suite and benefited from financial support from the Scottish Institute for Research in Economics.
Dr Mauro Papi

Mauro is a Lecturer in Economics at the Business School. He holds a PhD in Economics from the University of Trento (Italy). During his training he visited the University Pompeu Fabra in Barcelona (Spain). He then spent two years at University of St Andrews as lecturer and one year at University College London as post-doc. Mauro joined the University of Aberdeen in 2013 and his research interests are experimental economics and economic theory with particular attention on boundedly rational decision-making. He is currently working on several projects including an experiment aimed at investigating search heuristics in individual decisions.

SEEL research

Below is a list of recent selected papers and projects in alphabetic order.


Abstract: Food economists have been historically interested in investigating to what extent labelling affects preferences for food products. In this study, we investigate consumers’ preferences for food products when labels about environmental sustainability are provided along with labels about healthiness. Our artefactual field experiment focus on a specific food product that is quite popular in United Kingdom, frozen and pre-cooked lasagne. More specifically, we investigated home-grown consumers’ preferences for nine different frozen lasagnes products that differ in terms of healthiness and environmental sustainability.


Abstract: This study investigates whether a popular stated preference method, the choice experiment (CE), reliably measures individuals’ values for a good. We address this question using an induced value experiment. Our results indicate that CEs fail to elicit payoff maximizing choices. We find little evidence that increasing the salience of the choices or adding monetary incentives increase the proportion of payoff maximizing choices. This questions the increasing use of CE to value non-market goods for policy making.


Abstract: This research question is motivated by the explosion in information that has been called the "big data" revolution. One response to this revolution has been the development of tools that control how information is presented. This control raises potentially serious questions for policy-makers concerned with the effects of advertising and the conduct of election campaigns. A leading example has been the development of innovative online choice platforms to facilitate the consumers’ problem by forcing them to use specific choice procedures. These choice procedures, also called search heuristics, define the way in which a decision-maker explores multi-attribute alternatives in a choice problem. So far experimental economics and psychology have focused their attention on examining which choice procedures better describe subjects’ behaviour. In contrast, this project’s goal is to investigate whether inducing subjects to use a particular search heuristic makes them better off. Given the recent developments in economic theory, the proposed research is also relevant for academics.


Abstract: Unlike standard models of choice, experimental evidence suggests that individuals avoid tradeoffs when choice problems are complex. I analyze the implications of consumers using noncompensatory choice heuristics in a simple Stackelberg game in which firms offer menus of multi-attribute alternatives and influence the attribute considered to be salient by consumers via marketing. I illustrate that there is a tight link between optimal menu design and marketing strategies in equilibrium and briefly discuss the choice-theoretic properties of the consumer’s choice procedure.