Measuring Emotions in Electronic Markets

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Abstract

Although the importance of emotions in economic decision-making has become more widely accepted, it is still unclear how and to what extent emotions affect the behavior of market participants and thus market outcome. In this talk, I present a methodological framework for market experiments, which makes it possible to objectively measure psychophysiological correlates of human emotions in market experiments. The approach is demonstrated in a series of auction experiments including skin conductance and heart rate measurements in Dutch, Japanese, and first-price sealed-bid auctions.