COMPARING CONTEST SUCCESS FUNCTIONS: EVIDENCE FROM VIRTUAL WORLDS

Sébastien Massoni¹, Carl Mildenberger², and Antoine Pietri*^{†3}

¹QuBE – School of Economics Finance, Quensland University of Technology – Australia ²University of St. Andrews – United Kingdom ³Centre d'Economie de la Sorbonne (CES) – Université Paris I - Panthéon-Sorbonne – France

Abstract

In this preliminary version of our paper, we claim that data coming from virtual worlds is very precious tool in research on conflict. Indeed, both historical dataset and laboratory experiments suffer from too many limitations making econometric works nonsatisfactory.

To overcome these issues we promote the use of "EVE online" – a Massive Multiplayer Online Roleplaying Game. Thanks to collaboration with game's developer, the empirical part can build on data encompasses practically everything the 390,000 players did in the month of January 2011. Thus, it can build on rich and objective empirical evidence about economic behavior in a warfare context; something difficult to achieve in real world or laboratory conflict setting. To the best of our knowledge, this study is the first of its kind in conflict theory. In this paper we estimate and compare the two main forms of contest success functions, the difference and ratio-form.

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*Speaker

[†]Corresponding author: antoine.pietri@univ-paris1.fr