SI 680 - Contracting and Signaling, Winter 2008

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<http://hdl.handle.net/2027.42/64965>
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Case: Screening pollution at Digg.com

SI 680, ICD: Signaling and Contracting
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Read:

- Silicon Valley Sleuth. Could digg be used for sun stock manipulation?, March 2006. URL [http://www.siliconvalleysleuth.com/2006/03/digg-is_used_for_stock_manipulation.html](http://www.siliconvalleysleuth.com/2006/03/digg-is_used_for_stock_manipulation.html)

Come prepared to discuss the following:

1. If you wanted to simplify and characterize Digg contributors as either “High” types or “Low” types, how would you describe the two types to distinguish them (from Digg’s point of view), in a sentence or two?

2. Why does Digg not want content from the “Low” types? Are there circumstances (in the current design of Digg) in which it might want such content?

3. In what way is the cost of signaling higher for the “Low” types than for the “High” in the mechanism described in [MacKie-Mason 2007]?
4. In what way is the metadata (voting) in that mechanism essential for it to operate as an effective signal?

5. Suppose Digg decided that its main problem is not that people submit pollution-quality content, but that readers using the standard “Digg it” system (for selecting what is on the front page; not the MacKie-Mason [2007] hypothetical system) might manipulate the voting. What is the main problem you see with trying to apply the MacKie-Mason [2007] metadata mechanism to reader “Digging”?

\[1\] There are two types of voting discussed in this case: keep them straight in your mind. Digg currently has voting (“Digging”) in which readers vote whether something should be on the front page. MacKie-Mason [2007] proposes a second system of voting on top concerning “truthfulness”.