An empirical model of online common value auctions with an unknown number of bidders

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Abstract

In this paper, we propose an empirical model of online common value auctions with an unknown number bidders. In many auction applications, econometricians can not observe the number of potential bidders. An typical example is online auction market. Most online auction sites including eBay and Yahoo! do not show the number of potential bidders.

There are some papers which focus on the auction model with an unknown bidders. Most papers focused on the independent private values paradigm. Therefore, we develop an structural estimation of common value auction model when we do not observe the number of bidders.

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