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Case 3 : Prediction Markets at Google

Team 2

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Ways to encourage more traders and trading?

Improving Participation	More Engagement	Improving User Retention

- Building more user friendly platform
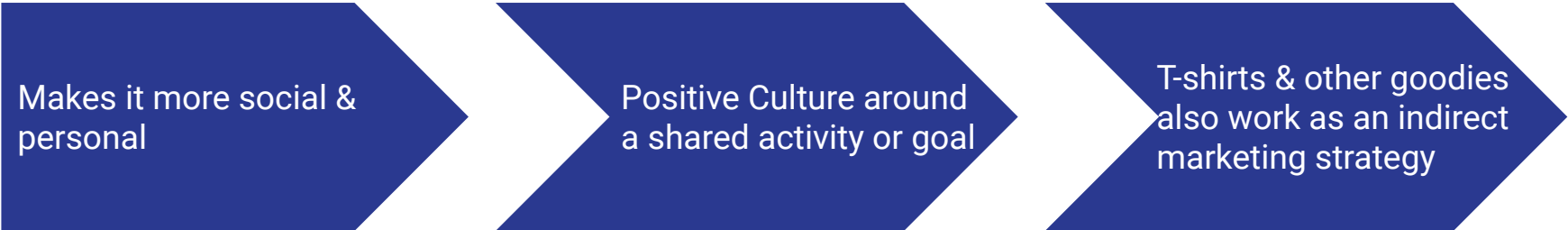- Provide Training resources
- Collaborate with other companies

- Fostering competitive Spirit; creating leaderboards
- Social trading features; option to follow traders
- AI/ML powered features
- Trading competitions and events

- Better Monetary rewards - stocks
- Reputation based Monetary system; Optional Confidentiality, Profile Page, option to append explanation of the trade

Are you more in favor of using "hard" incentives or "soft" ones?

The choice between "hard" & "soft" incentives depends on the context and goals of the acquiring new traders for GPM. Since at least in this case, we are talking within the company, building a sense of belonging takes precedence over providing financial gain.

Makes it more social & personal

Positive Culture around a shared activity or goal

T-shirts & other goodies also work as an indirect marketing strategy

Is it a good idea to encourage ALL employees to trade in these markets?

Encouraging all employees to trade has both upsides and downsides.

Pros	Cons
● **Improved decision-making** Collective intelligence is better and accurate then smartest individual	● **Bias** If employees are not serious, there are chances of bias influencing outcomes
● **Access to valuable insights** Valuable insights into market trends, customer behavior, and other key factors	● **Distraction risk** Risk of addiction or distraction if employees become too focused
● **Learning opportunities** More learning about market and their factors	● **Time-consuming** It requires significant time if an employee has no knowledge about GPM

Should insiders and/or highly uninformed people be allowed to trade? Do they help the market or hurt it?

Insiders and/or highly uninformed people shouldn't be allowed to trade.

- Insider trading can also lead to unfair advantages, as insiders may have access to information that is not available to the general public, allowing them to make more profitable trades.

- Uninformed investors who lack the knowledge and expertise to evaluate market trends and investment opportunities are more likely to make poor investment decisions, leading to potential losses.

- High levels of uninformed trading can contribute to market volatility, as uninformed investors may panic and sell their holdings during periods of market instability, leading to further declines in prices.

Allowing insiders and highly uninformed people to trade in the market can potentially hurt the market, as it can lead to unfair advantages, market manipulation, decreased market confidence, and increased volatility. However, with proper regulation and education, these individuals can make informed investment decisions and contribute to market stability, ultimately benefiting the market as a whole.

Will most managers welcome prediction markets within their companies?

- Bo Cowgill's Proposal: "Google Decision Markets"

- Aims to use diverse user knowledge for better predictions

- Participants trade outcome predictions; user or creator financed

- Research shows prediction markets more accurate than experts

- Microsoft and HP have used prediction markets successfully

- Google Decision Markets could improve decision-making by using crowd wisdom.

The acceptance of prediction markets by managers depends on several factors such as:

- The company's culture and industry
- Potential advantages and disadvantages
- Legal and regulatory environment

Some managers may find prediction markets valuable in decision-making, while others may have concerns about:

- The accuracy of predictions
- Insider trading or manipulation
- The impact on employee morale and motivation

Will they welcome a prediction market about a project or outcome that they're responsible for?

The perception of GPM by most project managers or general staff is: **Interesting**
But project managers are **Not Equally Welcoming** of the role that GPM can play in each project.

- The Welcomers Think:
    Market forecasting can be seen as a tool to gather additional data and concise information about a project or outcome, and can also help identify potential risks and opportunities that may not arise immediately.
- The Neutrals Think:
    Market forecasting is an interesting thing, but they doubt that it is really useful. For example, in the article OLympia Press, Vice President of the Sales Group in Aixian, thinks *"There are better and faster ways to get useful information than GPM"* and Dolores Haze, a manager in the Search Quality Group, says: *"She doesn't believe GPM can help her a lot."*

Thank you!!