Cluster 4

Prediction market for MICS technology foresight
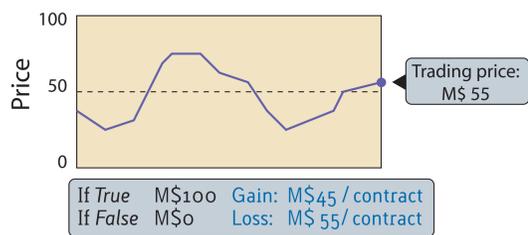
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Definition

Prediction markets are speculative markets created for the purpose of making predictions. Assets are created whose final cash value is tied to a particular event (e.g., will the next US president be a Republican) or parameter (e.g., total sales next quarter). The current market prices can then be interpreted as predictions of the probability of the event or the expected value of the parameter. Other names for prediction markets include information markets, decision markets, idea futures, and virtual markets.
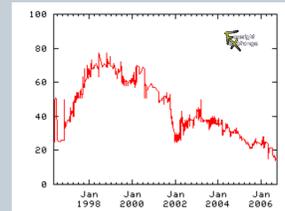
How does it work?

Here is an example: Let's suppose that you want to invest in the outcome *"The ENA deploy a sensor network for predicting avalanches till end of 2009"*. The trading price for the corresponding claim is currently M$ 55 (where M$ is the game's play money). If the predicted outcome occurs, then each contract that you bought will yield M$ 100 and you will have earned M$ 45 per contract (100 - 55). That's a 81% return on your investment!

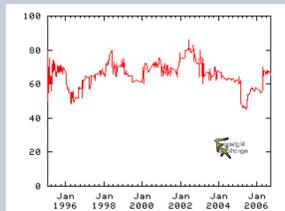| If *True* | M$100 | Gain: M$45 / contract |
| If *False* | M$0 | Loss: M$ 55/ contract |

Prediction Markets

Self-driving cars by 2010

Machine Translation by 2015

Windows Vista will be launched before winter 2006

CERN will find the Higgs particle first

MarMix @ UNIL

We made the first large scale tests within the school with interesting results. A hundred students played on 10 contracts during two months.
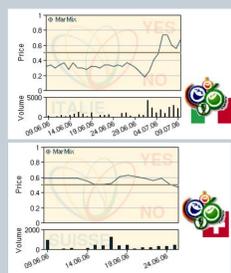
SMI over 7800 till end of july/august

One month in advance, we correctly predicted the evolution of the SMI. We noticed that the market reacts very accurately to the fall of the index as of July 13.

FIFA Worldcup

As of July 5 the traders correctly predicted the victory of Italy at the FIFA Worldcup. For Switzerland, a relent of national pride wrongfully predicted the arrival of the team in quarterfinal.

How to play @ MarMix?

marmics.mics.org

Avalanche
First sensor-network to predict the risk of avalanches in the Swiss Alps till 2009

Car
A natural size test of Vehicular Network will take place with 10 vehicles till end of 2012

RFID
The first mobile phones integrating a RFID chip will be sold on the Swiss market before the end of 2008

Building
Till the end of 2009, real life applications shows that users are better than fully automated buildings in energy saving

mPayment
At the last MICS meeting of 2009, the majority of the participants will pay their train ticket with their mobile phone

Robots
Robots are faster than humans to detect and localize a ringing phone over hundred phones in the same room

Information

marmics.mics.org

MarMix prediction market is a game. Similar to fantasy stock market games, this one lets players trade on claims concerning research on ICS. You predict the outcome of various projects and experiments about mobile information and communications systems. So the more you know, the more likely you are to predict correctly and win. And it's not just how much you know. You can benefit from the bad predictions of others.

Who's in the Prediction Business?

Prediction markets are gaining traction elsewhere in the Fortune 500: Best Buy, Corning, General Electric, Google and Microsoft have begun trying prediction markets to divine everything from the future price of LCD TVs to the number of consumers, who will buy forthcoming products.

General Electric
Choosing the best new research ideas

HEWLETT PACKARD
Forecasting microchip prices

Google
Predicting the dates of product launches

Microsoft
Predicting the number of bugs in new software applications

Start playing now by SMS!

To register with your mobile phone, send:

MICS REGISTER your@email to 8400

You have to use your academic email in order to register. If your mobile phone is not able to send the @ character, use the # instead (for ex. smith@unil.ch or smith.gaspoz#unil.ch)