• eBay is an example of a public reputation system. What motivates users to provide feedback? What motivates them to be honest? Are they equally motivated to provide positive and negative feedback? Compare the relationship of the feedback provider with the subject of the feedback and with the audience for the feedback. What influence does this have on the reliability of the system?

eBay is a very interesting example of a public reputation system since despite its many flaws it appears to work. Users tend to provide feedback when there is a problem with the order or when the experience was positive, but due not only to the high amount of positive reviews and the 50% response rate, it appears that the tendency to be courteous to strangers and to adhere to social conventions (in this case being polite) causes evaluations to be abnormally positive. There is also the threat that negative feedback can lead to negative feedbacks for the provider in retaliation.

The feedback provider can either be the seller or the buyer, with both providing feedback slightly over half of the time. In the case of feedback on buyers, sellers are providing this information for other sellers to indicate how honest this buyer is. Since the seller has little risk in this relationship, this information is not as important as a seller’s rating, which is seen by other buyers and influences item price and the placing (or not placing) of bids. These relationships affect the reliability of the system since it’s difficult to assess how trustworthy the feedback giver actually is.

• Describe in clear and concise detail the costs and benefits to the participants in a model public reputation system of the different possible actions they may make (i.e. deceptive or honest acting; punishing or not punishing transgressors). Do the same for a model private (gossip based) system. Don’t forget issues such as the possible mismatch between the rater and the audience, etc.

Gossip based systems can incur many costs for deceptive actors. If discovered, the deceiver will likely receive a large penalty from the social group in the form of exclusion from activities or even ostracism. In addition, in order for deceptive signals to spread effectively a high time investment may be required. However, deceptive signaling may allow individuals to achieve desirable social ends without the normally required social investment.

Honest acting in this system can be exploited by these deceivers, and even without deceivers it is difficult to spread information vertically in stratified social systems (such as formal organizations). In situations where honest acting is valued these costs should be offset by one’s improved social standing as a result of this behavior.

Punishing transgressors is crucial in this system, since it ensures that the information spread is in general correct and it will prevent the emergence of more deceptive actors over time. Catching these transgressors requires constant checking of gossip information with others as well as spreading information about the transgression itself, an expensive proposition.
Not punishing deceiving actors would allow this type of deception to run rampant, even though it does save the cost of checking information.

Public reputation systems exhibit some similar properties, but the very low density of social connections and electronic records creates interesting scenarios. In this context deceptive actors can actually assume different identities, which although it requires some time it is a relatively small investment for achieving an improved reputation rating without actually building a reputation. Another problem is the fact that social conventions sometimes force positive evaluation even when a negative one is warranted, causing significant cognitive dissonance in the rater to achieve social acceptance.

Honest actors may be overwhelmed by malevolent users (e.g. bidders backing out of auctions), but honest mistakes such as providing feedback honestly before a transaction has been resolved also hurts the actor and the system as a whole. In addition, honest users may not rate others at all or receive retaliatory negative ratings. Still, honest acting does build long term credibility and may allow for higher sale prices or a higher sales completion percentage in online auctions.

In these systems punishing transgressors is difficult because of the ease with which they can change identities, but if this kind of enforcement would naturally lower the number transgressors over time. If transgressors discover the lack of such a policy they may increase their fraudulent activities, although the cost on actually hunting down these deceivers would be recovered.

In any social situation that requires interpretation there are clearly opportunities for evaluation signals to be misinterpreted. In gossip based systems this could appear in the form of sarcasm, while in a public reputation system a rating that is made too early (before the conclusion of a deal), may result in an erroneous rating.

- Describe a real life situation in which reputation information is exchanged, either publicly or privately. Ebay has been extensively written about, so pick something else. You can use Amazon.com reviews, teacher recommendations, gossip exchange in a social group, etc. Describe the situation in detail. Is the information reliable? What keeps it so? What is the relationship among subjects, raters and audience? What are the costs and benefits the participants receive? How well does this fit with the model you described above?

Reputation exchange is widely utilized in Wikipedia and interestingly it combines some of the features of gossip exchange as well as that of public reputation systems. Users in Wikipedia edit pages typically in a few narrow ranges of topics. Therefore, they tend to become acquainted with others that edit those same pages. People can then use discussion pages as well as personal pages to transmit information about users they think are harming the content of a page or exhibit a view that is contrary to their own. This is observed frequently on the discussion pages of controversial topics, such as abortion or the Republican Party. Users can
then take collective action to censure or ban individuals from actually editing the content of a page by overwriting page edits, or give more weight to an individual’s information because of their reputation. This can cause pages to be locked so that no edits can take place or moving articles to other locations.

There are also public reputation systems at play. There are a few universally recognized tags that others can place on a user’s personal page, such as the barnstar, that is placed on a page by higher level users in watchdog groups to signal excellence in page editing and monitoring. In addition, comments placed on a user’s page can be seen by other users, and even if the users delete the comments it is possible to see those comments in older versions of the page that are automatically saved.

People who only read Wikipedia pages can also contribute comments, but this is the exception rather than the rule. Wikipedia is mostly used to find information, while a small but active minority edits the actual content. Interestingly, this content is actually kept reliable by the interaction of the trust system that is in place, and recently Wikipedia has been found to be as accurate as formal encyclopedias.

Much of this information, however, can be unreliable. Users could log on to different accounts through multiple computers and not only create phantom users to back up their points, but confer awards to their profile as well. It appears, however, that this does not occur too much, possibly because of the gossip function of Wikipedia. Simply creating more users does not add others to your social network.

Participants also seem to receive a reward not only from altruistically improving the quality of the articles on Wikipedia, but also from social recognition in the community (e.g. barnstars, comments on a user’s page, etc). The risks, while minimal compared with other systems, involve measures taken by the community such as group censure to exclusion on certain articles if one is perceived as a deceiver. In addition, since the user base is so large and active, it is collectively simple to remove deceptive or erroneous information from pages. While Wikipedia clearly does not clearly fall within the boundaries of a single reputation system, its hybrid approach appears to strengthen many of the benefits and reduce many of the costs associated with individual models.