

A large, faded watermark of the Yahoo! logo is centered in the background. It consists of a purple circle containing a white 'Y' and a purple exclamation point to its right. The text 'From the Labs' is written in a purple, italicized serif font over the 'Y'. Below it, 'Yahoo! Research Labs' is written in a bold, purple sans-serif font.

From the Labs
Yahoo! Research Labs

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Yahoo! Research Labs

- 30+ scientists and engineers that represent Y!'s corporate R&D effort. Much larger “virtual” YRL that spans the whole company.
- Focus on four core areas: machine learning, collective intelligence, scientific computing, and text mining.
- Work on “hedged” portfolio of activities:
 - Short, medium, long-term
 - Basic R&D, platforms, rapid prototypes, disruptive ideas
 - Publish collaborate often



Tech Buzz Game

*Tapping the collective wisdom
of the Web*



Differences in Opinions



increasing value

- A single opinion
- A single expert opinion
- Aggregating among non-experts (voting)
- Aggregating among experts (electoral college ;-)
- Aggregation over population weighted by performance (markets)



Markets as Predictors

- Hollywood Stock Exchange
 - Box office / award outcomes
- Iowa Electronic Markets
 - Political question and events
- Terrorism Futures Market (DOA)
 - Terrorist related events
- NewsFutures
 - News stories and future events



Tech Buzz Game

- Joint R&D Project between YRL & O'Reilly, with NewsFutures Platform.
- Launching today! We need alpha geeks to participate.
- Artificial market on questions related to emerging technology trends.
- Driven by search volume trends.
- **Very cool prizes for winners** — see web site for details.



Market Example

- “OS X Panther” vs “OS X Tiger”
 - The prices of the two stocks reflect the aggregated opinion of which will dominate searches.
 - By inference, the prices also reflect beliefs on when the new OS version will release.
 - Participants who predict better than others will make more “money”.
 - The best performers have more “money” to bet.



Tech Buzz Game

Demo



Dynamic Pari-mutuel Auction

- Fundamentally new type of auction, invented by Dr. David Pennock of YRL
- Like a pari-mutuel (e.g., horse racing), but unlike a double auction:
 - Infinitely liquid, requires no market maker, no risk for auctioneer
- Like a double auction (e.g., stock market), but unlike a pari-mutuel
 - Efficiently propagates information, rewards participants with more knowledge



Buzz Market Innovations

- **Science / Math:** new type of auction that is infinitely liquid, does not require a market maker, yet encourages the propagation of information.
- **Technology:** also uses YST API for related searches and volumes. Extension to Y! Buzz.
- **Users:** obvious extensions could be done for other domains (sports, reality television, and other games).
- **Business:** suggests new ways to predict future trends.



More Details Online

- <http://next.yahoo.com/>
(an early look at Y! prototypes)
- <http://research.yahoo.com/>
(YRL! homepage)
- <http://buzz.research.yahoo.com/>
(Buzz Market Game)