

Is the true 'wisdom of the crowd' to copy successful individuals?

September 15 2011

(PhysOrg.com) -- New research published today on crowd wisdom — the statistical phenomenon by which varied individual guesses produce uncannily accurate average answers — has shed light on why we have a bias to select experts in team settings.

The experiment was carried out at The Royal Veterinary College's annual Open Day in May this year when RVC researchers asked prospective students and their families to guess the number of sweets in a jar. The average guesses of 82 [people](#) who guessed in isolation came within just one sweet of the true quantity.

However, in the real-world people have access to public information, so the researchers re-ran the experiment but told people what others had guessed. Whether the researchers provided the last person's guess, the mean guess, or a random guess, collective [wisdom](#) plummeted.

In fact, individuals with access to public information over-estimated the number of sweets in the jar, resembling information cascades that result in economic bubbles where people drive prices of items (e.g. stocks) above their value.

Use of public information did prove to be beneficial however, when individuals were given access to the current best guess. This reduced the likelihood of extreme predictions, and individuals in this test both performed better individually and collectively at smaller group sizes than the other conditions studied.

Researchers suggest that this finding may offer an explanation as to why people have a bias to recruit and follow successful individuals in team settings: individuals are more accurate, and the [crowd](#) is smart too.

Lead researcher Dr. Andrew King, Research Fellow at the Royal Veterinary College, commented: "We are bombarded by other people's judgements – from our friends, colleagues, and the media. Such a flood of information can result in a convergence of opinion, creating overconfidence (and inaccuracy). What our work demonstrates is that for accurate collective decisions, you either aggregate completely independent opinions, or copy successful individuals; anything in-between seems doomed to failure."

More information: The paper 'Is the True 'Wisdom of the Crowd' to Copy Successful Individuals?' is published in *Biology Letters*:
[dx.doi.org/10.1098/rsbl.2011.0795](https://doi.org/10.1098/rsbl.2011.0795)

Provided by The Royal Veterinary College

Citation: Is the true 'wisdom of the crowd' to copy successful individuals? (2011, September 15) retrieved 18 April 2024 from

<https://phys.org/news/2011-09-true-wisdom-crowd-successful-individuals.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--