Supplementary Material

This supplementary (online) appendix contains the (i) experimental instructions, (ii) comprehension questions and (ii) post-experimental questionnaire.

D Appendix: Instructions

D.1 Instructions for others’ prize same treatment

General Instructions

You are participating in an experiment on economic decision-making and will be asked to make a number of choices. If you follow the instructions carefully, you can earn some money and goods. At the end of the experiment, you will be paid your earnings.

You are not allowed to communicate with other participants. If you have a question, raise your hand and we will gladly help you.

The study is strictly anonymous: that is, your identity and actions will not be revealed to others and the identity and actions of others will not be revealed to you.

The study consists of the following parts:

1. Instructions
2. Comprehension test
3. Auction task
4. Decision task
5. Questionnaire about you and the study
6. Receipts, payment and good-bye!

Your final payment will be determined by the choices that you make in the experiment so please pay attention to your decisions. Once you make a selection and move on to the next stage you will not be allowed to go back and change your selection. So, please really pay attention to your decisions.

You will receive a $10 show up fee and throughout the experiment you can make more money or lose some of it.

Your final earnings = $10 (show up fee) + earnings from auction task + earnings from decision task

Your choices from one part of the experiment will have an impact on earnings ONLY in that part of the experiment. In other words, what you choose to do in the auction task will not influence your payment from the decision task and vice versa.
It may happen in the experiment that you will have to wait for others to finish some tasks before you are allowed to continue. In this case the screen will display the “Please wait” message.
Instructions: Auction task

Today we will conduct 28 auctions in total but each one of you will only participate in 12 of these auctions.

In each auction in which you participate, you will receive an endowment of $30 from us to spend. You should think of this as your money. You will then have an opportunity to use this money to bid in the current auction. You cannot save money from one auction to spend in another. Your decision in one auction will not influence how much money you will have to spend in another auction. In each auction, your budget is equal to your endowment and you cannot submit a bid larger than your endowment.

In some auctions there will be many people bidding for the same good, while in others, there will be just a few bidders but in each auction, there can be only one winner. At the beginning of each auction, we will inform you about the number of people participating in the auction.

If you purchase a product, it will be a final sale. No returns, exchanges or refunds are possible. Today, you will have an opportunity to bid to win one of the following products:

2 cinema tickets

Take a friend along to see the movie of your choice at your favourite Event, Greater Union, Birch Carroll & Coyle Cinema! Your e-tickets will be sent to you via email at the end of the experiment. You can decide later when to go to the movies and what show you would like to see. These are two admissions for the same standard movie session of choice to enjoy at an Event, Greater Union or Birch Carroll & Coyle across Australia. Valid for 6 months.

A classic University of Sydney hoodie
If your size available is not available, you will be able to exchange it at the University of Sydney Union shop. Note that our model does not have a zipper.

A White Logitech Mini Boombox

The perfect size to take great sound with you - around the house, over to a friend’s, to parties or when you travel! The Logitech Mini Boombox is a mobile speaker and speakerphone that pairs easily with smartphones, tablets and other Bluetooth enabled devices. The specially designed acoustic chamber delivers great sound with enhanced bass, with up to 10 hours playback time. The internal battery is USB-rechargeable, and the device features a handy speakerphone with built in mic for crystal-clear calls.

A Money Voucher

The voucher is redeemable from the experimenter at the end of this experimental session in exchange for cash.

The monetary value of the voucher that you will be bidding on will be randomly selected by the computer at the beginning of this experimental session and will stay the same throughout the experiment. It can be any (integer) amount between $0 and $30, with each amount being equally likely to be selected.

The voucher value is selected randomly and independently for each participant so different people in the experiment will be offered vouchers of different value. You will be informed of the exact value of your voucher but not of the values of other people’s values.
Remember however that even though you do not know the exact values of other people’s vouchers, you know that they are an amount between $0 and $30.

**Auction task procedure**

In the beginning of each auction we will tell you how many other people participate in the auction with you and what good is on offer. If it is a money voucher auction, we will tell you the exact value of your money voucher. In the example below, a money voucher valued to you at $21 is being auctioned and 3 people are bidding on it. (Notice that the other 2 people who are also bidding on a money voucher will likely have a different dollar value assigned to the voucher.)

Type in your bid and press **Confirm**. How much you bid will never be revealed to others. After you submit your bid, you will move on to another auction that may have a different good on offer and where you will face a different randomly selected set of bidders. You will not learn the outcome of the auctions until the end of the experiment.

**Earnings from the Auction task**

When all auctions are finished, the computer will randomly pick one of the 28 auctions from this experimental session. We will call it the “Payout Auction”.

Your earnings from the auction task will depend on:

- Whether or not you took part in the Payout Auction, and
• Your bid in the Payout Auction.

**Earnings of those who participated in the Payout Auction**

All participants in the Payout Auction will be ranked based on the bids that they submitted. The person with the highest bid is the auction winner. The winner will get the good (or the money voucher) and (s)he will pay for it a price equal to the **second highest bid** (not her own bid). If two or more bidders submit the same bid, the computer will randomly select one of them as the winner. The winner’s earnings for the auction part of the experiment are calculated according to the following formula:

Earnings of the winner of the Payout Auction = product/voucher + endowment - auction price

(Price paid is equal to the second highest bid in the Payout Auction.)

Everybody else who participated in the Payout Auction keeps their endowment.

Earning of non-winners of the Payout Auction = endowment

**Earnings of those who did not participate in the Payout Auction**

All those who did not participate in the payout auction (non-participants) receive no additional payment for this task. They do not get any additional money and do not get the product. Earnings of non-participants in the Payout Auction = $0

You will learn the outcome of the payment auction at the end of the experiment after you finish the questionnaire.

Here are a couple of examples to help you understand the payment rule.

**Example 1:** Imagine that in the auction selected as Payout Auction we offered a USyd hoodie. All auction participants received an endowment equal to $30. There were 6 people who participated in this auction. The table below lists their bids:

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant1</td>
<td>$20 (price paid)</td>
</tr>
<tr>
<td>Participant2</td>
<td>$19</td>
</tr>
<tr>
<td>Participant3</td>
<td>$7</td>
</tr>
<tr>
<td>Participant4</td>
<td>$3</td>
</tr>
<tr>
<td>Participant5</td>
<td>$12</td>
</tr>
<tr>
<td>Participant6 (winner)</td>
<td>$30 (winner)</td>
</tr>
</tbody>
</table>

Participant6 wins the auction because (s)he entered the highest bid ($30). (S)he pays $20 (the second highest bid) for the hoodie. The earning of the winner from the auction task are:

Earnings of the winner = hoodie + $10
(Endowment - price paid = $30 - $20 = $10)

The earnings from the auction task for other participants in the Payout Auction who did not win is $30 (endowment).

The earnings from the auction task for people who did not participate in the Payout Auction is $0.

**Example 2:** Imagine that in the auction selected as Payout Auction we offered a money voucher. In the beginning of the experiment the computer decided voucher values (between $0 and $30) for each of the participants (listed in the column on the right). All auction participants received an endowment equal to $30. There were 3 people who participated in this auction. The table below lists their bids and values:

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
<th>Voucher value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant1</td>
<td>$20 (winner)</td>
<td>$20</td>
</tr>
<tr>
<td>Participant2</td>
<td>$14 (price paid)</td>
<td>$25</td>
</tr>
<tr>
<td>Participant3</td>
<td>$3</td>
<td>$7</td>
</tr>
</tbody>
</table>

The winner of this auction is Participant1. (S)he pays $14 (second highest bid) for a $20 money voucher. The payout for the winner from the auction task is:

Earnings of the winner (Participant 1): $36

(Endowment + value for the money voucher - price paid = $30+$20 - $14 = $36)

The payout from the auction task of other Payout Auction participants (Participant 1 and 2):

Earning of non-winners of the Payout Auction = $30 (endowment)

The payout from the auction task for people who did not participate in the Payout Auction is $0.

Note: When you are bidding on a money voucher, you only know how much your voucher is worth to you. You do not know how much it is worth to the other bidders. You only know that other people's vouchers are worth somewhere between $0 and $30.
Instructions: Decision task

In this task, you will make decisions between two options. The first option will always be called OPTION A. The second option will always be called OPTION B. In each decision situation, all you have to do is decide whether you prefer OPTION A or OPTION B.

Throughout the task, either OPTION A or OPTION B will involve chance. You will be fully informed of the chance involved for every decision. For example, OPTION A could be a 40% chance of receiving $30 and a 60% chance of receiving $0.

In this task, most people begin by preferring Option A and then switch to Option B, so one way to view this task is to determine the best row to switch from Option A to Option B.

Payment for Decision task

After you finish submitting all of your choices, the computer will randomly select one of your decisions to count for payment. Each decision has an equal chance of being selected. If you preferred OPTION A, then OPTION A will be implemented. If you preferred OPTION B, then OPTION B will be implemented.

Suppose that the decision selected by the computer to count for payment was a choice between $10 for sure and 40% chance of winning $30. If on that trial you selected $10, you will get it for sure. If on that trial you selected the 40% chance of winning $30, the computer will randomly draw a number between 1 and 100, with each number being equally likely. If the number drawn is less or equal than 40, you will receive $30. If the number drawn is strictly greater than 40, you will receive $0. You will learn the outcome of this task at the end of the experiment when you finish the questionnaire.

Final payment

Your final payment for participation in this study is the sum of the following:

• the participation fee ($10)
• your earnings from the auction task
• your earnings from the decision task.

GOOD LUCK!!!!

PLEASE COMPLETE THE COMPREHENSION QUESTIONS NOW. LET THE EXPERIMENTERS KNOW WHEN YOU ARE DONE BY RAISING YOUR HAND AND WE WILL COME TO CHECK YOUR ANSWERS.
D.2 Instructions for others’ prize unknown treatment

Instructions

General
You are participating in an experiment on economic decision-making and will be asked to make a number of choices. If you follow the instructions carefully, you can earn some money and goods. At the end of the experiment, you will be paid your earnings.

You are not allowed to communicate with other participants. If you have a question, raise your hand and we will gladly help you.

The study is strictly anonymous: that is, your identity and actions will not be revealed to others and the identity and actions of others will not be revealed to you.

The study consists of the following parts:

1. Instructions
2. Comprehension test
3. Auction task
4. Questionnaire about you and the study
5. Receipts, payment and good-bye!

Your final payment will be determined by the choices that you make in the experiment so please pay attention to your decisions. Once you make a selection and move on to the next stage you will not be allowed to go back and change your selection. So, please really pay attention to your decisions.

You will receive a $10 show up fee and throughout the experiment you can make more money or lose some of it.

Your final earnings = $10 (show up fee) + earnings from auction task

It may happen in the experiment that you will have to wait for others to finish some tasks before you are allowed to continue. In this case the screen will display the “Please wait” message.

Instructions: Auction task

Today we will conduct 28 auctions in total but each one of you will only participate in 12 of these auctions.

In each auction in which you participate, you will receive an endowment of $30 from us to spend. You should think of this as your money. You will then have an opportunity to use this money to bid in the current auction. You cannot save money from one auction to
spend in another. Your decision in one auction will not influence how much money you will have to spend in another auction. In each auction, your budget is equal to your endowment and you cannot submit a bid larger than your endowment.

If you purchase a product, it will be a final sale. No returns, exchanges or refunds are possible. Today, you will have an opportunity to bid to win one of the following products:

2 cinema tickets

Take a friend along to see the cinema of your choice at your favourite Event, Greater Union, or BCC Cinema! Your e-tickets will be sent to you via email at the end of the experiment. You can decide later when to go to the cinemas and what show you would like to see.

These are two admissions for the same standard cinema session of choice to enjoy at any Event, Greater Union or BCC Cinemas across Australia (not valid in VIC/TAS). Valid for 6 months. Activated for use 24 hours after purchase.

A classic University of Sydney t-shirt

If your size available is not available, you will be able to exchange it at the University of Sydney Union shop.
The voucher is redeemable from the experimenter at the end of this experimental session in exchange for cash.

The monetary value of the voucher that you will be bidding on will be randomly selected by the computer at the beginning of this experimental session and will stay the same throughout the experiment. It can be any (integer) amount between $0 and $30, with each amount being equally likely to be selected.

The voucher value is selected randomly and independently for each participant so different people in the experiment will be offered vouchers of different value. You will be informed of the exact value of your voucher but not of the values of other people’s vouchers.

Remember however that even though you do not know the exact values of other people’s vouchers, you know that they are an amount between $0 and $30.
Auction task procedure

In the beginning of each auction we will tell you how many other people participate in
the auction with you and what product you are bidding on.

If it is a money voucher, then you know that everybody else is bidding on a money
voucher as well. We will tell you the exact value of your money voucher but you will not
know the value of other participants’ vouchers. You only know that each participant’s value
must be between $0 and $30.

If you are bidding on one of the products — t-shirt, mug, or cinema tickets — you
will know what product you are bidding on, but you will not know what products other
participants are bidding on. They are equally likely to be bidding on t-shirt, mug, or cinema
tickets.

In the example below, 3 participants are bidding. You know that you are bidding on a
t-shirt. The two other participants who are bidding in the auction are each equally likely to
be bidding on a t-shirt, cinema tickets, or a mug.

Type in your bid and press Confirm. How much you bid will never be revealed to others.
After you submit your bid, you will move on to another auction that may have a different
good on offer and where you will face a different randomly selected set of participants. You
will not learn the outcome of the auctions until the end of the experiment.
Earnings from the Auction task

When all auctions are finished, the computer will randomly pick one of the 28 auctions from this experimental session. We will call it the “Payout Auction”.

Your earnings from the auction task will depend on:

• Whether or not you took part in the Payout Auction, and

• Your bid in the Payout Auction.

Earnings of those who participated in the Payout Auction

All participants in the Payout Auction will be ranked based on the bids that they submitted. The person with the highest bid is the auction winner. The winner will get the product (or the money voucher) that (s)he bid on in the payout auction and (s)he will pay for it a price equal to the second highest bid (not her own bid). If two or more participants submit the same bid, the computer will randomly select one of them as the winner.

The winner’s earnings are calculated according to the following formula:

\[
\text{Earnings of the winner of the Payout Auction} = \text{product/voucher} + \text{endowment} - \text{auction price}
\]

(Price paid is equal to the second highest bid in the Payout Auction.)

Everybody else who participated in the Payout Auction keeps their endowment.

Earning of non-winners of the Payout Auction = endowment

Earnings of those who did not participate in the Payout Auction

All those who did not participate in the payout auction (non-participants) receive no additional payment. They do not get any additional money and do not get the product.

\[
\text{Earnings of non-participants in the Payout Auction} = \$0
\]

You will learn the outcome of the payment auction at the end of the experiment after you finish the questionnaire.

On top of the earnings from the auction, each participant will receive $10.

Here are a couple of examples to help you understand the payment rule.

Example 1: Imagine that there were 6 participants in the auction selected as Payout Auction. The table below lists their bids and products that they bid on:

Participant 6 wins the auction because (s)he entered the highest bid (30). (S)he pays $20 (the second highest bid). In this auction, Participant 6, was bidding on a t-shirt. The earning of the winner from the auction are:
<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant1</td>
<td>$20 (price paid)</td>
<td>t-shirt</td>
</tr>
<tr>
<td>Participant2</td>
<td>$19</td>
<td>cinema tickets</td>
</tr>
<tr>
<td>Participant3</td>
<td>$7</td>
<td>mug</td>
</tr>
<tr>
<td>Participant4</td>
<td>$3</td>
<td>mug</td>
</tr>
<tr>
<td>Participant5</td>
<td>$12</td>
<td>mug</td>
</tr>
<tr>
<td>Participant6</td>
<td>$30 (winner)</td>
<td>t-shirt</td>
</tr>
</tbody>
</table>

Earnings of the winner = t-shirt + $10
(Endowment - price paid = $30 - $20 = $10)
The earnings from the auction for other participants in the Payout Auction who did not win are $30 (endowment).
The earnings from the auction for people who did not participate in the Payout Auction are $0.

**Example 2**: Imagine that there were 3 participants in the auction selected as Payout Auction. The table below lists their bids and values:

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant1</td>
<td>$20 (winner)</td>
<td>money voucher</td>
</tr>
<tr>
<td>Participant2</td>
<td>$14 (price paid)</td>
<td>money voucher</td>
</tr>
<tr>
<td>Participant3</td>
<td>$3</td>
<td>money voucher</td>
</tr>
</tbody>
</table>

The winner of this auction is Participant1 who was bidding on a $20 money voucher. (S)he pays $14 (second highest bid) for a $20 money voucher. The payout for the winner from the auction is:

Earnings of the winner (Participant 1) = $36
(Endowment + value for the money voucher – price paid = $30 + $20 - $14 = $36)
The payout from the auction of other Payout Auction participants (Participant 1 and 2):
Earning of non-winners of the Payout Auction = $30 (endowment)
The payout from the auction for people who did not participate in the Payout Auction is $0.

GOOD LUCK!!!!

**PLEASE COMPLETE THE COMPREHENSION QUESTIONS NOW. LET THE EXPERIMENTERS KNOW WHEN YOU ARE DONE BY RAISING YOUR HAND AND WE WILL COME TO CHECK YOUR ANSWERS.**
E Appendix: Comprehension questions

E.1 Comprehension questions for others’ prize same treatment

E.1.1 Set one: completed by every participant

Experiment Comprehension Questionnaire

Question 1

Imagine that 12 people participated in the study. Below are the details of the payout auction. There were 6 participants in the payout auction. They were bidding on 2 cinema tickets and each had $30 endowment in his/her wallet.

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant3</td>
<td>$25</td>
</tr>
<tr>
<td>Participant5</td>
<td>$20</td>
</tr>
<tr>
<td>Participant6</td>
<td>$27</td>
</tr>
<tr>
<td>Participant7</td>
<td>$3</td>
</tr>
<tr>
<td>Participant9</td>
<td>$12</td>
</tr>
<tr>
<td>Participant12</td>
<td>$1</td>
</tr>
</tbody>
</table>

a) Who wins the auction?

- Participant 3
- Participant 5
- Participant 6
- Participant 7
- Participant 9
- Participant 12

b) How much does (s)he pay for the tickets?

- $0
- $20
- $25
- $27

c) What are the earnings of Participant3 from this part of the experiment?

- $0 + cinema tickets
- $5 + cinema tickets
- $27
- $30

d) What are the earnings of Participant5 from this part of the experiment?
- $0 + cinema tickets
- $5 + cinema tickets
- $27
- $30


e) What are the earnings of Participant6 from this part of the experiment?
- $0 + cinema tickets
- $5 + cinema tickets
- $27
- $30

f) What are the earnings of Participant2 from this part of the experiment?
- $0
- $20
- $27 + cinema tickets
- $30 + cinema tickets
Question 2
Imagine that 12 people participated in the study. Below are the details of the payout auction. There were 3 participants in the payout auction. They were bidding on money vouchers and each had $30 endowment in his/her wallet.

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
<th>Voucher value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant3</td>
<td>$17</td>
<td>$17</td>
</tr>
<tr>
<td>Participant5</td>
<td>$12</td>
<td>$12</td>
</tr>
<tr>
<td>Participant12</td>
<td>$20</td>
<td>$22</td>
</tr>
</tbody>
</table>

a) Who wins the auction?
- Participant3
- Participant5
- Participant12

b) How much does (s)he pay for the voucher?
- $8
- $12
- $17
- $20

c) What are the earnings of Participant3 from this part of the experiment?
- $0
- $17
- $30
- $35

d) What are the earnings of Participant5 from this part of the experiment?
- $0
- $17
- $30
e) What are the earnings of Participant12 from this part of the experiment?

- $0
- $17
- $30
- $35

f) What are the earnings of Participant6 from this part of the experiment?

- $0
- $17
- $30
- $35
- $35

Question 3
The final payout from the experiment is the sum of (check all that apply):

- $10 show up fee
- earnings from the auction task
- earnings from the decision task
- each participant gets one of the products for sure
E.1.2 Set two: used only in case of an error in set one

Experiment Comprehension Questionnaire

Question 1a
Imagine that 12 people participated in the study. Below are the details of the payout auction. There were 6 participants in the payout auction. They were bidding on 2 cinema tickets and each had $30 endowment in his/her wallet.

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant2</td>
<td>$25</td>
</tr>
<tr>
<td>Participant5</td>
<td>$20</td>
</tr>
<tr>
<td>Participant6</td>
<td>$17</td>
</tr>
<tr>
<td>Participant8</td>
<td>$9</td>
</tr>
<tr>
<td>Participant9</td>
<td>$12</td>
</tr>
<tr>
<td>Participant11</td>
<td>$30</td>
</tr>
</tbody>
</table>

a) Who wins the auction?

- Participant2
- Participant5
- Participant6
- Participant8
- Participant9
- Participant11

b) How much does (s)he pay for the tickets?

- $0
- $17
- $20
- $25

c) What are the earnings of Participant2 from this part of the experiment?

- $0
- $5 + cinema tickets
- $20 + cinema tickets
d) What are the earnings of Participant5 from this part of the experiment?
• $0
• $5 + cinema tickets
• $20 + cinema tickets
• $30

e) What are the earnings of Participant11 from this part of the experiment?
• $0
• $5 + cinema tickets
• $20 + cinema tickets
• $30

f) What are the earnings of Participant10 from this part of the experiment?
• $0
• $5 + cinema tickets
• $20 + cinema tickets
• $30
Question 2a
Imagine that 12 people participated in the study. Below are the details of the payout auction. There were 3 participants in the payout auction. They were bidding on money vouchers and each had $30 endowment in his/her wallet.

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
<th>Voucher value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant2</td>
<td>$15</td>
<td>$22</td>
</tr>
<tr>
<td>Participant5</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>Participant9</td>
<td>$20</td>
<td>$20</td>
</tr>
</tbody>
</table>

a) Who wins the auction?
- Participant2
- Participant5
- Participant9

b) How much does (s)he pay for the voucher?
- $10
- $15
- $20
- $22

c) What are the earnings of Participant2 from this part of the experiment?
- $0
- $30
- $35
- $40

d) What are the earnings of Participant5 from this part of the experiment?
- $0
- $30
- $35
- $40
e) What are the earnings of Participant9 from this part of the experiment?

- $0
- $30
- $35
- $40

f) What are the earnings of Participant12 from this part of the experiment?

- $0
- $30
- $35
- $40

Question 3a
The final payout from the experiment is the sum of (check all that apply):

- $10 show up fee
- earnings from the auction task
- earnings from the decision task
- each participant gets one of the products for sure
E.2 Comprehension questions for others’ prize unknown treatment

E.2.1 Set one: completed by every participant

Experiment Comprehension Questionnaire

Question 1

Imagine that 12 people participated in the study. There were 6 participants in the payout auction as detailed below. Remember that each participant had $30 to start with.

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant3</td>
<td>$25</td>
<td>cinema tickets</td>
</tr>
<tr>
<td>Participant5</td>
<td>$20</td>
<td>t-shirt</td>
</tr>
<tr>
<td>Participant6</td>
<td>$27</td>
<td>t-shirt</td>
</tr>
<tr>
<td>Participant7</td>
<td>$3</td>
<td>mug</td>
</tr>
<tr>
<td>Participant9</td>
<td>$12</td>
<td>mug</td>
</tr>
<tr>
<td>Participant12</td>
<td>$1</td>
<td>cinema tickets</td>
</tr>
</tbody>
</table>

a) Who wins the auction?

- Participant 3
- Participant 5
- Participant 6
- Participant 7
- Participant 9
- Participant 12

b) How much does (s)he pay for the product?

- $0
- $20
- $25
- $27

c) What are the earnings of Participant3 from the auction?

- $0 + cinema tickets
- $5 + cinema tickets
• $27
• $30
• $5 + t-shirt

d) What are the earnings of Participant5 from the auction?
• $20 + t-shirt
• $5 + cinema tickets
• $27
• $30

e) What are the earnings of Participant6 from the auction?
• $0 + cinema tickets
• $5 + t-shirt
• $27
• $30

f) What are the earnings of Participant2 from the auction?
• $0
• $20
• $27 + cinema tickets
• $30
Question 2

Imagine that 12 people participated in the study. There were 3 participants in the payout auction as detailed below. Remember that each participant had $30 to start with.

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant3</td>
<td>$17</td>
<td>$17 voucher</td>
</tr>
<tr>
<td>Participant5</td>
<td>$13</td>
<td>$12 voucher</td>
</tr>
<tr>
<td>Participant12</td>
<td>$20</td>
<td>$22 voucher</td>
</tr>
</tbody>
</table>

a) Who wins the auction?
- Participant3
- Participant5
- Participant12

b) How much does (s)he pay for the voucher?
- $8
- $12
- $17
- $20

(c) What are the earnings of Participant3 from the auction?
- $0
- $17
- $30
- $35

d) What are the earnings of Participant5 from the auction?
- $0
- $17
- $30
- $35

e) What are the earnings of Participant12 from the auction?
f) What are the earnings of Participant6 from the auction?

- $0
- $17
- $30
- $35

Question 3
The final payout from the experiment is the sum of (check all that apply):

- $10 show up fee
- earnings from the auction task
- each participant gets one of the products for sure
E.2.2  Set two: completed only in case of an error in set one

Experiment Comprehension Questionnaire

Question 1a

Imagine that 12 people participated in the study. There were 6 participants in the payout auction as detailed below. Remember that each participant had $30 to start with.

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant2</td>
<td>$25</td>
<td>cinema tickets</td>
</tr>
<tr>
<td>Participant5</td>
<td>$20</td>
<td>t-shirt</td>
</tr>
<tr>
<td>Participant6</td>
<td>$17</td>
<td>mug</td>
</tr>
<tr>
<td>Participant8</td>
<td>$9</td>
<td>mug</td>
</tr>
<tr>
<td>Participant9</td>
<td>$12</td>
<td>t-shirt</td>
</tr>
<tr>
<td>Participant11</td>
<td>$30</td>
<td>mug</td>
</tr>
</tbody>
</table>

a) Who wins the auction?

• Participant2
• Participant5
• Participant6
• Participant8
• Participant9
• Participant11

b) How much does (s)he pay for the product?

• $0
• $17
• $20
• $25

b) What are the earnings of Participant2 from the auction?

• $0
• $25 + cinema tickets
• $5 + mug
• $30
d) What are the earnings of Participant5 from the auction?

- $0
- $5 + cinema tickets
- $20 + t-shirt
- $30

e) What are the earnings of Participant11 from the auction?

- $0
- $5 + t-shirt
- $20 + cinema tickets
- $5 + mug
- $30

f) What are the earnings of Participant10 from the auction?

- $0
- $5 + cinema tickets
- $20 + cinema tickets
- $30
Question 2a

Imagine that 12 people participated in the study. There were 3 participants in the payout auction as detailed below. Remember that each participant had $30 to start with.

<table>
<thead>
<tr>
<th>Participant name</th>
<th>Bid</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant2</td>
<td>$15</td>
<td>$22 voucher</td>
</tr>
<tr>
<td>Participant5</td>
<td>$12</td>
<td>$10 voucher</td>
</tr>
<tr>
<td>Participant9</td>
<td>$20</td>
<td>$20 voucher</td>
</tr>
</tbody>
</table>

a) Who wins the auction?

- Participant2
- Participant5
- Participant9

b) How much does (s)he pay for the voucher?

- $10
- $15
- $20
- $22

C) What are the earnings of Participant2 from the auction?

- $0
- $30
- $35
- $40

d) What are the earnings of Participant5 from the auction?

- $0
- $30
- $35
- $40

e) What are the earnings of Participant9 from the auction?
f) What are the earnings of Participant 12 from the auction?

- $0
- $30
- $35
- $40

Question 3a
The final payout from the experiment is the sum of (check all that apply):

- $10 show up fee
- earnings from the auction task
- each participant gets one of the products for sure
Appendix: Post-experimental questionnaire

1. Age [enter numeric value]
2. Gender [male, female]
3. I am: [undergraduate student, graduate student, postgraduate, employee]
4. What year are you in? [1, 2, 3, 4, 5, 6, does not apply]
5. How much did you want to buy each of the goods? [rating on a scale from 1 (=did not want the item at all) to 6 (=really wanted to buy)]
6. How familiar were you with each of the goods before participating in this study? [rating on scale from 1 (=I did not hear about the product before) to 6 (=I know this product very well)]
7. Do you own any of these products? [yes/no answer, asked each of the goods separately]
8. What amount of money would make you indifferent between buying and not buying each of the goods? [free entry, asked separately for each of the goods]
9. Please describe your bidding strategy. [free text entry]
10. Did your bidding strategy change throughout the experiment? [free text entry]
11. Did you feel cash-constrained in the auction for product ...? (i.e., Was the endowment you were given not enough?) [yes/no, asked for each good separately]
12. Did you intend to buy the good a) for own use b) as a gift c) to resell d) other? [asked for each good separately]