

something like the following to themselves: “Well, I listened previously to that annoying sound for a low amount. This sound is not much different. So if I said a low amount for the previous one, I guess I could bear this sound for about the same price.” Those who were in the 90-cents group used the same type of logic, but because their starting point was different, so was their ending point. These individuals told themselves, “Well, I listened previously to that annoying sound for a high amount. This sound is not much different. So since I said a high amount for the previous one, I guess I could bear this sound for about the same price.” Indeed, the effect of the first anchor held—indicating that anchors have an enduring effect for present prices as well as for future prices.

There was one more step to this experiment. This time we had our participants listen to the oscillating sound that rose and fell in pitch for 30 seconds. We asked our 10-cents group, “Hypothetically, would you listen to this sound again for 90 cents?” Then we asked our 90-cents group, “Would you listen to this sound again for 10 cents?” Having flipped our anchors, we would now see which one, the local anchor or the first anchor, exerted the greatest influence.

Once again, the participants typed in yes or no. Then we asked them for real bids: “How much would it take for you to listen to this again?” At this point, they had a history with three anchors: the first one they encountered in the experiment (either 10 cents or 90 cents), the second one (50 cents), and the most recent one (either 90 cents or 10 cents). Which one of these would have the largest influence on the price they demanded to listen to the sound?

Again, it was as if our participants’ minds told them, “If I listened to the first sound for x cents, and listened to the