

Literature overview

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Summary:

Overview of the existing literature on experimentation, with a particular focus on variance reduction techniques.

*Delivery Hero

1 Publications in refereed journals

- Do Consumers Pay Voluntarily? The Case of Online Music.
 - Journal of Economic Behavior & Organization, 2009 (71), 395-406; Google Scholar cites: 204
 - Regner, Tobias and Barria, Javier A.
 - **Abstract:** The paper analyses the payment behaviour of customers of the online music label Magnatune. Customers may pay what they want for albums, as long as the payment is within a given price range (\$5-\$18). Magnatune's comprehensive pre-purchase access facilitates music discovery and allows an informed buying decision setting it apart from conventional online music stores. On average customers pay \$8.20, far more than the minimum of \$5 and even higher than the recommended price of \$8. We analyse the relationship between artists/labels and customers in online music. We consider social preferences, in particular concerns for reciprocity. The resulting sequential reciprocity equilibrium corresponds to the observed pattern of behaviour. We conclude that Magnatune's open contracts design can encourage people to make voluntary payments and may be a viable business option.

2 Chapters in books

- Feldexperimente in der Ökonomik
 - Jahrbuch 2010 der Max-Planck-Gesellschaft
 - Koppel, Hannes und Regner, Tobias
 - **Abstract:** In den letzten zwei Jahrzehnten haben sich Laborexperimente als Forschungsmethode in der Ökonomik etabliert. Seit kurzem werden auch verstärkt Feldexperimente verwendet. Beide Methoden haben ihre Vor- und Nachteile, wobei wir deren Verwendung als komplementär ansehen. Abschliessend stellen wir drei Studien über Zahlungs- und Spendenmechanismen vor, die als Beispiele für die Anwendung von Feldexperimenten stehen.
- Wie die experimentelle Wirtschaftsforschung die Grundlagen des Vertrauens auslöst
 - Jahrbuch 2013 der Max-Planck-Gesellschaft
 - Regner, Tobias und Winter, Fabian
 - **Abstract:** Ohne Vertrauen läuft in der Wirtschaft wenig. Autos bleiben auf dem Hof des Händlers stehen, oder die Auswahl geeigneter Stellenbewerber würde sich sehr viel schwieriger gestalten. Ökonomen argumentieren dann gemeinhin, dass zwar vieles in Verträge festgeschrieben werden kann, aber doch eben nicht alle Fälle abgedeckt werden. Genau diese Eventualitäten aber erfordern beiderseitiges Vertrauen. Die Experimentalökonomen des Max-Planck-Institut für Ökonomik haben in einer Reihe von Experimenten untersucht, wann und warum wir in solchen Situationen vertrauen bzw. entgegengebrachtes Vertrauen erwidern.

3 Work in Progress

- Actions and the self: I give, therefore I am?
 - Regner, Tobias and Matthey, Astrid
 - Submission status: revise & resubmit (Journal of Economic Behavior & Organization)
 - **Abstract:** Self-signaling models predict less selfish behavior in a probabilistic giving setting as individuals are expected to invest in a pro-social identity. However, there is also substantial evidence that people tend to exploit situational excuses for selfish choices (for instance, uncertainty) and behave more selfishly. We contrast these two motivations experimentally in order to test which one is more prevalent in a reciprocal giving setting. Trustees' back transfer choices are elicited for five different transfer levels of the trustor. Moreover, we ask trustees to provide their back transfer schedule for different scenarios that vary the implementation probability of the back transfer. This design allows us to identify subjects who reciprocate and analyze how these reciprocators respond when self-image relevant factors are varied. Our results indicate that self-deception is prevalent when subjects make the back transfer choice. Twice as many subjects seem to exploit situational excuses than subjects who appear to invest in a pro-social identity.

- The social pay gap across occupations: Experimental evidence
 - Bublitz, Elisabeth and Regner, Tobias
 - Submission status: revise & resubmit (Journal of Behavioral and Experimental Economics)
 - **Abstract:** Receiving equal wages for work of equal value is a legal right in many countries. However, it remains unknown to what degree the neglect of this principle yields differences in pay between social and other occupations. The results of a task-based analysis with survey data confirm a notable wage penalty of 0.5 standard deviations for social occupations (e.g., health care, education). Based on these results, we design a laboratory experiment that mimics actual income distributions (Germany, USA), incorporates social occupations in the lab society, and allows for (voluntary) redistribution among subjects. The results show that, regardless of (non-)random assignment to social jobs and the level of income inequality, individuals in social jobs are only partly compensated for their social effort. A downward spiral, induced by emotional reactions, results as social effort and donations converge to a 'low' equilibrium. This suggests that a market approach fails to eliminate the social pay gap.