

Experiment Instructions

Before you begin, please notice that you have already received \$90. This is your money to keep and we have given it to you because you may choose to spend some of it during this experiment. The money has been preloaded onto the payment card that was given to you. You could use this money to play games, or make bids on Amazon goods, or just keep it in your pocket. It is completely up to you.

As part of this experiment, you will be asked to perform three tasks 1) You will be asked to look at and **touch the Amazon goods** 2) After thoroughly observing all 18 items, you will complete what we call the **Bid Task** 3) Once that task is complete you will complete what we call the **Choice Task**. Please carefully read the following instructions for these three tasks. Once you have read them you will be asked to take a simple quiz to confirm your comprehension of the Bid and Choice tasks. You must pass these two quizzes with a score of 60% in order to go on to the experiments. If you do not pass them, you will be asked to return the debit card we just gave you. At the end of the experiment, if you successfully complete all of the tasks, you will be given an item chosen at random by you.

Touching the Amazon goods

Before you move onto the Bid Task and Choice Task, you are going to spend some time thoroughly looking at and touching all of the items presented in front of you. You will see these items again in both the Bid and Choice tasks, but they will be presented to you in a cartoon version. The goal of this task is to really get a good understanding of the quality, texture, brand (if applicable), size, shape, colors, etc. of the items in front of you. Feel free to pick these items up, which we encourage, and get a good understanding of them.

You will look at each item one at a time until you are ready to move on to the next item, until all of the items are completed. Remember, these items being presented will be the same exact items (in cartoon version) that you will see during the Bid Task and Choice Task, however this is your only time to see and touch these items, as they will not be present tangibly (only visually on a screen as a cartoon); make sure to keep this in mind.

Bid Task



Figure 1. Example screen for Bid Task

In this task, you will have an opportunity to bid on a number of the Amazon goods, using the \$90 you already have. All of the items will be presented as a cartoon image. For some of the items, you've already seen and touched them. But there will be the same amount of novel Amazon goods presented as cartoon images. You had no chance to see or touch them here today. Just make a bid based on your best estimation.

The images of the goods will appear one-by-one with a short text description. Your task is to bid **the highest price** you would be willing to pay for this item (between \$0 - \$90). That might be \$1, \$5, \$40 or \$90, completely depending on **your own liking and needs**. When your bid is higher than a **randomly generated price** between \$0 - \$90, you will have an opportunity to get the item for the randomly generated price. If the randomly generated price is above your bid, you will have no chance to get this item but keep all of the money in your pocket. So if you said you were willing to pay a maximum of \$10 for the fan above, and the randomly generated price is \$5, then you get it for \$5. If the randomly generated price is \$11, which was above your bid, then you keep your money and do not buy the item.

Only one decision that you made today will be for real. At the end of the experiment we will randomly select one trial from all the trials you played in the Bid Task and the Choice Task. If that trial is from the Bid Task, that trial will be for real. You pay the item for a randomly generated price if your bid is higher, or you do not buy it if your bid is lower. Since you do not know which trial will be the final selection, treat each trial of this task as if it were the one that is for real.

For this reason it is very important that you tell us the most you would really be willing to spend to really go home with that item. If you bid too low, you might miss the chance to get the item for a good price. If you bid too high, then you might have to spend more than you want on the item. In this kind of “auction,” the best strategy is simply to report the most that you would be willing to pay for that item.

Tips #1: Never bid a value higher than the most you want to pay for a good

Tips #2: Never to lose an attractive good because of a too low bid

Please note that, what you bid should NOT be the market price. We are not asking you what Amazon charges for these goods. Instead, we want you to tell us how much you are really willing to pay to really own this item. This is a highly personal question and you should answer based on your own liking and needs.

During the **Bidding Task**, you will see and bid on many items. You may see some items more than once. Remember that **only one decision** that you make today will be for real. You will find out which one at the end of the experiment.


How do you actually perform the bidding process on the computer:

As soon as the object appears you should look at it and read the description. Then you should indicate the most you would be willing to spend for that item with your mouse. You will have no time limit to bid for each item. Please feel free to read and think carefully. But try not to spend

an unreasonably long time on each item. That will take you a longer time to finish today's testing.

Step 1 Bid a value by moving the mouse cursor to a corresponding position on the visual scale (from \$0 to \$90) and click on that position to confirm your decision. You are allowed to change your bidding just by moving and clicking again at a different position.

Step 2 To understand how confident you are when making each bid, there will be a second visual scale (from 0: low confidence and not sure if this bid is the best choice for you to 100: extremely confident and extremely sure that this bid is the best choice for you). Move the mouse cursor to the corresponding position on the scale and click that position to confirm your decision. You are also allowed to change this value just by clicking again at a different position.

Step 3 Once you have made a bid, and clicked on a value to say how confident you are on the bid, press the “” button to proceed to the next item until all items are completed.

Quiz for the Bid Task

1. How much you bid for an item should be based on ()
 - A. The most you would really be willing to pay to own that item
 - B. The market price Amazon actually charges for that item
 - C. A randomly generated price
2. If you bid a higher number than the most you are willing to pay you may ()
 - A. Get less opportunities to buy the item
 - B. Wind up paying a higher price for the item than you think it is worth
 - C. Have no influence on anything because the price is randomly generated
3. The possible outcome of bidding less than the maximum you would be willing to pay is ()
 - A. Get more opportunities to buy the item
 - B. Wind up missing the chance to buy an item for what seems to be a good price
 - C. Have no influence on anything because the price is randomly generated
4. How is the actual sale price offered for an item determined at the end of the experiment?
 - A. Based on the market price of the item
 - B. Based on a random price close to but not exactly equal to the item's market price
 - C. Based a random price between \$0 - \$90 independent from the item's market price
5. The best strategy for the bid task is to ()
 - A. Bid as low as possible to get a low price on an item
 - B. Bid as high as possible to maximize the chance of getting a good
 - C. Bid a price that best matches the most you would actually be willing to pay for that item

Choice Task

In the choice task, you will be asked to tell us which of three of the goods you saw in the Bid Task you would prefer to own. **There is no price in this task. All the goods offered in this task are free.** You simply have to tell us which you want more from any given choice. Remember that one of the decisions you make today is for real. If it is a Bid Task, we will run the auction described above. **If it is a Choice Task, we will simply give you the item you chose and you will still have your \$90 in your pocket.** Remember, you will not know in advance which choice is for real, so consider each choice carefully. What good you go home with depends on what choices you make.

The Choice Task has several specific steps and a very specific timing:

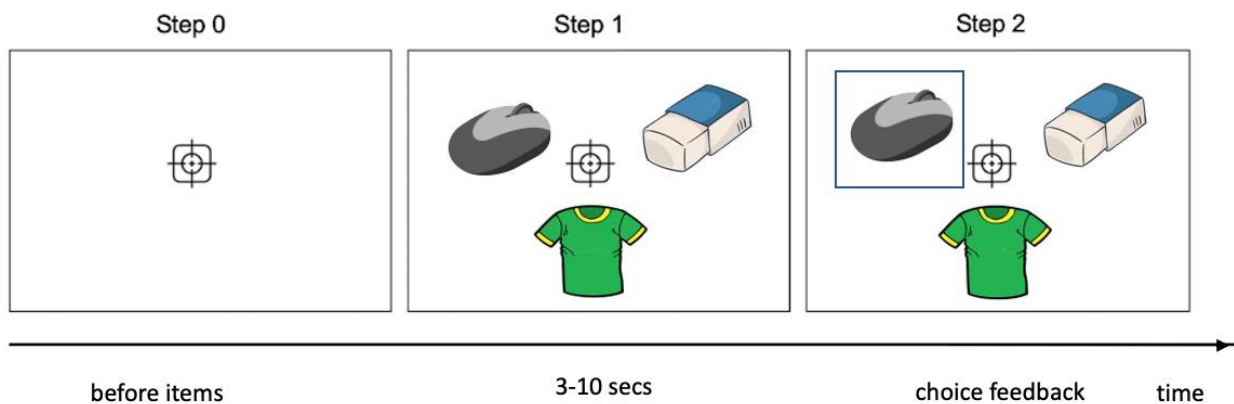


Figure 2. Example screen for choice task

Break Down of Steps

There are three steps in each round of the task. See Figure 2 for an example round.

Step 0 (the 1st screen in Figure 2): This marks the beginning of each round of the task. Try to keep your eyes fixated on the crosshair located in the middle of the screen.

Step 1 (the 2nd screen in Figure 2): You will see cartoon pictures of items on the screen that you previously encountered in the bidding task. Remember some of these items represent the items that you just touched. Try to think of the items you just touched when you see their corresponding cartoon picture on the screen. Your job in this task is to first evaluate how much

you like every item. You will either have 1.5 seconds or 10 seconds to choose depending on the trial. We know it might be challenging with short timing. So, we will have some practice for you beforehand that does not count toward anything except your knowledge.

Step 2 (the 3rd screen in Figure 2): At this step, you will see which item you have chosen that you like the best. The square around the item shows that you have selected this item. You will automatically be moved to the next choice of items a little after you have selected the item you would like.

Please Note:

- The available items will always change on each trial.
- The cartoon items may correspond to some of the items that you have touched in real life. Please make sure to think of the items that you touched in real life when these items come up. There are some cartoon items that you did not touch in real life, so just be sure to make your decision based off of the image.
- Step 1 sometimes only gives you 1.5 seconds to make your choice. You need to indicate your choice fast. If you are out of time, a “Time out!” alert will pop out on the screen, reminding you to respond faster. If you perform out of time, you will **lose the opportunity** to get any item from this trial.

Quiz for the Choice Task

1. Which item should you be picking?
 - A. The item you like the most out of all the items
 - B. The item that has the highest market price
 - C. The item that is the biggest
2. What should you be thinking about when looking at a cartoon item that you touched in real life? (i.e. a cartoon picture of a pencil and you touched a pencil in real life).
 - A. The cartoon image only
 - B. An item that you have at home
 - C. The item that you touched prior to the experiment
3. What is the shortest amount of time that you will have to decide between items?
 - A. 1.5 seconds
 - B. 3 seconds
 - C. 10 seconds
4. What will happen if you don't make a choice in the time allotted?
 - A. A "Time Out!" will appear and you lose the opportunity to get any item from the current trial
 - B. After 5 missed rounds you will automatically stop the experiment
 - C. You will have to start the experiment over.
5. If you eventually get an item from the Choice Task (but not the Bid Task), how much you pay for that item?
 - A. \$0
 - B. Market price of the item
 - C. A randomly generated price between \$0 - \$90