

● Seller sets price p and threshold level τ

$l=0$



● Buyer picks method given valuation x_i

Don't buy



Buyer payoff: $0 - l \kappa_i$
Seller payoff: $0 - c$

Buy



Buyer payoff: $x_i - p - l \kappa_i$
Seller payoff: $p - c$

Bid $b_{i,l}$



Bid evaluated

Rejected
 $b_{i,l} > \tau$



Buyer payoff: $0 - (l+1) \kappa_i$
Seller payoff: $0 - c$

Accepted
 $b_{i,l} \geq \tau$



Buyer payoff: $x_i - b_{i,l} - (l+1) \kappa_i$
Seller payoff: $b_{i,l} - c$

Repeated bidding

$l++$