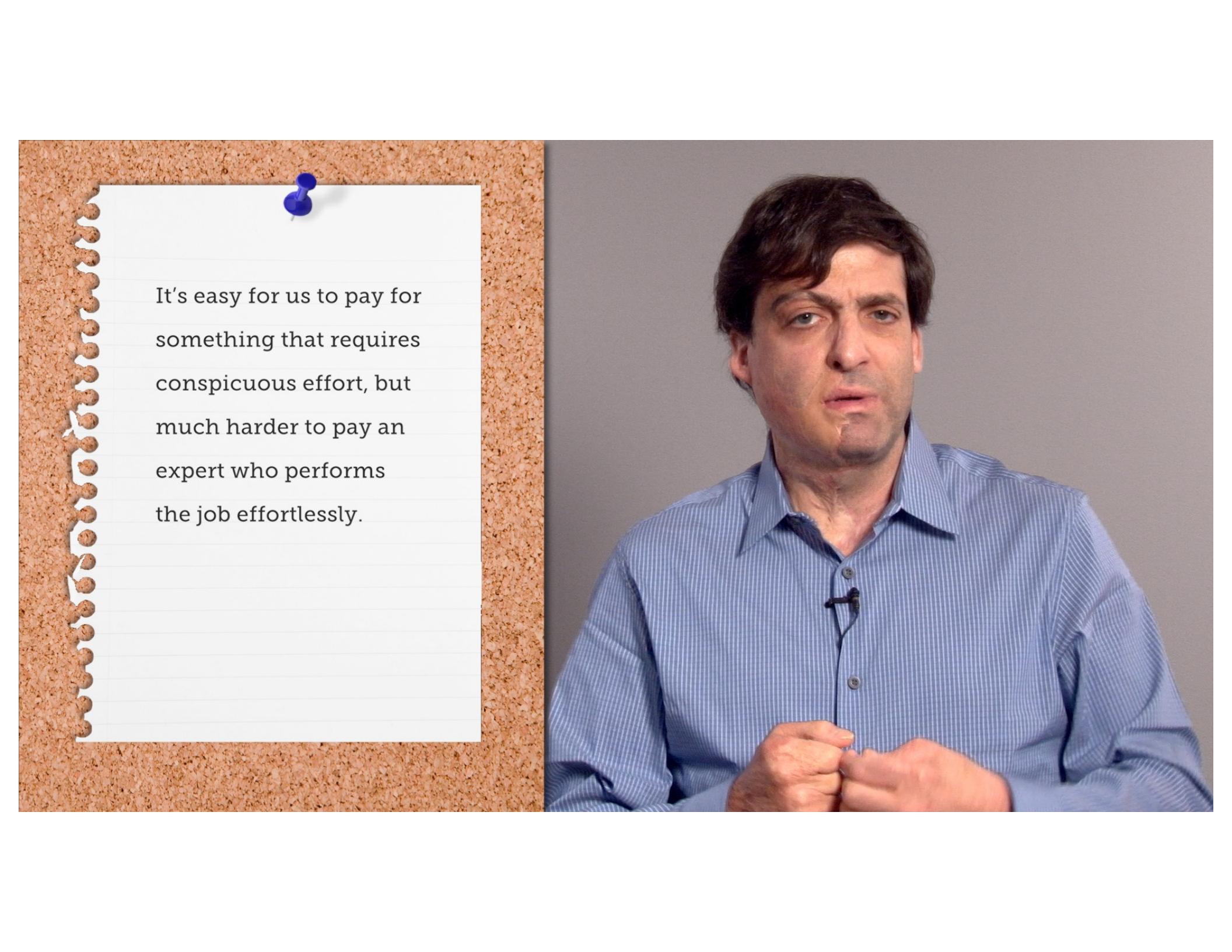


## **Part 5:**

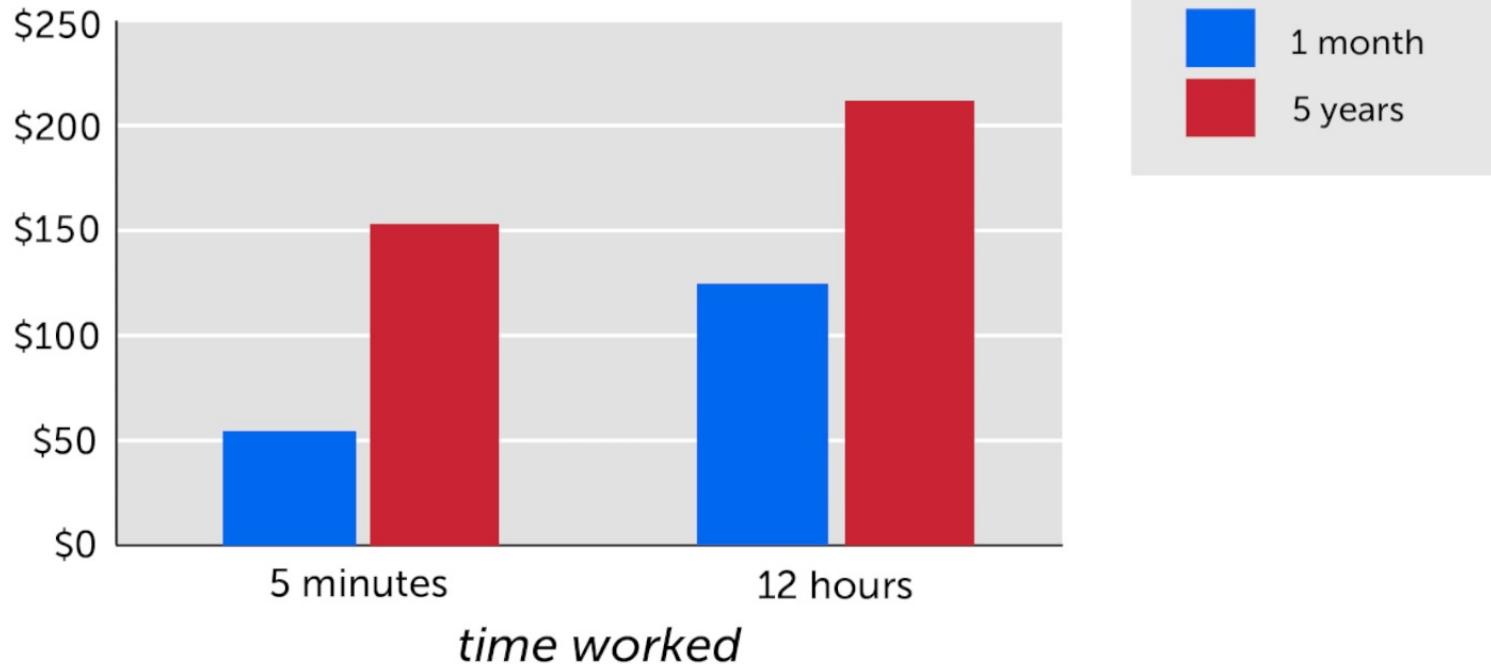
### Fairness and Reciprocity



It's easy for us to pay for something that requires conspicuous effort, but much harder to pay an expert who performs the job effortlessly.



## Data Recovery

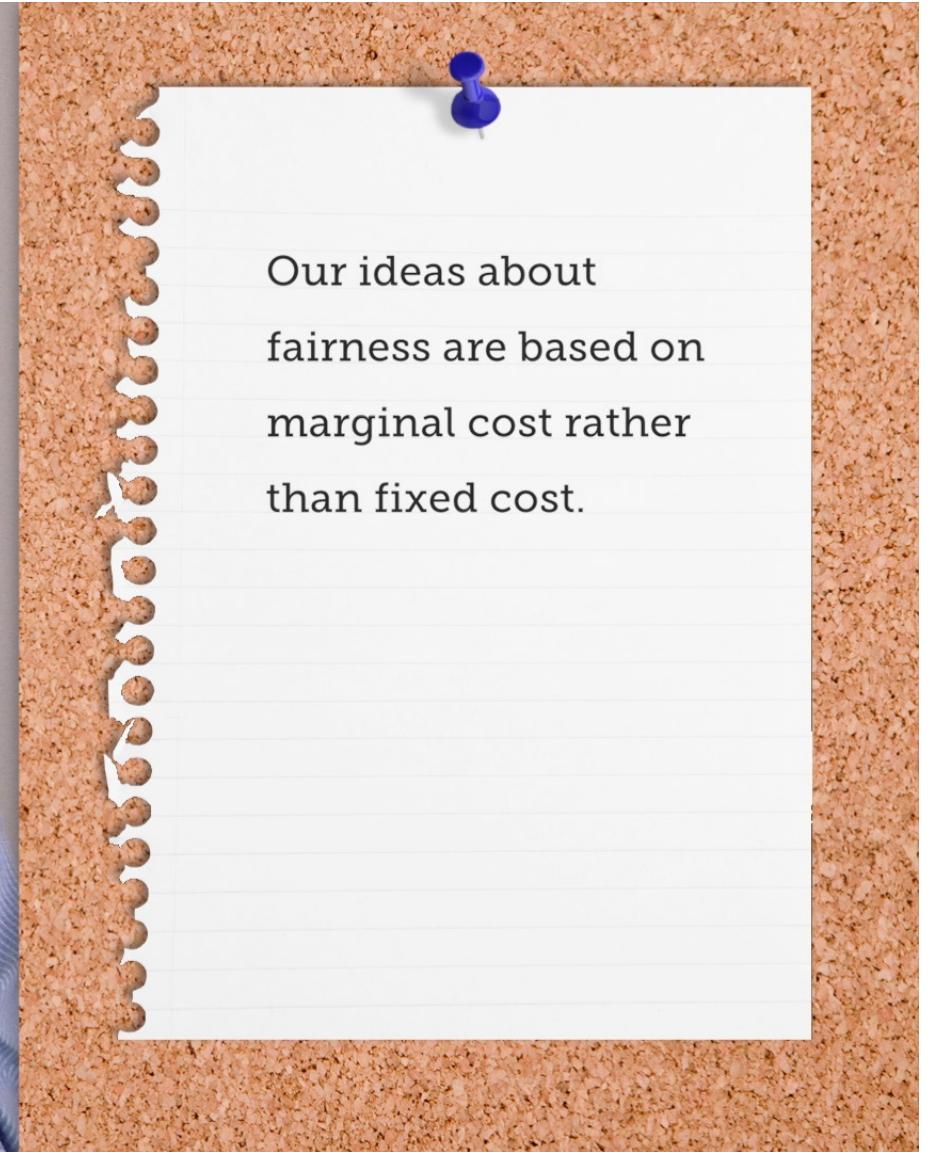




You saw their effort and  
took some of their time.

You don't see the  
marginal cost of the service.







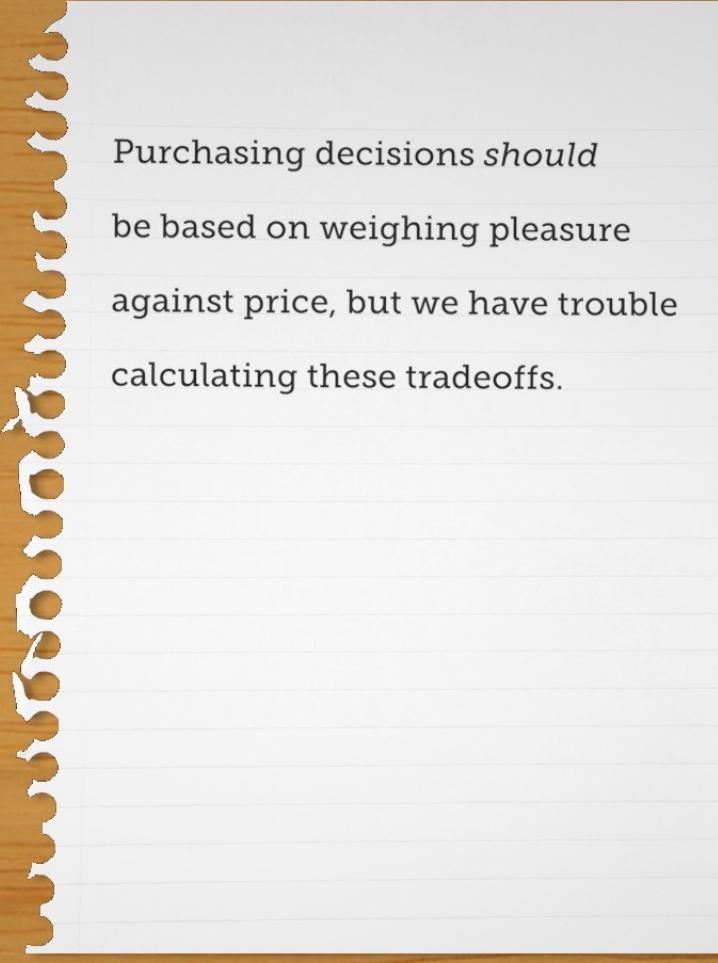
Why should I  
pay more when  
it's not costing  
them more?





We are willing to pay  
more when we see  
the costs involved.

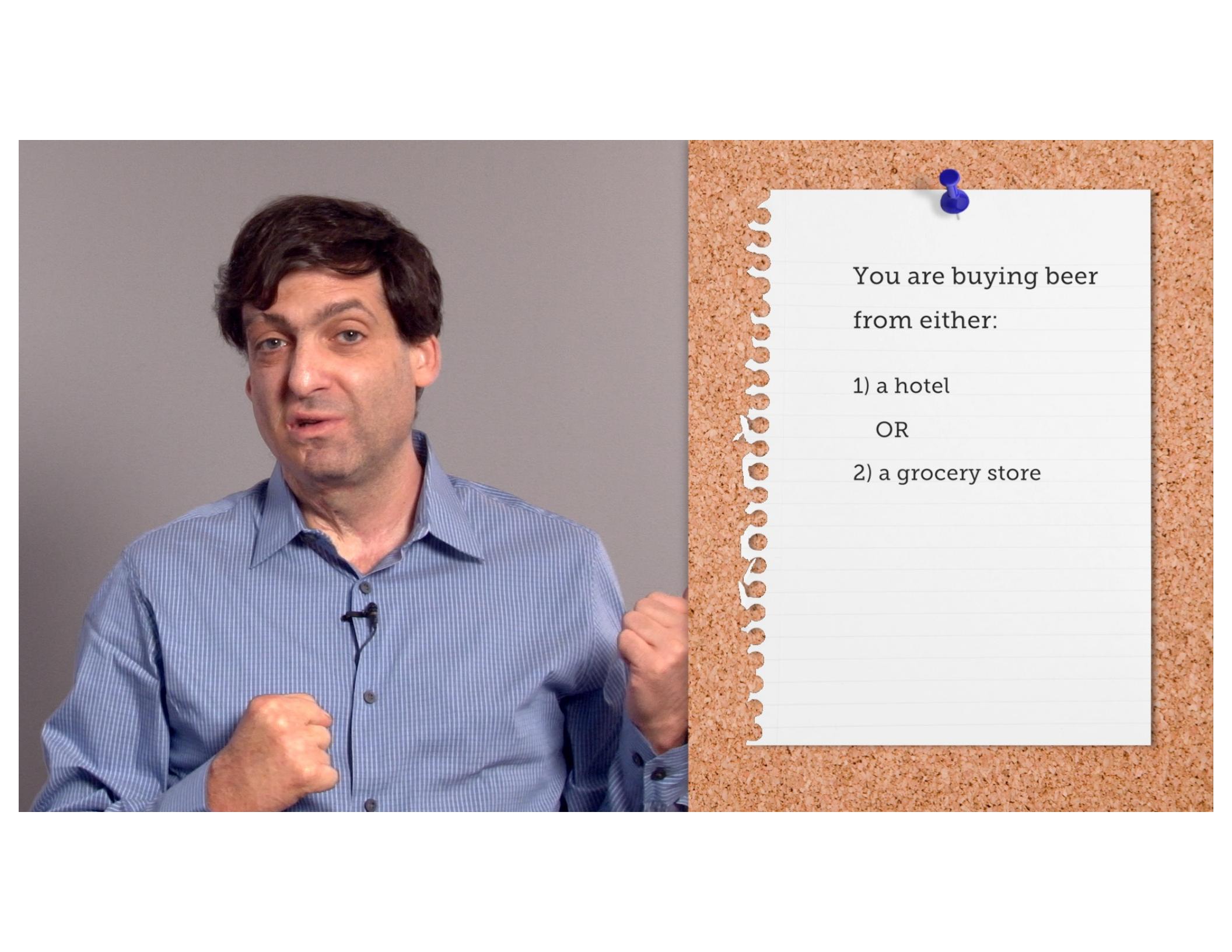




Purchasing decisions *should*  
be based on weighing pleasure  
against price, but we have trouble  
calculating these tradeoffs.

I'm going to get beer.  
What's the most you'll  
pay for one?



A man with dark hair and a blue striped button-down shirt is standing on the left side of the frame. He is holding a white rectangular board with his right hand, which has a blue pushpin at the top center. The board contains text about buying beer.

You are buying beer  
from either:

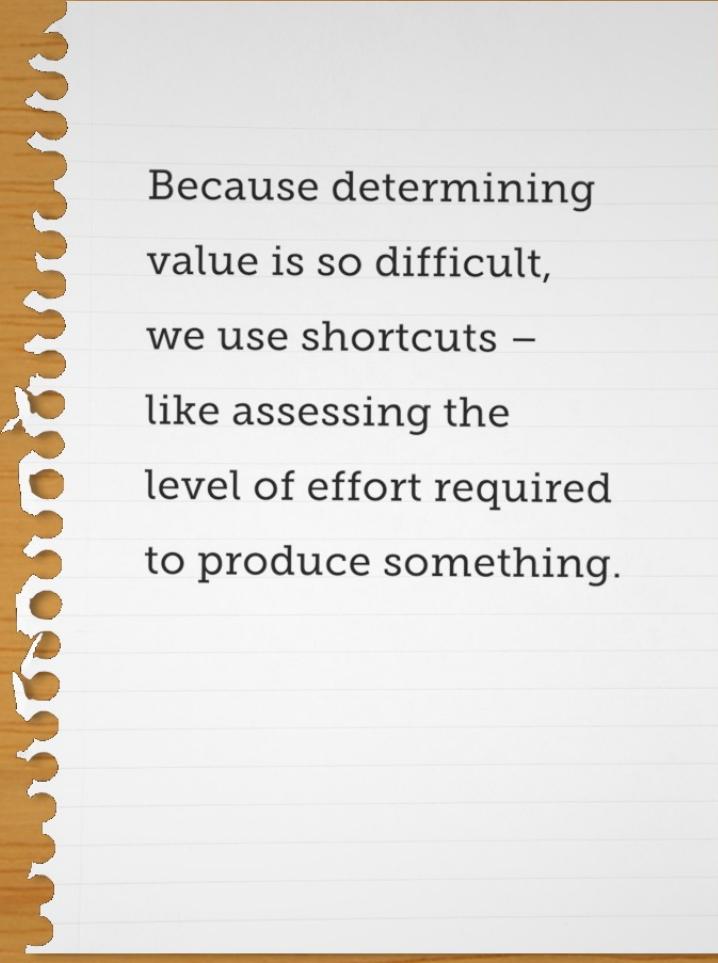
1) a hotel

OR

2) a grocery store

Judgment of fair price depends  
on perceived costs.





Because determining  
value is so difficult,  
we use shortcuts –  
like assessing the  
level of effort required  
to produce something.