TREATMENTS FOR EXPERIMENT

We will begin with testing four treatments in the laboratory. Between subject design will be used. I will supply an instruction document specific to each of the four treatments as the examples provided in the instruction document is specific to the auction environment each subject is playing in.

Description of Treatments

Two of the four treatments will be designed under a discriminatory pricing format while the other two treatments will be under a uniform pricing format (highest losing bid).

(1) **Treatment 1-A:** Uniform pricing format: supply of auctioned good is three (3); number of bidders is two (2); demand per bidder is two (2).

(2) **Treatment 1-B:** Discriminatory pricing format: supply of auctioned good is three (3); number of bidders is two (2); demand per bidder is two (2).

(3) **Treatment 2-A:** Uniform pricing format: supply of auctioned good is eight (8); number of bidders is three (3); demand per bidder is three (3).

(4) **Treatment 2-B:** Discriminatory pricing format: supply of auctioned good is eight (8); number of bidders is three (3); demand per bidder is three (3).

Timing

The entire laboratory session is divided into 3 parts that are completed on-line. Part 1 will have laboratory participants first complete an on-line demographic questionnaire that includes 10 questions followed by a hypothetical gambling game to elicit risk preferences. Part 2 will consist of an instruction document that outlines the rules of the auction game, provide illustrative examples and explain all important aspects of the auction setting they will be playing in. At the end of Part 2, will have 2 practice rounds in which participants are matched with competitors and results of the auctions appear on their screen including the valuations of their competitors. These dry runs will ensure all participants are aware and understand the rules of the auction completely. Part 3 will consist of 25 auctions (all from the same treatment) - the details of which are in the instruction manual.