**Method**

Participants are randomly assigned to one of two conditions. In one condition, participants are assigned to the role of a product referral sender. In another condition, participants are assigned to the role of someone who is evaluating the behavior of a product referral sender (shorthand: receiver). In both conditions, participants read about a fictional new email client that allows early adopters to send referral links for their friends to sign up for the service. There are two primary DVs of interest: how acceptable the referrer’s actions are and how high quality the product needs to be for the referrer to send referral invitations. In each condition, all participants rate how acceptable the act of sending the product referral as (senders rate how acceptable they believe others will perceive their actions to, receivers rate how acceptable the action of a sender is), is well as how high quality a product would need to be in order to send a referral (again, senders evaluate their own quality threshold, receivers rate the quality threshold of a sender). Note that for the acceptability item, senders provide an additional rating and rate both how acceptable they believe their own actions to be, in addition to how acceptable they believe others will view their actions to be (i.e., senders have 3 DVs, receivers have only 2). For this study, the focus is on the measure of how acceptable senders believe others will view their actions to be. The rating of how acceptable senders believe their own actions to be is exploratory.

A within subjects factor is that participants evaluate each of these outcome measures when there is no incentive (i.e., free) and when there is a minimal incentive of $0.10 per referral. The levels of the within subjects factor are presented randomly by Qualtrics. At the end of the survey, one attention check is administered, which requires participants to recall which between subjects factor condition of the study they were assigned to.

**Hypothesis and analysis plan**

We specify two hypotheses, one for each dependent variable. For product quality, we expect an interaction between the between subjects factor and the within subjects factor. Specifically, we expect that senders will rate their quality threshold for sending referrals as similarly high both when there is no incentive and also when there is a small incentive. For receivers, however, we expect that their perceived quality threshold for a sender to send a referral will decrease when an incentive is added. Specifically, we expect a flat line for sender quality threshold and a negative line for receiver quality threshold.

For acceptability of sending a referral, we expect main effects of each of the between and within subjects factors, but no interaction effect. Specifically, we expect that senders will view the act of referring a product as less acceptable than receivers, but for both groups we expect sensitivity to incentives such that adding an incentive increases how acceptable the act of sending a referral is. That is, we expect positive slopes for each condition, with the line for senders being significantly lower than the line for receivers.

Analysis plan: responses to each DV should be nested within participants, with a regression term for the between subjects factor and a test of the within subjects factor and their interaction. We used the stata xtmixed command, which simulates OLS when reml is used as an option:

xtmixed acceptable condition##time || id:, reml

**Appendix A**

**Common text to both scenarios**

Many companies are beginning to use referral bonuses to help spread awareness and usage of their products.

One prominent example is Uber. Existing users have a personal code that they can share with new users. If the new user enters the code when they sign up, the person giving their referral code will receive a free ride (also usually a $15 credit).

We are interested in learning about how people think about referral bonuses.

**Exact text of scenario in the sender condition**

Imagine that a tech company has developed a new email client, **Z-Mail**. The company plans to grow initially by having its early adopters send invitations to new users.  
  
Imagine that **you** are an early adopter and have been given a number of invitations to send to your friends.

**Exact text of scenario in the receiver condition**

Imagine that a tech company has developed a new email client, **Z-Mail**. The company plans to grow initially by having its early adopters send invitations to new users.  
  
Imagine that **your friend** is an early adopter and has been given a number of invitations to send to his friends.

**Dependent variable (within subjects factor italicized, between subjects factor underlines)**

DV1:

Suppose that the company **pays you/your friend** *nothing/10¢ (ten cents)*for each invitation you send.  
  
How **acceptable do you think others will view your actions to be/your friends actions are** if you/he send(s) invitations to all of your/(his) friends?

1 = not at all acceptable

7 = very acceptable

DV2:

Suppose that the company **pays you/your friend** *nothing/10¢ (ten cents)*for each invitation you send.

How good would the **quality** of the product need to be for you/your friend to send an invitation?

1 = extremely low quality

7 = extremely high quality

**Attention Check**

In this study, you read about referral bonuses for a new email client.

Some people read about a scenario in which the reader (i.e., you) was the sender of referral invitations, while other people read about a scenario in which their friend was the sender of referral invitations.

Which scenario did you read about?

1. I was the sender of referral invitations
2. My friend was the sender of referral invitations