

**Experimenter Demand Effects and Altruism towards the Experimenter.** By Piers Fleming and Daniel John Zizzo

*Sessions vary according to whether:*

- *Order 0 vs Order 1*
- *NoInfo vs SocialInfo [no information vs social information]*

## **Experimental Instructions**

Thank you for taking part in this experiment on decision making. Please raise your hand if you have any questions at any point in the experiment. Please do not touch any of the items in front of you unless told otherwise.

There are three stages in this experiment; all of your decisions are confidential. Your decisions will be anonymized for analysis. Your decisions alone will determine your earnings.

You will receive £2 for attending this experiment.

### **[Order 0]**

In stage 1 you will be given £3 worth of vouchers which can be spent in Blend/Zest/Cafe Direct any time this month. You will then decide how much to keep. You can choose to keep all £3.

In stage 2 you will be given £3 in coins. You will then decide how much to keep. You can choose to keep all £3.

Before you leave you will answer some questions.

You will be given the money in advance of completing the experiment so we will now ask you to sign that you have received the cash and vouchers. Please empty the two brown envelopes in front of you (named 'Vouchers' and 'Cash') and count their contents.

Please raise your hand when you are ready to continue.

These questions are only to make sure that you have understood the instructions. Please raise your hand when you have completed them.

1. What is the maximum value of vouchers and money you can choose to leave this experiment with? \_\_\_\_\_

2. What is the minimum value of vouchers and money you can choose to leave this experiment with? \_\_\_\_\_
3. Will all of your earnings be in cash? Yes / No

## **Voucher Decision [Order 0: Stage 1]**

In the voucher envelope you have been given £3 worth of vouchers which can be spent in Blend/Zest/Cafe Direct on campus this month. There are also an equivalent number of worthless pieces of paper (which you will not keep).

In a moment you will be asked to destroy six of these items (these vouchers or the worthless paper equivalents). We would like you to practice this in a moment.

**Please do not destroy anything right away but raise your hand and wait for the experimenter to tell you to proceed.**

### **Practice**

In front of the shredder is a blank piece of paper approximately of the same size as a voucher. Please carefully use the shredder to destroy it.

### **Decision**

You have one decision to make in this stage. Namely, you need to decide how many vouchers to **destroy** by shredding them.

You must shred six items. If you decide not to destroy a voucher in the shredder you are asked to destroy a piece of blank paper instead. You keep any vouchers you do not destroy.

*[Treatment SocialInfo only:*

*In test sessions of this experiment which we ran in May some people destroyed vouchers - of those that did, on average (rounded to the nearest 50p) they destroyed £1 of vouchers.]*

Please now do the following in sequence:

- 1) Shred six items.
- 2) Place any of the unshredded blank paper slips back in the envelope.
- 3) Turn over the page.

Please write down the value of vouchers that you have destroyed (£0-£3): £ \_\_\_\_\_

Please raise your hand to let the experimenter know when you are ready to proceed.

## Cash Decision [Order 0: Stage 2]

In the cash envelope you have been given £3.

You have one decision to make in this stage. Namely, you need to decide how much cash to **return** to the experimenters. You keep any cash you do not return.

Please now do the following in sequence:

- 1) Place any cash that you wish to return in the envelope back in the envelope.
- 2) Turn over the page.

*[Treatment SocialInfo only:*

*In test sessions of this experiment which we ran in May some people returned cash - of those that did, on average (rounded to the nearest 50p) they returned £1 of cash.]*

Please write down the amount of cash you put in the envelope (£0-£3): £ \_\_\_\_\_

Please raise your hand to let the experimenter know when you are ready to proceed.

### Order 1:

*Same instructions as above but with two changes relative to Order 0: (a) Stage 1 of Order 0 becomes stage 2 and Stage 2 of Order 0 becomes Stage 1; (b) corresponding small changes in text.*

## Final Questions [common for Order 0 and Order 1]

Regarding the decision about vouchers – why did you make the decision you made?

Regarding the decision about cash – why did you make the decision you made?

Do you believe that any shredded vouchers are destroyed and made worthless? Yes / No

Do you think destroying vouchers would be beneficial to Blend/Zest/Cafe Direct?

not at all beneficial							extremely beneficial
1	2	3	4	5	6		7

How clear were the instructions for the decision about vouchers?

not at all clear							extremely clear
1	2	3	4	5	6		7

Is there anything you did not understand for the decision about vouchers?

How clear were the instructions for the decision about cash?

not at all clear							extremely clear
1	2	3	4	5	6		7

Is there anything you did not understand for the decision about cash?

Did you feel under any pressure or expectation to destroy the vouchers?

Not at all							Very much so
1	2	3	4	5	6		7

Did you feel under any pressure or expectation to return the cash?

Not at all							Very much so
1	2	3	4	5	6		7

Please make sure that you answered all questions. Then raise your hand to indicate that you are ready to proceed.

## Minimum selling price

We will now give you the opportunity to sell your remaining vouchers (six minus the number you destroyed before). We will be willing to pay a random amount  $X$  between 1p and 100p for each voucher. You must decide how much you are willing to accept for your vouchers.

If your stated willingness to accept is smaller or equal to the randomly drawn price  $X$ , then we will purchase all your remaining vouchers for the randomly drawn price  $X$  – not for your stated willingness to accept. You receive the price  $X$  for each remaining voucher.

If your stated minimum selling price per voucher is greater than the randomly drawn price  $X$ , then we will not purchase any vouchers from you. You keep all of your remaining vouchers.

### Example:

*Imagine that you have 4 remaining vouchers and stated a minimum selling price of 61 pence per voucher. If the randomly drawn price  $X$  were, say, 64 pence, we would buy all your vouchers at a price of 64 pence - not 61 pence. Thus you would get paid  $4 * 64p = £2.56$ . If the randomly drawn price  $X$  were, say, 53 pence, we would not buy the vouchers from you and you would leave with your vouchers. Because your answer does not affect the amount you get paid, only whether you sell, it is to your advantage to state the minimum that you would be willing to be paid for selling each of your vouchers.*

What would be the lowest price at which you were willing to sell each of your remaining 50p vouchers (for use in Blend/Zest/Cafe Direct)?

My minimum selling price is \_\_\_\_\_ pence per voucher.

After writing down your minimum selling price please raise your hand to indicate that you are ready to proceed.

*To be completed by the experimenter:*

Random number drawn: \_\_\_\_\_

$$MSP \leq X$$

**Sell** all remaining vouchers for price  $X$

Number of remaining vouchers: \_\_\_\_\_

Price  $X$ : \_\_\_\_\_

Total payment for vouchers: \_\_\_\_\_

$$MSP > X$$

**Leave** with all remaining vouchers – no payment

Session: \_\_\_\_\_

Participant: \_\_\_\_\_

## Demographic Questions

Age: \_\_\_\_

Gender: Female\_\_\_ Male\_\_\_\_\_

Nationality: \_\_\_\_\_

Study level: Undergraduate\_\_\_ Postgraduate\_\_\_\_\_

Do you study or did you study economics as a main university subject? (That is, with economics in the degree title, e.g. BA Banking and Economics)?

Yes\_\_\_ No\_\_\_\_\_

Finally, please put this sheet and both brown envelopes ('Vouchers' and 'Cash') into the large white envelope provided and give them to the experimenter when you leave. Please close but **do not seal** any of the envelopes.

Please do not discuss this experiment until we have finished testing (the end of this week). Thank you for taking part. If you wish to know more about this experiment, please email Dr. Piers Fleming (p.fleming@uea.ac.uk) and you will be put on a debriefing list. A debriefing note on the experiment will then be emailed to you after all experimental sessions have been run.