

Supplementary 1 - Screenshots

Notice that the text highlighted in the following figures refers to the Treatment group only. In the Control group such text was not shown.

Welcome

We are pleased to welcome you to this experiment. Please read the following instructions carefully. During the experiment it is forbidden to communicate with other participants. Questions should be addressed to the organisers only.

You can earn money by taking part in this experiment. The exact amount you will earn depends on your and the other participants' choices. At the end of the session, the amount will be paid to you in cash in private. During the experiment you may also contribute to the charity you have previously chosen.

The corresponding amount, arising from your own and other participants' choices will be included in your invoice, but it will be immediately donated online to the charity of your choice at the end of the session. You will be asked to sign an invoice for your payment and charity donation.

The experiment includes various activities to be carried out on the computer and a brief final survey. The choices you make in each activity have no influence on either previous or subsequent activities in this experiment. The earnings accrued within each activity will be notified to each participant, only at the end of the experiment.

Each activity allows you to earn points which are converted to real money at the rate of 1€ for every 20 points.

It is important to be aware that all your decisions and earnings are strictly private and anonymous. The researchers will study the data from the choices made without being able to link them to the identity of any participants. At the same time you will be paid by the administrative staff, who will have no access to the data concerning the choices that determined your earnings.

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Activity n.1

Instructions

You are about to participate in a market game, together with another participant who has been randomly associated with you. You represent two firms competing against each other. You produce a fictional good and you are responsible for choosing its **selling price** and its **social quality**, that is the external effect of its production. For example, you may think of choosing production inputs with a better environmental or social impact (e.g. materials that involve less pollution, no child labour, etc.). In this game more **social quality** implies greater production costs.

Each firm's **market share** is determined by the computer, using a mathematical algorithm which mimics the preferences of consumers with a particular degree of social consciousness. The higher a good's **social quality** and the lower its price the higher is the firm's market share. At the same time, the market share increases with the competitor's selling price and decreases with its **social quality**. The following table summarizes these relations.

	Your quality	Your price	Competitor's quality	Competitor's price
Your market share	+	-	-	+
Competitor's market share	-	+	+	-

The quality can be any integer number between 0 and 400: higher numbers mean higher quality (and hence higher production costs). The price can be any integer number between the chosen quality and 400. The market share will be a percentage between 0% and 100%. The game will last for 10 consecutive rounds in which you will be facing the same competitor. The algorithm that determines the relative market shares remains the same throughout the whole game. At each round each firm's profit, earned by yourself and your competitor, will be equal to:

$$\text{Profit} = (\text{Price} - \text{Quality}) \times \text{Market share}$$

The social contribution associated to your production at each round of the game will be equal to:

$$\text{Social contribution} = 1.5 \times \text{Quality} \times \text{Market share}$$

Notice that a unit increase in the good's quality generates an increase in social contribution which is proportionally higher than the cost increase (this is due to the coefficient equal to 1.5 in the formula).

Between each round players will be notified of both player's qualities and prices and their resulting market shares. Your profit and social contribution will also be shown. At the end of the game one round will be randomly selected and the points you earned in that period, both in terms of profit and social contribution, will be transformed into cash. The money corresponding to the social contribution for that period will be transferred to the charity of your choice.

For your convenience, these instructions (or a short version of them) will remain available to you on all subsequent screens of this activity.

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Please choose quality and price - Round 1 of 10

Choose a number between 0 and 400 as your quality.

points

Choose a number between quality (chosen above) and 400 as your price.

points

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Short Instructions

Your market share is higher the higher the quality and lower the price of the good you produce. At the same time, it is increasing in the competitor's selling price and decreasing in its **social** quality. The following table summarizes these relations.

	Your quality	Your price	Competitor's quality	Competitor's price
Your market share	+	−	−	+
Competitor's market share	−	+	+	−

In each round your profit will be equal to:

Profit = (Price - Quality) x Market share

The social contribution associated to your production at each round of the game will be equal to:

Social contribution = 1.5 x Quality x Market share

The points you earn in the paying period, both in terms of profit and social contribution, will be transformed in cash.

For your convenience these instructions will remain available to you on all subsequent screens of this activity.

Results

Time left to complete this page: ⌚ 0:48

Round number	1
The price you chose	133 points
The quality you chose	111 points
The price chosen by the competitor	231 points
The quality chosen by the competitor	226 points
Your market share	56.81%
Your payoff if this is the paying period	12 points
The social contribution arising from your choices if this is the paying period	95 points

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