For Online Publication: Appendix for "Conformity in the Lab"

Jacob K. Goeree and Leeat Yariv

Current Version: December 22, 2014

An important concern regarding our results pertains to subjects' confusion. If subjects do not understand the information content of the choices they face, interpreting our results

would be difficult. In order to address this concern, we asked subjects to explain their

behavior in a free-form manner at the end of each session. In our analysis, we focused on the

low-stakes sessions and had a research assistant classify the resulting texts according to their

level of confusion. In particular, we focused on general confusion about the setup (either

the information content of their initial choices between a private signal and history, or other

details of the design) as well as confusion about the information content of the history choices

(corresponding to subjects who thought the history condition allowed the observation of all

of the preceding choices, not only of those who chose to observe history themselves).

Individual treatments. In our individual treatments, 28% of our subjects were confused

about some element of the design, whereas 17% of the subjects reported thinking that they

would observe all their predecessors' choices upon choosing history (a subset of the previous

group).

Importantly, over all periods, of the 72% of subjects that did not appear confused in

any way, 17\% chose history when they were in places 4-15 in the sequence. Even when

restricting attention to periods 7-10, history choices occurred 12% of the time for subjects

in places 4-15 in the sequence.

Majority treatments. Similar results emerge from our majority treatments. 33% of our

subjects were classified as confused about some element of the design, while only 5\% reported

thinking that they would observe all of their predecessors' choices upon choosing history.

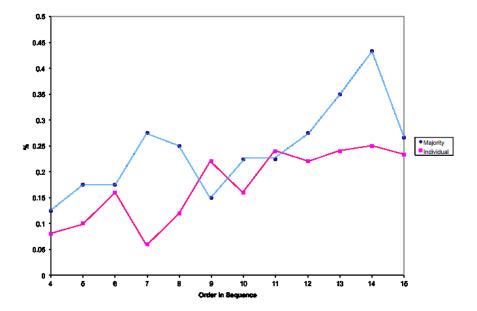


Figure 1: Fraction of Individuals Choosing History as a Function of Location in the Sequence, Restricted to Subjects with Clear Post-experimental Reports

Over all periods, of the 67% of subjects that did not appear confused in any way, 24% chose history when they were in places 4-15 in the sequence. The same percentage of subjects chose history when restricting attention to periods 7-10.

Furthermore, Figure 1 in this Appendix is the analogue of Figure 3 in the paper and depicts the frequency of history choices as a function of the location of subjects within the treatments, restricting attention to subjects who were not confused in any way. The pattern that emerges is the identical to the one that is blind to subjects' post-experimental reports.¹

While some confusion of subjects is always expected in laboratory studies, these results suggest that the insights we report are not driven by mere misunderstanding of the experimental incentives.²

¹The estimated slope of the curve corresponding to the individual treatment is 0.016 ± 0.003 and that corresponding to the majority treatment is 0.018 ± 0.005 .

²Naturally, our analysis here is only suggestive as post-experimental reports were not incentivized. This is why we chose to report statistics from our full data in the paper. However, we suspect that subjects may have internal motives to justify their actions ex-post and thereby report answers that would appear as confused about the setting. In other words, we suspect our estimates of the volume of confused subjects are exaggerated.