

Additional Material accompanying “Individual behavior and group membership: Comment” by Matthias Sutter

A1. Experimental instructions for treatments INDIVIDUALS and TEAMS

The following instructions are for treatment INDIVIDUALS. Additions for the TEAMS-treatment are included in {arial font in curved brackets}.

Instructions for the experiment

This experiment consists of 9 rounds. In each round you {your team} will receive an endowment of 100 Euro-cents. You {Your team} must decide which part of this endowment (between 0 Euro-cents and 100 Euro-cents) you wish to invest in a lottery. The investment will be denoted as amount X . {Within your team, you have to agree on a single choice of the amount X .}

The outcome of the lottery is as follows:

- With a chance of $\frac{2}{3}$ (66.67%) you lose the amount X you have invested and your payoff in the respective round is Payoff = $100 - X$ Euro-cents.
- With a chance of $\frac{1}{3}$ (33.33%) you win two and a half times the amount X you have invested in addition to your initial endowment and your payoff in the respective round is Payoff = $100 + 2.5X$ Euro-cents.

The actual outcome of the lottery depends on a randomly drawn number out of the uniformly distributed interval $[0, 3]$ and on your type. There are three possible types: Type 1, 2, and 3. In the first round, you will be informed about your type, which remains fixed for all 9 rounds. Type 1 wins if the random number in a given round is from the interval $[0, 1]$.

Type 2 wins if the random number in a given round is from the interval $(1, 2]$.

Type 3 wins if the random number in a given round is from the interval $(2, 3]$.

The random number in a given round is identical for all participants in the experiment and it will be independently drawn anew in each consecutive round. We will draw 10 different random numbers in each round, but only the tenth random number will be decisive for the lottery's outcome.

After all individuals {teams} have entered their decision, you will be informed about the outcome of the random draw, about whether you have won or lost in the respective round, about your round payoff and your accumulated payoff in the whole experiment. For your final earnings, we will add up your payoffs in all 9 rounds. {Please note that each single member of a team will be paid the full earnings, which, of course, are identical for all team members.}

A2. Experimental instructions for treatments PAY-COMM and MESSAGE

The following instructions are for treatment PAY-COMM. Additions for the MESSAGE-treatment are included in {arial font in curved brackets}.

Instructions for the experiment

3 linked members

In this experiment 3 subjects will be linked and randomly ordered as member 1, member 2, and member 3. Member 1 will have to make decisions before member 2, and member 2 will make decisions before member 3. The decisions of each member will affect the other members by influencing their payoffs in ways described in the following.

This experiment consists of 9 rounds, and each member has to make decisions for 3 rounds. I.e. member 1 is responsible for rounds 1-3, member 2 for rounds 4-6, and member 3 for rounds 7-9.

Your decision: In each round you will receive an endowment of 100 Euro-cents. You must decide which part of this endowment (between 0 Euro-cents and 100 Euro-cents) you wish to invest in a lottery. The investment will be denoted as amount X .

The outcome of the lottery is as follows:

- With a chance of $2/3$ (66.67%) you lose the amount X you have invested and your payoff in the respective round is Payoff = $100 - X$ Euro-cents.
- With a chance of $1/3$ (33.33%) you win two and a half times the amount X you have invested in addition to your initial endowment and your payoff in the respective round is Payoff = $100 + 2.5X$ Euro-cents.

The actual outcome of the lottery depends on a randomly drawn number out of the uniformly distributed interval $[0, 3]$ and on your type. There are three possible types: Type 1, 2, and 3.

In the first round, you will be informed about your type, which remains fixed for all 9 rounds.

Type 1 wins if the random number in a given round is from the interval $[0, 1]$.

Type 2 wins if the random number in a given round is from the interval $(1, 2]$.

Type 3 wins if the random number in a given round is from the interval $(2, 3]$.

The random number in a given round is identical for all participants in the experiment and it will be independently drawn anew in each consecutive round. We will draw 10 different random numbers in each round, but only the tenth random number will be decisive for the lottery's outcome.

After each round you will be informed about the outcome of the random draw, about whether you have won or lost in the respective round, about your round payoff and your accumulated payoff in the whole experiment.

Round payoffs accrue to all members

The payoff of a given round applies to all linked members. That means that, for instance, if member 1 makes a decision in round 1, the resulting payoff (depending on member 1's investment X and the lottery's outcome) does not only accrue to him/her, but also and equally to members 2 and 3 (irrespective of their type).

Note

After a member has taken a decision, all linked members will always be informed immediately about the active member's decision and the outcome of the lottery (which yields your round payoffs). Also each member will be informed about the accumulated payoff in the whole experiment. For your final earnings, we will add up your payoffs in all 9 rounds.

{Exchanging messages with other members

Since your total payoff from this experiment depends also on the decisions of the other members you are allowed to send them messages. This is done as follows. You can write down on the enclosed sheets any comments, advice or suggestion (other than revealing your identity) for your predecessor (i.e. a member with a lower number) or your successor (i.e. a member with a higher number).

Note that member 1 can only make his decisions for rounds 1-3 after he/she has received the sheets from members 2 and 3. After member 1 has taken the decisions, he/she can send comments to member 2. So does member 3. When both sheets of paper have been brought to member 2, he/she can make decisions for rounds 4-6. After that, the analogous procedure applies before member 3 can make decisions for rounds 7-9.

Please also note that any of the comments you may receive are not binding for you. }

A3. Experimental instructions for treatment MIXED

Instructions for the experiment

This experiment consists of 9 successive rounds. In each round you will receive an endowment of 100 Euro-cents. You must decide which part of this endowment (between 0 Euro-cents and 100 Euro-cents) you wish to invest in a lottery. The investment will be denoted as amount X .

The outcome of the lottery is as follows:

- With a chance of $2/3$ (66.67%) you lose the amount X you have invested and your payoff in the respective round is Payoff = $100 - X$ Euro-cents.
- With a chance of $1/3$ (33.33%) you win two and a half times the amount X you have invested in addition to your initial endowment and your payoff in the respective round is Payoff = $100 + 2.5X$ Euro-cents.

The actual outcome of the lottery depends on a randomly drawn number out of the uniformly distributed interval $[0, 3]$ and on your type. There are three possible types: Type 1, 2, and 3. In the first round, you will be informed about your type, which remains fixed for all 9 rounds.

Type 1 wins if the random number in a given round is from the interval $[0, 1]$.

Type 2 wins if the random number in a given round is from the interval $(1, 2]$.

Type 3 wins if the random number in a given round is from the interval $(2, 3]$.

The random number in a given round is identical for all participants in the experiment and it will be independently drawn anew in each consecutive round. We will draw 10 different random numbers in each round, but only the tenth random number will be decisive for the lottery's outcome.

After all individuals have entered their decision, you will be informed about the outcome of the random draw, about whether you have won or lost in the respective round, about your round payoff and your accumulated payoff in the whole experiment.

Please note that the way in which you have to make your decision about the investment X may change within the 9 rounds of the experiment. If that happens, you will get a new sheet of instructions.

Change after round 3

From round 4 on you have to make your decision in a team of 3 persons. That means you have to agree on the amount X with two other subjects. In order to find an agreement, you can communicate with the two other subjects via an electronic chat which has already been installed. You are requested to use the chat as long as necessary to reach a joint team decision. If you have agreed on an amount X , please enter the amount on your input screen and confirm your entry.

Note 1: In case you do not manage to agree on a joint decision and in case the three members of a team do not enter the same number you will not earn anything in the respective round. However, if the three numbers in a team are not identical, you have a second try, since different inputs might have happened by mistake.

Note 2: It is forbidden to send any message that might reveal your identity to the other team members. In case you violate this rule, you are excluded from any payment.

Change after round 6

From round 7 onwards you will have to make your decision again individually, as in rounds 1-3. You can no longer access the electronic chat from now on. After round 9, the experiment will end and you will receive your total earnings in cash.