

Online Appendix: Not for Publication

Are Consumers Poorly Informed about Fuel Economy? Evidence from Two Experiments

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A Data Appendix

A.A Dealership and Online Survey Data

Basic data cleaning steps for dealership data included the following:

- Some survey observations were test cases. We removed these from the tablet app data by inspecting comments by RAs or respondent names for words such as “test” or “fake.”
- The follow-up phone survey was delivered twice to some households. In these cases, we kept the more complete observation, or if both were equally complete, one of the repeated observations was randomly chosen.
- Some people provided a range of numbers for expected fuel costs on the follow-up phone survey. In these cases, we used the midpoint of the range.

In the follow-up surveys for both experiments, some people reported a new vehicle purchased that had the same make, model, and model year as their current vehicle in the baseline survey; these cases were coded as not having purchased new cars.

There are a limited number of apparently careless survey responses, in particular for the stated preference results for the online survey the fuel cost belief data from both surveys. We cleaned these in the following ways:

- We dropped all gasoline price expectations of less than \$1 or greater than or equal to \$10 per gallon.
- We dropped all expected annual miles driven less than 1,000 or greater than 75,000.
- We dropped all expected vehicle annual fuel costs less than \$100 if the respondent reported expecting to drive 2,000 or more miles per year.
- We dropped several common patterns of careless responses, for example writing that annual maintenance, insurance, and fuel costs would all equal \$X per year, with $\$X \leq 10$.

A.B Fuel Economy, Census, and National Household Travel Survey Data

We use the official EPA vehicle-level fuel economy data available from www.fueleconomy.gov/feg/download.shtml. Vehicles reported in the survey were matched to vehicles in the EPA data based on manufacturer, year, and model name as well as secondary characteristics such as fuel type, transmission, engine size and number of cylinders. If one or more of the secondary characteristics were missing, creating possible matches to more than one vehicle in the EPA data, we used the average fuel economy rating of all such possible matches.

At baseline, individuals report miles they expect to drive and the proportion of city vs. highway driving. Combining these self-reported city/highway proportions with fuel economy numbers from the EPA data, we computed average fuel economy and fuel intensity (defined as inverse of fuel economy) for each person-car combination in the data.

We gathered median income and median education for each respondent’s zip code from the 2014 American Community Survey (ACS) 5-year estimates. Mean imputation was used to impute missing values of these and other covariates used in the regressions.

National average covariates in Table 1 were estimated from the 2009 National Household Transportation Survey (NHTS). We define a new car buyer as a household having bought a vehicle with model year 2008 or 2009. Individuals less than 22 years old were dropped while calculating the average household age for it to be closer to that of the household head’s. Annual miles driven are from the BESTMILE variable. The NHTS reports “unadjusted” combined fuel economy, which we adjusted using the scaling factors in Table 10.1 of EPA (2016).

B Treatment Effects on Beliefs, and Beliefs as a Moderator

Does the information treatment make consumers’ fuel cost beliefs more accurate? And do baseline beliefs moderate the effects of information on purchased vehicle fuel economy? This appendix explores these questions using the online experiment data. We cannot do parallel analyses for the dealership experiment because we did not elicit control group baseline beliefs.²⁰

We consider two classes of belief errors: systematic bias (i.e. the extent to which the same person tends to have relatively high or relatively low valuation ratios ϕ_i across multiple surveys), and belief noise (i.e. the magnitude of $|\phi_i - 1|$). As discussed in Section III.B, the survey reports (and thus the valuation ratios we construct) are likely a combination of consumers’ actual beliefs plus some survey measurement error. Appendix Table A6, Panel (b), separates the former from the latter by demonstrating the correlation in these two types of belief errors across the baseline and endline surveys. Column 2 of that table quantifies systematic bias that persists across surveys: people with ϕ_{12} one unit higher (lower) at baseline have ϕ_{12} an average of 0.145 units higher (lower) at follow-up. Column 4 of that table quantifies the persistence of noisy beliefs: people with $|\phi_i - 1|$ one unit higher (lower) at baseline have $|\phi_i - 1|$ an average of 0.093 units higher (lower) at follow-up. If the treatment information makes beliefs more accurate, it will reduce these correlations between baseline and follow-up belief errors.

Appendix Table A1 tests the extent to which the treatment reduces these correlations. Column

²⁰We did not want to meaningfully draw attention to fuel costs in the control group. Because the online survey could involve more questions, we asked the above question to both treatment and control, but obscured the importance of fuel costs by also asking parallel questions about insurance and maintenance. Because customers were more hurried in the dealerships, such additional questions were not practical, so we elicited fuel cost beliefs from the treatment group only, at the beginning of the treatment intervention.

1 repeats the estimate from column 2 of Appendix Table A6, Panel (b), except adding the treatment indicator and its interaction with the baseline valuation ratio. The estimates are imprecise: we cannot reject that the treatment more than doubles, or fully reverses, the 0.145 coefficient relating baseline and follow-up beliefs.

Column 2 tests whether the treatment reduces belief noise $|\phi_i - 1|$, repeating the estimate from column 4 of Appendix Table A6, Panel (b), except again adding the treatment indicator and its interaction with baseline belief noise. In this column, we again cannot reject that the treatment more than doubles, or fully reverses, the 0.093 coefficient relating baseline and follow-up beliefs.

Columns 3 and 4 present comparable regressions, except with purchased vehicle fuel intensity as the dependent variable. Here again, we have imprecise zeros, where we cannot reject that the treatment fully eliminates the extent to which baseline belief errors predict purchases.

In summary, it is not possible to infer whether the treatment makes fuel cost beliefs meaningfully more precise, or whether baseline beliefs meaningfully moderate the treatment effect.

Table A1: **Effects on Beliefs, and Beliefs as a Moderator**

	(1) Valuation ratio: purchased - 2nd choice	(2) Abs. belief error: purchased - 2nd choice	(3) Purchased vehicle fuel intensity	(4) Purchased vehicle fuel intensity
Treatment \times valuation ratio: 1st - 2nd choice	0.09 (0.09)		0.00 (0.05)	
Treatment \times abs. belief error: 1st - 2nd choice		0.01 (0.09)		0.00 (0.04)
Treatment	0.04 (0.09)	-0.03 (0.13)	0.02 (0.05)	0.03 (0.07)
Valuation ratio: 1st - 2nd choice	0.08 (0.07)		-0.04 (0.04)	
Abs. belief error: 1st - 2nd choice		0.08 (0.07)		-0.02 (0.03)
N	1,035	1,127	1,230	1,343
R^2	0.04	0.04	0.40	0.40
Dependent variable mean	0.69	1.33	4.08	4.08

Notes: Columns 1 and 3 exclude observations with negative valuation ratios at baseline or endline. The dependent variable in columns 3 and 4 is purchased vehicle fuel intensity (in gallons per 100 miles). Valuation ratios are winsorized to the range $-1 \leq \phi \leq 4$. All columns control for gender, age, race, natural log of income, miles driven per year, an indicator for whether the current vehicle is a Ford, current vehicle fuel intensity, consideration set average fuel intensity, and treatment group closure time indicators. Robust standard errors are in parentheses.

C Proof of Proposition 1

We first derive the socially optimal price of fuel economy credits. A necessary condition for the socially optimal credit price t^* is that $\frac{dW(t)}{dt} = 0$. Taking this first-order condition, we have

$$\begin{aligned} \frac{dW(t)}{dt} = & \underbrace{\sum_l \sum_j \left[\frac{dP_{lj}(t, \mathbf{b}_l)}{dt} t e_j + e_j P_{lj}(t, \mathbf{b}_l) \right]}_{\text{Change in credit revenue}} \\ & - \underbrace{\sum_l \sum_j e_j P_{lj}(t, \mathbf{b}_l)}_{\text{Change in perceived CS}} \\ & + \underbrace{\sum_l \sum_j b_{lj} G_{lj} \frac{dP_{lj}(t, \mathbf{b}_l)}{dt}}_{\text{Change in bias}}. \end{aligned} \quad (6)$$

Re-arranging gives

$$t \cdot \sum_l \sum_j \frac{dP_{lj}(t, \mathbf{b}_l)}{dt} e_j = - \sum_l \sum_j b_{lj} G_{lj} \frac{dP_{lj}(t, \mathbf{b}_l)}{dt},$$

and re-arranging further gives

$$t^* = \frac{- \sum_l \sum_j \frac{dP_{lj}}{dt} b_{lj} G_{lj}}{\sum_l \sum_j \frac{dP_{lj}}{dt} e_{lj}}. \quad (7)$$

The numerator is the average bias (in dollar terms), weighted by the demand slopes. The denominator translates this average marginal bias from units of dollars to units of dollars per unit fuel intensity. The result that the optimal internalality tax equals the average marginal internality parallels the Diamond (1973) result that the optimal externality tax equals the average marginal externality.

To see this most clearly, imagine that all consumers undervalue fuel costs by the same proportion, so $b_{lj} = b < 0$. Further imagine that $G_{lj} = \chi e_j$, where χ reflects discount rates and driving patterns and is constant across consumers. Then the optimal credit price is just $t^* = -b\chi$ per unit of fuel intensity, i.e. a tax that exactly offsets the bias in evaluating each vehicle.

Using this result, we now derive Proposition 1. In the text, we defined the effect of a pure nudge $Q \equiv \sum_l \sum_j e_j [P_{lj}(0, \mathbf{0}) - P_{lj}(0, \mathbf{b}_l)]$ and the stringency of the fuel economy standard $S(t) \equiv \sum_l \sum_j e_j [P_{lj}(t, \mathbf{b}_l) - P_{lj}(0, \mathbf{b}_l)]$. Further define $\Lambda_{lj} \equiv \exp(\eta(-e_j t^* - b_{lj} G_{lj}))$ for all vehicles ($j \geq 1$), and $\Lambda_{l0} = 0$ for the outside option ($j = 0$). Intuitively, Λ_{lj} is the “mistargeting” of the second-best policy: the value (in exponentiated utils) of the distortion between the credit price for vehicle

j , which is $e_j t^*$, and the bias that it is intended to offset, which is $b_{lj} G_{lj}$.

If b and χ are homogeneous, then $t^* = -b\chi$, so $-e_j t^* - b_{lj} G_{lj} = e_j b\chi - b\chi e_j = 0$, and thus $\Lambda_{lj} = 1$. (Intuitively, when bias (in dollar terms) is homogeneous, a fuel economy standard that imposes a uniform credit price has no mistargeting.) Therefore,

$$\sum_l \sum_j e_j P_{lj}(t, \mathbf{b}_l) = \sum_l \frac{\sum_j e_j \exp(V_{lj}(0, \mathbf{0})) \cdot \Lambda_{lj}}{\sum_j \exp(V_{lj}(0, \mathbf{0})) \cdot \Lambda_{lj}} = \sum_l \frac{\sum_j e_j \exp(V_{lj}(0, \mathbf{0}))}{\sum_j \exp(V_{lj}(0, \mathbf{0}))} = \sum_l \sum_j e_j P_{lj}(0, \mathbf{0}) \quad (8)$$

We thus have $S(t^*) = \sum_l \sum_j e_j [P_{lj}(t, \mathbf{b}_l) - P_{lj}(0, \mathbf{b}_l)] = \sum_l \sum_j e_j [P_{lj}(0, \mathbf{0}) - P_{lj}(0, \mathbf{b}_l)] = Q$, which proves Proposition 1.

Proposition 1 also holds if the following orthogonality conditions hold across all vehicles j , within all types l : $Cov(e_j \exp(V_{lj}(0, \mathbf{0})), \Lambda_{lj}) = 0$ and $Cov(\exp(V_{lj}(0, \mathbf{0})), \Lambda_{lj}) = 0$. Intuitively, these conditions require that the mistargeting of the second best policy Λ_{lj} is unrelated to fuel intensity e_j and true preferences $V_{lj}(0, \mathbf{0})$. Under these conditions, the second equality in Equation (8) holds because

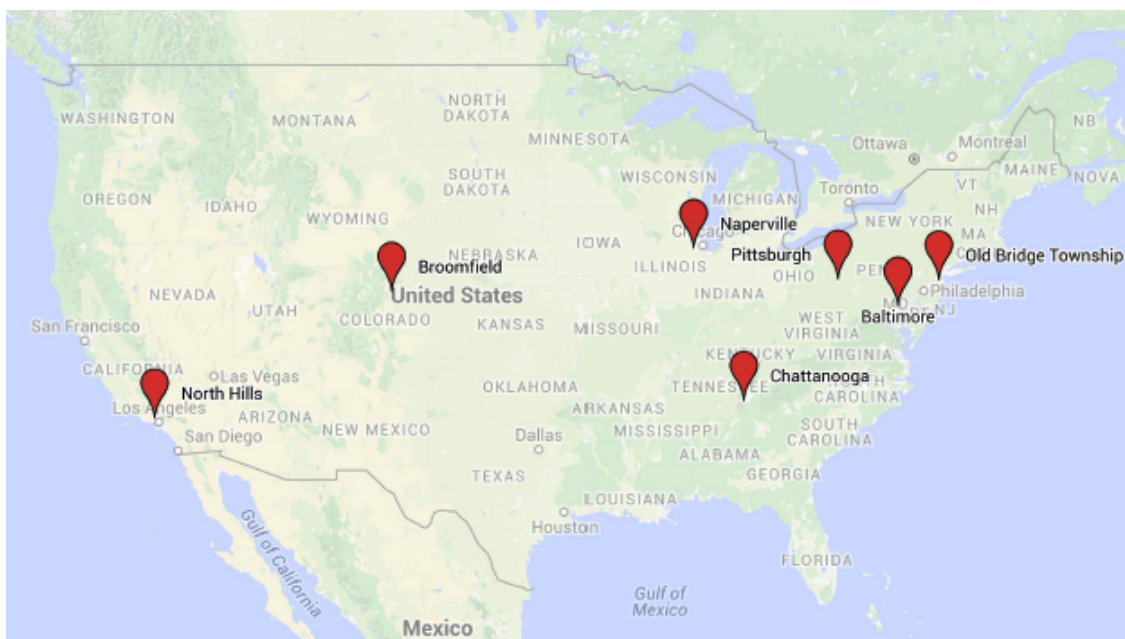
$$\sum_l \frac{\sum_j e_j \exp(V_{lj}(0, \mathbf{0})) \cdot \Lambda_{lj}}{\sum_j \exp(V_{lj}(0, \mathbf{0})) \cdot \Lambda_{lj}} = \sum_l \frac{\left[\sum_j e_j \exp(V_{lj}(0, \mathbf{0})) \right] \cdot \left[\sum_j \Lambda_{lj} \right] + J^2 Cov(e_j \exp(V_{lj}(0, \mathbf{0})), \Lambda_{lj})}{\left[\sum_j \exp(V_{lj}(0, \mathbf{0})) \right] \cdot \left[\sum_j \Lambda_{lj} \right] + J^2 Cov(\exp(V_{lj}(0, \mathbf{0})), \Lambda_{lj})} \quad (9)$$

$$= \sum_l \frac{\left[\sum_j e_j \exp(V_{lj}(0, \mathbf{0})) \right] \cdot \left[\sum_j \Lambda_{lj} \right]}{\left[\sum_j \exp(V_{lj}(0, \mathbf{0})) \right] \cdot \left[\sum_j \Lambda_{lj} \right]} = \sum_l \frac{\sum_j e_j \exp(V_{lj}(0, \mathbf{0}))}{\sum_j \exp(V_{lj}(0, \mathbf{0}))}, \quad (10)$$

where the equality between the first and second lines holds due to the orthogonality conditions.

D Appendix Tables and Figures

Figure A1: Ford Dealership Experiment Locations



Notes: This map shows the locations of the seven Ford dealerships in the dealership information provision experiment.

Table A2: **Treatment Group Balance on Observables**

	Treatment	Control	Difference
Male	0.57 (0.01)	0.59 (0.01)	-0.01 (0.02)
Age	40.20 (0.37)	40.02 (0.37)	0.18 (0.53)
White	0.69 (0.01)	0.71 (0.01)	-0.02 (0.02)
Income (\$000s)	72.26 (0.79)	73.04 (0.78)	-0.78 (1.11)
Miles driven/year (000s)	14.64 (0.36)	15.37 (0.48)	-0.72 (0.61)
Current vehicle is Ford	0.35 (0.02)	0.37 (0.01)	-0.01 (0.02)
Current fuel intensity (gallons/100 miles)	4.66 (0.04)	4.77 (0.04)	-0.11 (0.05)
Consideration set fuel intensity (gallons/100 miles)	4.26 (0.04)	4.38 (0.04)	-0.12 (0.05)
p-value of F-test of joint significance		0.18	
N	958	1,031	1,989

(a) Dealership Experiment

	Treatment	Control	Difference
Male	0.56 (0.01)	0.57 (0.01)	-0.01 (0.01)
Age	54.52 (0.23)	54.49 (0.27)	0.03 (0.36)
White	0.84 (0.01)	0.83 (0.01)	0.00 (0.01)
Income (\$000s)	110.57 (1.83)	117.49 (2.89)	-6.92 (3.26)
Miles driven/year (000s)	11.48 (0.13)	11.54 (0.17)	-0.06 (0.21)
Current vehicle is Ford	0.12 (0.01)	0.11 (0.01)	0.00 (0.01)
Current fuel intensity (gallons/100 miles)	4.61 (0.02)	4.61 (0.02)	0.00 (0.03)
Consideration set fuel intensity (gallons/100 miles)	4.15 (0.01)	4.13 (0.02)	0.03 (0.02)
p-value of F-test of joint significance		0.27	
N	3,771	2,545	6,316

(b) Online Experiment

Notes: These tables present tests of balance between treatment and control groups in the dealership and online experiments. In each case, the sample is the set of observations that were allocated to treatment or control. The bottom row reports the p-value of an F-test of a regression of the treatment indicator on all covariates. Standard errors in parentheses.

Table A3: **Attrition by Treatment Condition**

	(1)	(2)
	Dealership	Online
Treatment	0.001 (0.018)	0.016 (0.011)
N	1,989	6,316
R^2	0.00	0.02
Dependent variable mean	0.81	0.76

Notes: This table presents regressions of an attrition indicator variable on the treatment indicator variable, in the sample of valid observations that were allocated to treatment or control. Estimates with the on-line experiment data also include treatment group closure time indicators. Robust standard errors are in parentheses.

Table A4: **Tests of Differential Attrition from Treatment vs. Control by Baseline Covariates**

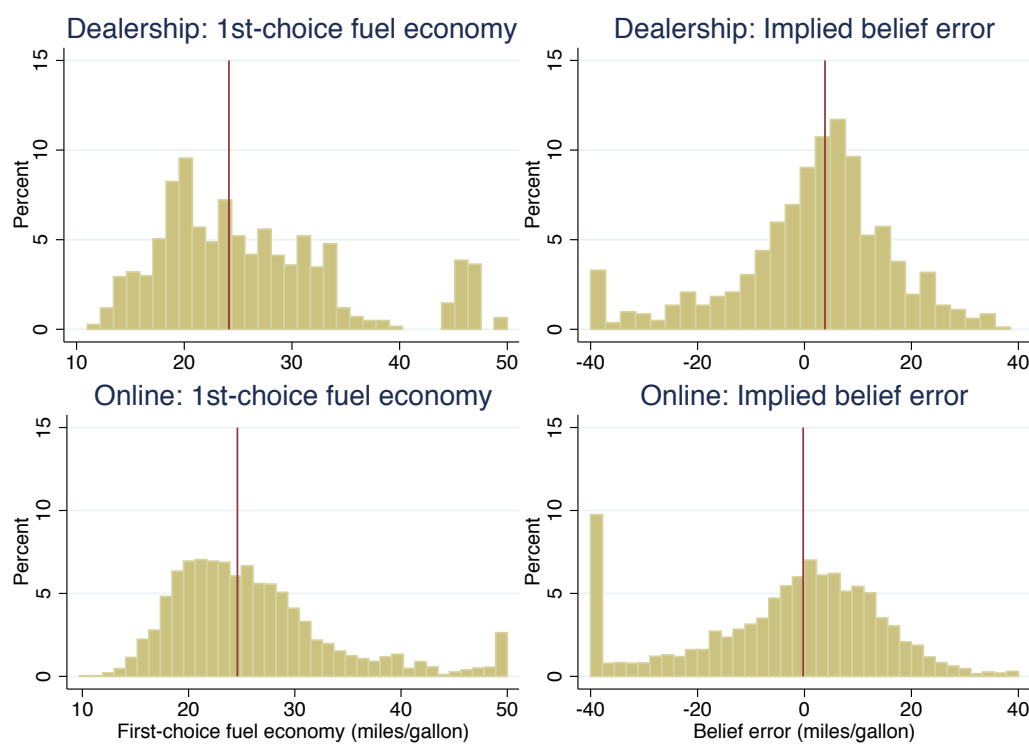
	(1) Dealership	(2) Online
Male	-0.050 (0.027)	-0.053 (0.018)
Age	-0.003 (0.001)	0.000 (0.001)
White	-0.056 (0.029)	-0.021 (0.023)
ln(Income)	-0.028 (0.038)	-0.038 (0.011)
Miles driven/year (000s)	-0.000 (0.001)	-0.000 (0.001)
Current vehicle is Ford	-0.021 (0.026)	-0.023 (0.029)
Current fuel intensity (gallons/100 miles)	0.007 (0.011)	0.009 (0.009)
Consideration set fuel intensity (gallons/100 miles)	0.004 (0.012)	-0.010 (0.011)
Treatment \times Male	0.020 (0.040)	0.027 (0.023)
Treatment \times Age	0.003 (0.002)	-0.000 (0.001)
Treatment \times White	-0.011 (0.043)	-0.014 (0.029)
Treatment \times ln(Income)	0.051 (0.053)	0.019 (0.015)
Treatment \times Miles driven/year (000s)	0.000 (0.001)	-0.001 (0.001)
Treatment \times Current vehicle is Ford	0.008 (0.039)	0.022 (0.036)
Treatment \times Current fuel intensity (gallons/100 miles)	0.000 (0.016)	-0.006 (0.012)
Treatment \times Consideration set fuel intensity (gallons/100 miles)	-0.012 (0.017)	0.000 (0.014)
N	1,989	6,316
R^2	0.01	0.03
Dependent variable mean	0.81	0.76
p-value (joint significance of Treatment \times Baseline covariates)	0.77	0.84

Notes: This table presents regressions of an attrition indicator variable on the treatment indicator variable and interactions with baseline covariates, in the sample of valid observations that were allocated to treatment or control. Estimates with the online experiment data also include treatment group closure time indicators. Robust standard errors are in parentheses.

Table A5: Tests of Differential Attrition by Baseline Covariates

	(1)	(2)
	Dealership	Online
Male	-0.041 (0.020)	-0.038 (0.011)
Age	-0.001 (0.001)	0.000 (0.000)
White	-0.061 (0.022)	-0.029 (0.015)
ln(Income)	-0.004 (0.026)	-0.028 (0.007)
Miles driven/year (000s)	-0.000 (0.001)	-0.000 (0.001)
Current vehicle is Ford	-0.017 (0.019)	-0.008 (0.018)
Current fuel intensity (gallons/100 miles)	0.007 (0.008)	0.005 (0.006)
Consideration set fuel intensity (gallons/100 miles)	-0.003 (0.009)	-0.009 (0.007)
N	1,989	6,316
R^2	0.01	0.02
Dependent variable mean	0.81	0.76

Notes: This table presents regressions of an attrition indicator variable on baseline covariates, in the sample of valid observations that were allocated to treatment or control. Estimates with the online experiment data also include treatment group closure time indicators. Robust standard errors are in parentheses.

Figure A2: **Heterogeneity in Vehicles Considered, and Belief Errors in MPG Units**

Notes: The left two histograms present the distributions of fuel economy for consumers' first-choice vehicles. The right two histograms present the implied belief error between the first- and second-choice vehicles—that is, the error in perceived first-choice MPG that would explain the discrepancy between reported and true fuel cost differences between the first- and second-choice vehicles. Outlying observations are collapsed into the outermost bars.

Table A6: **Are Elicited Beliefs Meaningful?**

	(1)	(2)	(3)	(4)
	Valuation ratio: purchased	Valuation ratio: purchased - 2nd choice	Purchased vehicle fuel intensity	Abs. belief error: purchased - 2nd choice
Valuation ratio: 1st choice	0.541 (0.128)			
Valuation ratio: 1st - 2nd choice		0.248 (0.181)	0.134 (0.157)	
Valuation ratio: purchased - 2nd choice			-0.169 (0.113)	
Abs. belief error: 1st - 2nd choice				0.240 (0.175)
N	127	44	44	59
R^2	0.28	0.05	0.04	0.04
Dependent variable mean	0.96	1.03	4.17	1.78
(a) Dealership Experiment				
	(1)	(2)	(3)	(4)
	Valuation ratio: purchased	Valuation ratio: purchased - 2nd choice	Purchased vehicle fuel intensity	Abs. belief error: purchased - 2nd choice
Valuation ratio: 1st choice	0.395 (0.034)			
Valuation ratio: 1st - 2nd choice		0.145 (0.045)	-0.040 (0.034)	
Valuation ratio: purchased - 2nd choice			-0.094 (0.026)	
Abs. belief error: 1st - 2nd choice				0.094 (0.047)
N	1,255	925	925	1,127
R^2	0.18	0.01	0.02	0.01
Dependent variable mean	1.07	0.88	4.06	1.33
(b) Online Experiment				

Notes: In column 1, valuation ratios are the ratio of perceived to actual annual fuel cost, calculated using Equation (1). In columns 2 and 3, valuation ratios are the ratio of perceived to annual fuel cost differences between the two vehicles, calculated using Equation (2). In column 4, the absolute belief error is the absolute value of the valuation ratio (from Equation (2)) minus one. Columns 2 and 3 exclude observations with negative valuation ratios. Valuation ratios are winsorized to the range $-1 \leq \phi \leq 4$. Robust standard errors are in parentheses.

Table A7: **Table 3, Panel (a), Including Coefficients on Covariates**

	(1)	(2)	(3)	(4)	(5)
	Power	Fuel economy	Price	Leather interior	Sunroof
Treatment	-0.04 (0.06)	-0.56 (0.06)	-0.24 (0.05)	-0.06 (0.09)	0.10 (0.08)
Male	0.07 (0.07)	-0.59 (0.06)	-0.33 (0.05)	0.05 (0.09)	0.01 (0.08)
Age	-0.00 (0.00)	-0.00 (0.00)	-0.01 (0.00)	0.01 (0.00)	-0.02 (0.00)
White	-0.46 (0.09)	-0.26 (0.08)	-0.13 (0.07)	-0.52 (0.11)	-0.55 (0.11)
ln(Income)	0.11 (0.05)	-0.43 (0.04)	-0.46 (0.04)	0.83 (0.06)	0.32 (0.06)
Miles driven/year (000s)	0.01 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.01 (0.00)	0.00 (0.01)
Current vehicle is Ford	-0.07 (0.10)	0.10 (0.09)	0.11 (0.08)	-0.27 (0.13)	-0.32 (0.13)
Current fuel intensity (gallons/100 miles)	0.09 (0.03)	0.06 (0.03)	0.07 (0.03)	0.04 (0.04)	-0.03 (0.04)
Consideration set fuel intensity (gallons/100 miles)	0.33 (0.04)	-0.49 (0.03)	-0.12 (0.03)	0.41 (0.05)	0.19 (0.04)
N	5,036	5,036	5,036	5,036	5,036
R^2	0.04	0.13	0.06	0.07	0.04
Dependent variable mean	6.62	7.68	8.31	4.65	3.80

Notes: This table presents estimates of Equation (3). The table parallels Panel (a) of Table 3, except also reporting the coefficients on all covariates. The dependent variables are responses to the question, “How important to you are each of the following features? (Please rate from 1-10, with 10 being “most important.)” Data are from the online experiment, immediately after the treatment and control interventions. All columns control for treatment group closure time indicators. Robust standard errors are in parentheses.

Table A8: **Table 3, Panel (b), Including Coefficients on Covariates**

	(1) Leather interior	(2) 5 MPG improvement	(3) 15 MPG improvement	(4) Power: 0-60 MPH 1 second faster
Treatment	4.49 (16.77)	-92.18 (15.81)	-237.96 (35.14)	16.89 (19.35)
Male	14.00 (16.65)	36.10 (15.88)	122.09 (35.01)	116.47 (19.38)
Age	-1.25 (0.64)	-6.31 (0.60)	-16.20 (1.36)	-6.37 (0.82)
White	-75.49 (24.82)	-5.92 (23.52)	90.28 (50.18)	-157.05 (35.81)
ln(Income)	146.31 (11.93)	73.21 (10.90)	187.55 (24.96)	36.91 (14.14)
Miles driven/year (000s)	3.85 (1.18)	4.15 (1.09)	10.65 (2.89)	2.41 (0.94)
Current vehicle is Ford	-35.59 (23.76)	43.05 (25.03)	38.27 (51.89)	-3.59 (33.70)
Current fuel intensity (gallons/100 miles)	-0.40 (8.49)	9.16 (8.12)	21.32 (18.10)	-6.05 (10.00)
Consideration set fuel intensity (gallons/100 miles)	53.07 (9.86)	19.64 (8.13)	26.23 (18.77)	51.78 (11.06)
N	4,609	4,512	4,512	4,609
R^2	0.06	0.06	0.07	0.05
Dependent variable mean	380	409	1043	242

Notes: This table presents estimates of Equation (3). The table parallels Panel (b) of Table 3, except also reporting the coefficients on all covariates. Dependent variables are responses to the question, “Imagine we could take your most likely choice, the [first choice vehicle], and change it in particular ways, keeping everything else about the vehicle the same. How much additional money would you be willing to pay for the following?” In both panels, the feature is listed in the column header. Data are from the online experiment, immediately after the treatment and control interventions. All columns control for treatment group closure time indicators. Robust standard errors are in parentheses.

Table A9: **Table 3, Panel (c), Including Coefficients on Covariates**

	(1) Expected fuel intensity (gallons/100 miles)
Treatment	-0.032 (0.004)
Male	0.013 (0.005)
Age	-0.000 (0.000)
White	-0.008 (0.006)
ln(Income)	0.007 (0.006)
Miles driven/year (000s)	-0.000 (0.000)
Current vehicle is Ford	0.003 (0.007)
Current fuel intensity (gallons/100 miles)	0.003 (0.003)
Consideration set fuel intensity (gallons/100 miles)	0.985 (0.005)
N	5,018
R^2	0.97
Dependent variable mean	4.12

Notes: This table presents estimates of Equation (3). The table parallels Panel (c) of Table 3, except also reporting the coefficients on all covariates. The dependent variable is the weighted average fuel intensity (in gallons per 100 miles) of the two vehicles in the consideration set, weighted by post-intervention stated purchase probability. Data are from the online experiment, immediately after the treatment and control interventions. All columns control for treatment group closure time indicators. Robust standard errors are in parentheses.

Table A10: **Separate Estimates of Effects for Each of the Four Online Treatments**

	(1) Stated preference	(2) Purchased vehicle
Base Only	-0.028 (0.007)	0.001 (0.063)
Base + Relative	-0.026 (0.009)	0.037 (0.065)
Base + Climate	-0.034 (0.007)	0.122 (0.059)
All	-0.040 (0.008)	-0.055 (0.070)
N	5,018	1,489
R^2	0.97	0.39
Dependent variable mean	4.08	4.09
p-value(Treatment effects equal)	0.54	0.12
p-value(Treatment effects equal 0)	0.00	0.16

Notes: This table presents estimates of Equation (3), with separate treatment indicators for each of the four online treatment groups. In column 1, the dependent variable is the weighted average fuel intensity (in gallons per 100 miles) of the two vehicles in the consideration set, weighted by post-intervention stated purchase probability. In column 2, the dependent variable is weighted average fuel intensity of the vehicle the consumer actually purchased, using data from the follow-up survey. Both columns control for gender, age, race, natural log of income, miles driven per year, an indicator for whether the current vehicle is a Ford, current vehicle fuel intensity, consideration set average fuel intensity, and treatment group closure time indicators. Robust standard errors are in parentheses.

Table A11: **Effects of Information on Annual Fuel Cost of Purchased Vehicles**

	(1)	(2)	(3)	(4)	(5)	(6)
	Dealership			Online		
Treatment	32.1 (151.8)	80.0 (65.5)	6.2 (95.9)	37.5 (50.8)	24.9 (25.9)	-17.3 (42.1)
N	371	371	371	1,444	1,444	1,444
R^2	0.00	0.81	0.85	0.00	0.78	0.84
Dependent variable mean	2398	2398	2398	1467	1467	1467
Controls	No	Yes	Yes	No	Yes	Yes
Weighted	No	No	Yes	No	No	Yes
90% confidence interval lower bound	-218.4	-28.0	-152.1	-46.3	-17.9	-86.9

Notes: This table presents estimates of Equation (3). The dependent variable is the fuel cost (in dollars per year) of the vehicle purchased, given the fuel economy ratings and consumers' self-reported miles driven, city vs. highway share, and per-gallon gasoline price. All columns control for gender, age, race, natural log of income, miles driven per year, an indicator for whether the current vehicle is a Ford, current vehicle fuel intensity, and consideration set average fuel intensity. Columns 4-6 also control for treatment group closure time indicators. Samples in columns 3 and 6 are weighted to match the national population of new car buyers.

Are Consumers Poorly-Informed about Fuel Economy? Evidence from Two Experiments

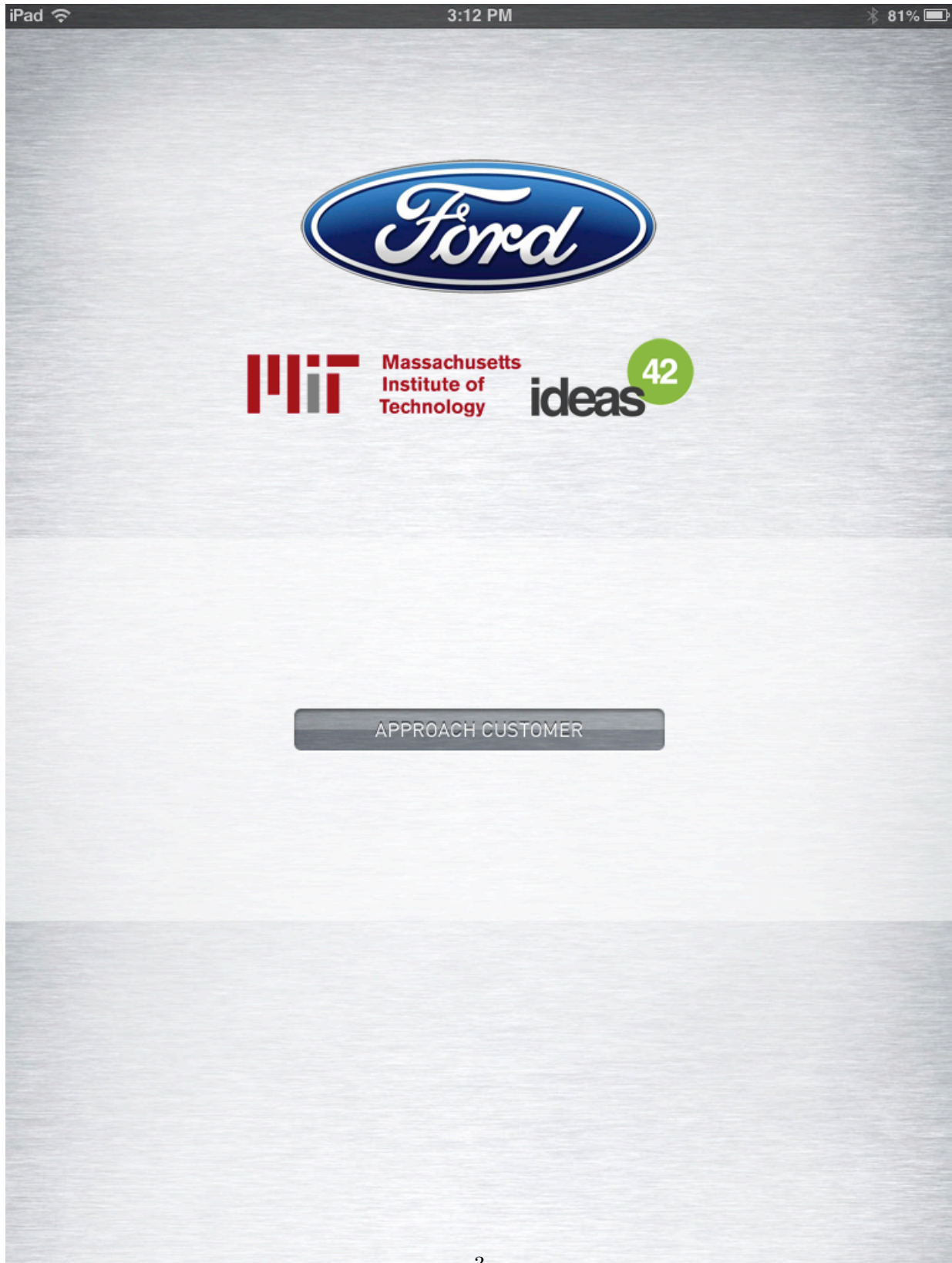
Hunt Allcott and Christopher Knittel

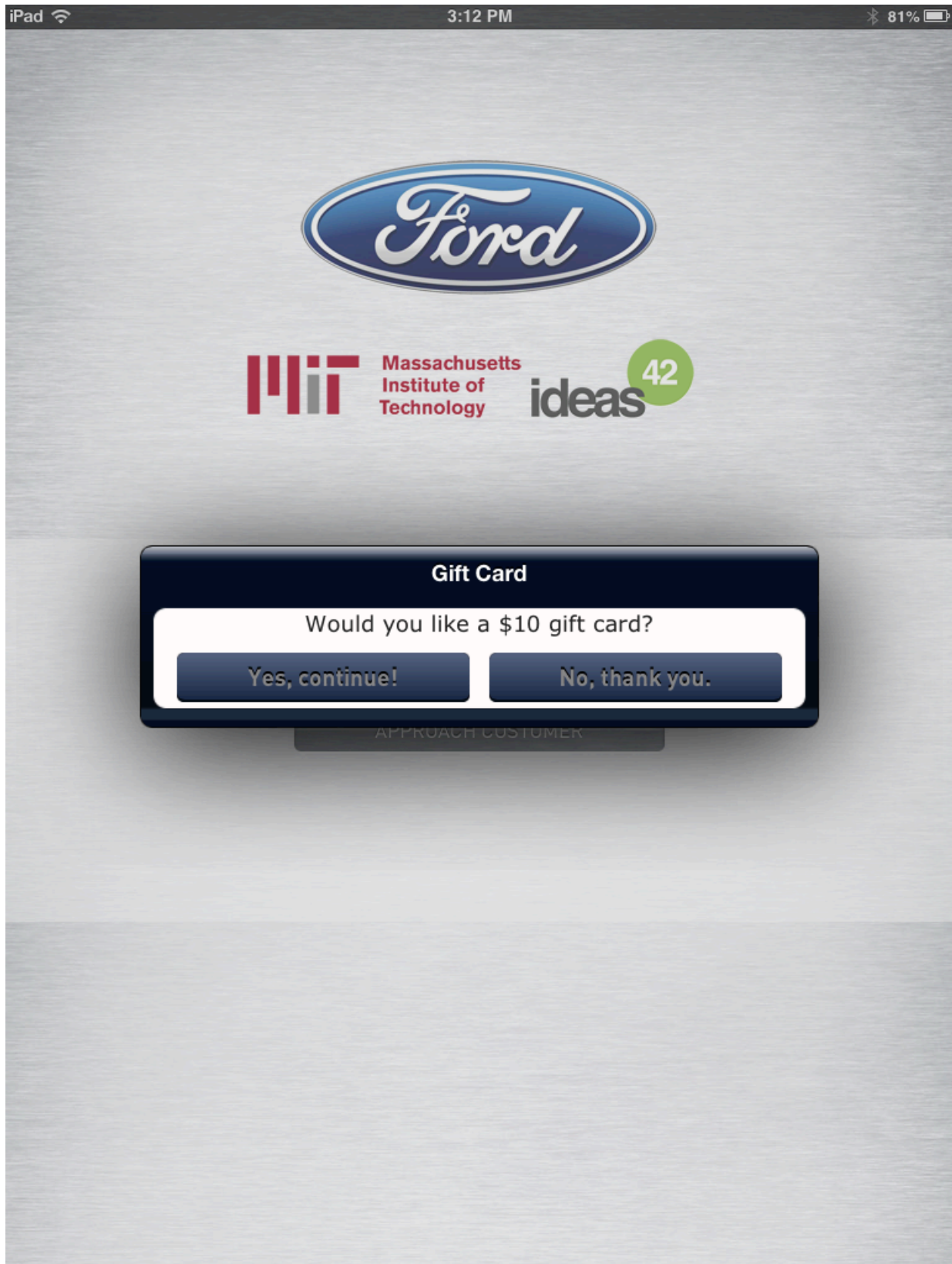
January 13, 2017

Abstract

This online appendix presents screen shots from the dealership and online interventions

I Dealership Experiment Screen Shots







Massachusetts
Institute of
Technology

ideas

42

AGREEMENT TO PARTICIPATE

You are invited to participate in this study application as part of a study undertaken by researchers at the Massachusetts Institute of Technology (MIT).

You will be asked to complete a brief questionnaire and we may contact you with follow-up questions. We will keep all of your answers confidential, and data will only be available to persons conducting the research. Participation in this study is voluntary.

YES, I AGREE TO PARTICIPATE

NO, I DON'T AGREE TO PARTICIPATE

iPad

3:12 PM

81%

BACK

BACKGROUND

What car do you drive now?

Year

Make

Model

Options

I DO NOT USE A CAR CURRENTLY

How many hours would you say you've spent so far researching which car to buy?

Includes discussions with friends, visiting dealerships, online research, or other research.

0

20+

How sure are you about what car you will purchase?

NOT AT ALL SURE

NOT SO SURE

FAIRLY SURE

ALMOST CERTAIN

ALREADY PURCHASED

iPad

3:13 PM

81%

BACK

QUESTIONNAIRE

What are the one or two most important factors in your decision of what car to buy?

1

2

STYLE

QUALITY

MANUFACTURER INCENTIVES

PRICE

BRAND

VALUE

FUEL ECONOMY

SAFETY

OTHER

If you purchase a car, how many years do you plan to own it?

0

20+

How many miles do you expect that your vehicle will be driven each year?
Include driving by you and by anyone else who might drive the vehicle.

Miles

PER

Year

I DON'T KNOW

What percent of your miles are City vs. Highway?

Next

iPad

3:13 PM

81%

BACK

CONTACT INFO

Please enter your contact information:

Gift card for: *

Target

Amazon

Name: *

Name

Street Address: *

Address

Zip Code: *

Zip Code

Email: *

Email

Phone 1: *

Phone 1

Phone 2:

Phone 2

SUBMIT

FUEL COSTS

3.744

\$

BACK

FUEL COSTS

What do you expect will be the cost of a gallon of regular gas?

3.744

How much money do you think will be spent to buy gas for each vehicle every week?

Include money spent by you or anyone else on gas for your vehicle. (Give your best guess.)

Back

Miles per Gallon can be confusing!

The person switching from 12 MPG to 14 MPG would save three times more money than the person switching from 22 MPG to 24 MPG.

12 MPG avg. annual costs: \$4,688

22 MPG avg. annual costs: \$2,557

14 MPG avg. annual costs: \$4,018

24 MPG avg. annual costs: \$2,344

PERSON 1's savings: 12 to 14 MPG: \$670 PERSON 2's savings: 22 to 24 MPG: \$213



One complete line equals \$500 in annual fuel costs (estimated)

That's why we're giving you information about fuel economy in terms of how much you'll pay each year, for every option you're considering.

Okay

SUBMIT

BACK

FUEL ECONOMY CALCULATOR

Fuel costs of the car options you were considering, at \$3.74 per gallon:

	ANNUAL FUEL COSTS (Savings)	LIFETIME FUEL COSTS
<div>CURRENT VEHICLE</div> <div>2010 Ford Crown Victoria Ffv</div> <div>Auto 4-spd 8-cyl 4.6L</div>	\$2,000 (\$0)	\$20,579
<div>VEHICLE #1</div> <div>2013 Ford Fiesta FWD</div> <div>Auto 6-spd 4-cyl 1.6L</div>	\$1,156 (\$844)	\$11,890
<div>VEHICLE #2</div> <div>2013 Ford Taurus AWD</div> <div>Auto 6-spd 6-cyl 3.5L</div>	\$1,807 (\$193)	\$18,593
<div>VEHICLE #3</div> <div>2013 Ford Edge AWD</div> <div>Auto 6-spd 6-cyl 3.7L</div>	\$1,966 (\$34)	\$20,233

It will save you \$844 each year in fuel costs to drive a Ford Fiesta FWD compared to a Ford Crown Victoria Ffv.

A Ford Fiesta FWD will save you \$8,689 over its lifetime compared to a Ford Crown Victoria Ffv.

That's the same as it would cost for:

17.4 iPads




8.7 Tickets to Hawaii

174 Pairs of Levi's Jeans

BACK

FUEL CALCULATOR DETAILS BY MODEL

Fuel costs can vary a lot within models.

		ANNUAL FUEL COSTS	LIFETIME FUEL COSTS
#1 	2013 Ford Fiesta SFE FWD Auto 6-spd 4-cyl 1.6L	\$1,144	\$11,767
	2013 Ford Fiesta FWD Manual 5-spd 4-cyl 1.6L	\$1,156	\$11,890
	2013 Ford Fiesta FWD Auto 6-spd 4-cyl 1.6L	\$1,156	\$11,890
#2 	2013 Ford Taurus FWD EcoBoost Auto 6-spd 4-cyl 2L	\$1,474	\$15,167
	2013 Ford Taurus FWD Flex Fuel Auto 6-spd 6-cyl 3.5L	\$1,671	\$17,198
	2013 Ford Taurus FWD Auto 6-spd 6-cyl 3.5L	\$1,671	\$17,198
	2013 Ford Taurus AWD Flex Fuel Auto 6-spd 6-cyl 3.5L	\$1,807	\$18,593
	2013 Ford Taurus AWD Auto 6-spd 6-cyl 3.5L	\$1,807	\$18,593
#3 	2013 Ford Edge FWD EcoBoost Auto 6-spd 4-cyl 2L	\$1,556	\$16,012
	2013 Ford Edge FWD Auto 6-spd 6-cyl 3.5L	\$1,724	\$17,737
	2013 Ford Edge FWD Auto 6-spd 6-cyl 3.7L	\$1,751	\$18,019
	2013 Ford Edge AWD Auto 6-spd 6-cyl 3.5L	\$1,837	\$18,903
	2013 Ford Edge AWD Auto 6-spd 6-cyl 3.7L	\$1,966	\$20,233

PRINT RECEIPT

SUBMIT

iPad

3:15 PM

80%

BACK

SURVEY COMPLETE

Was this information surprising? Gasoline costs are:

MORE THAN I THOUGHT

LESS THAN I THOUGHT

THE SAME AS I THOUGHT

I HAD NOT THOUGHT ABOUT GASOLINE COSTS UNTIL NOW

Thank you for your participation! We want to follow-up with you after you've made your decision and ask you which car you bought. How many weeks in the future do you think that will be?

Today

20

SUBMIT

iPad

3:15 PM

80%

BACK

SURVEY COMPLETE

Was this information surprising? Gasoline costs are:

MORE THAN I THOUGHT

LESS THAN I THOUGHT

THE SAME AS I THOUGHT

I HAD NOT THOUGHT ABOUT GASOLINE COSTS UNTIL NOW

Back

Thank You

Great! We'll call you some time after that. Do you promise you'll try to answer the phone when we call?

Yes, I Agree.

Thank you for your decision. You think...

Today

made sure do

20

SUBMIT

I.A RA Notes Screen

iPad 3:15 PM 80%

BACK **NOTES**

Did they complete the information intervention?

YES **NO**

Age:

Age ▼

Gender:

FEMALE **MALE**

Ethnicity:

Ethnicity ▼

Referral:

Comments:

SUBMIT

Note: The research assistant filled out this screen after every completion or refusal.

I.B Attachment to Follow-Up Email

Ford/MIT/Ideas42 survey - ShowFuelEconomyCalculator TreatmentInfo

FUEL ECONOMY CALCULATOR

Fuel costs of the car options you were considering, at \$4.00 per gallon:

	ANNUAL FUEL COSTS (Savings)	LIFETIME FUEL COSTS
CURRENT VEHICLE 2005 Dodge Neon/Srt-4/Sx 2.0 Auto 4-spd 4-cyl 2L	\$1,569 (\$0)	\$13,450
VEHICLE #1 2013 Ford Fiesta FWD Auto 6-spd 4-cyl 1.6L	\$1,297 (\$271)	\$11,124
VEHICLE #2 2013 Ford Fusion FWD Auto 6-spd 4-cyl 2.5L	\$1,558 (\$10)	\$13,363

It will save you **\$271** each year in fuel costs to drive a Ford Fiesta FWD compared to a 2005 Dodge Neon/Srt-4/Sx 2.0.
A Ford Fiesta FWD will save you **\$2,327** over its lifetime compared to a 2005 Dodge Neon/Srt-4/Sx 2.0.

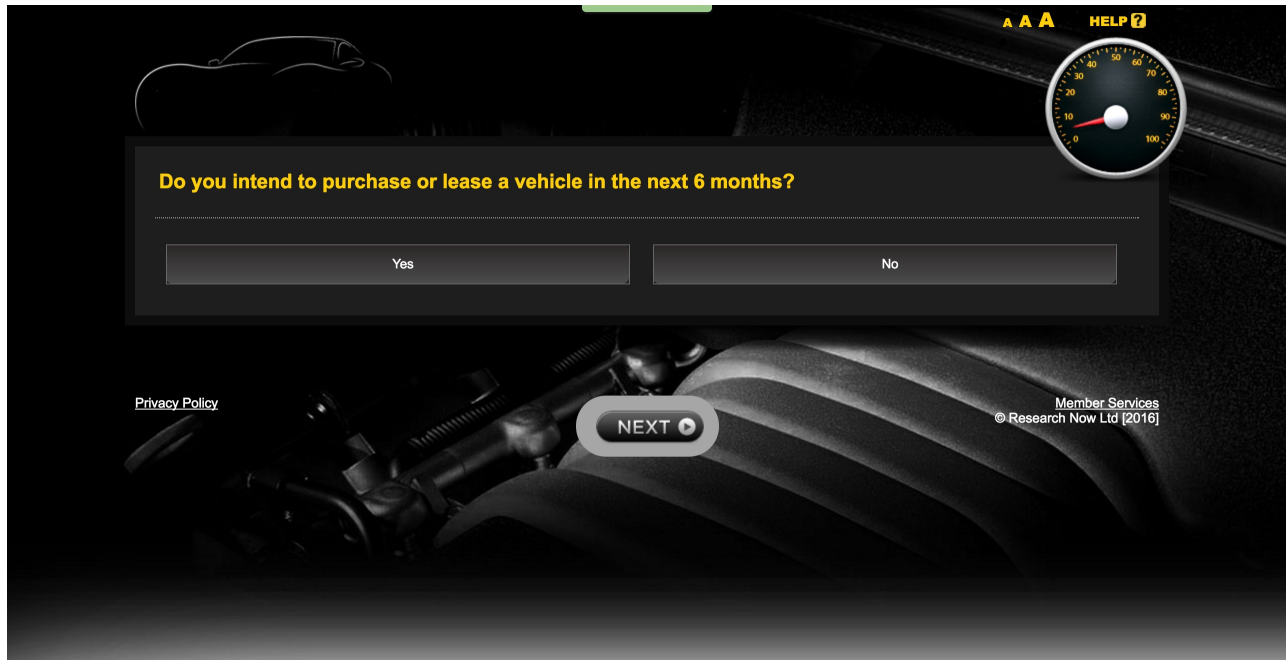
That's the same as it would cost for:

4.7 iPads
2.3 Tickets to Hawaii
47 Pairs of Levi's Jeans

Note: This information (with the customer's current vehicle and consideration set) was sent as an email attachment to the treatment group.

II Online Experiment Screen Shots

II.A Introductory Screens Shown to All Participants



AAAH

HELP?

CURRENT VEHICLE

What is the car or truck that you are considering replacing?

If you are buying or leasing an additional car or truck that will not replace an existing vehicle, just tell us what you currently drive the most.

Year

Make

Model

Transmission

Engine Size (Liters)

If you aren't sure about your engine size, just select your best guess.

I DO NOT USE A VEHICLE CURRENTLY

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20

How many hours would you say you've spent so far researching which vehicle to buy/lease?

Hours

NOT AT ALL SURE

NOT SO SURE

FAIRLY SURE

ALMOST CERTAIN

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A A A HELP ?



VEHICLE PURCHASE

If you had to guess, how many weeks do you think it will be until you actually purchase or lease a car?

Weeks

If you purchase or lease a car, how many years do you plan to own/lease it before you replace it?

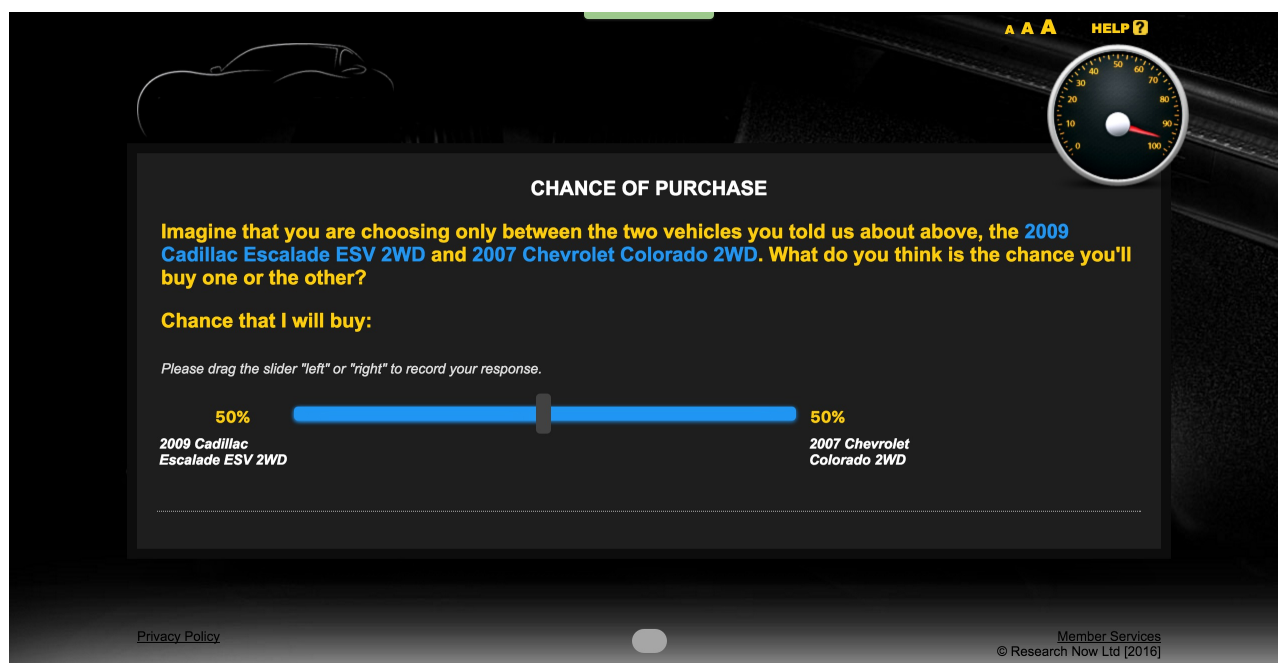
Nobody knows for sure, just give your best guess.

Years

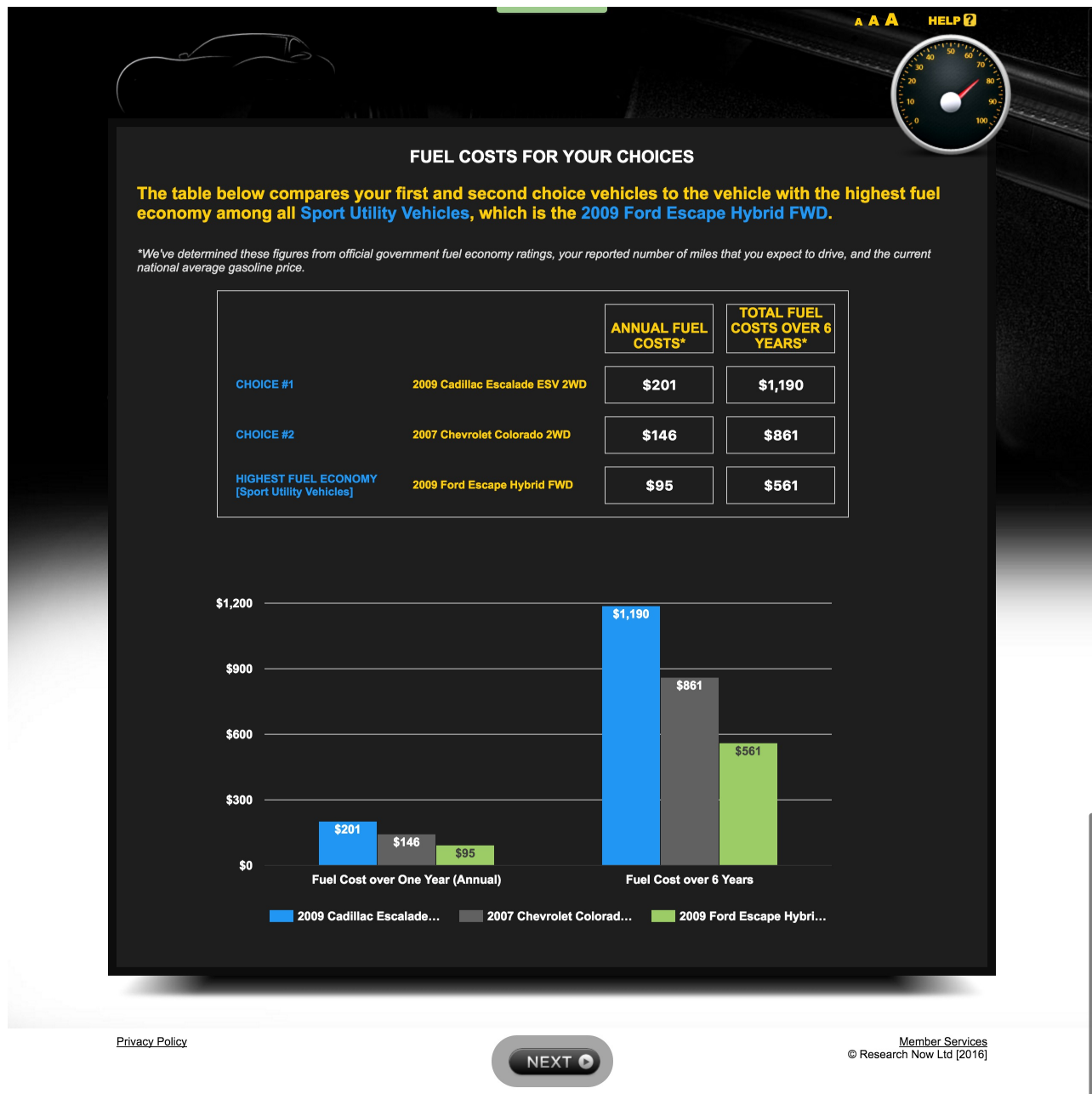
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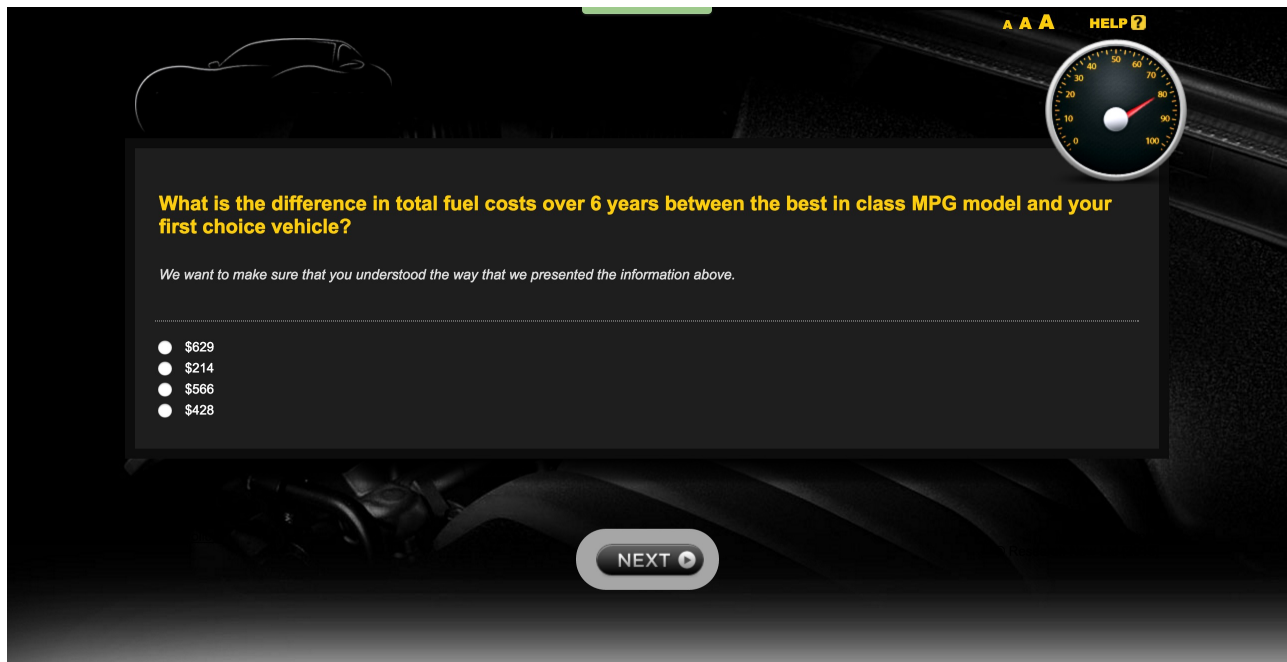
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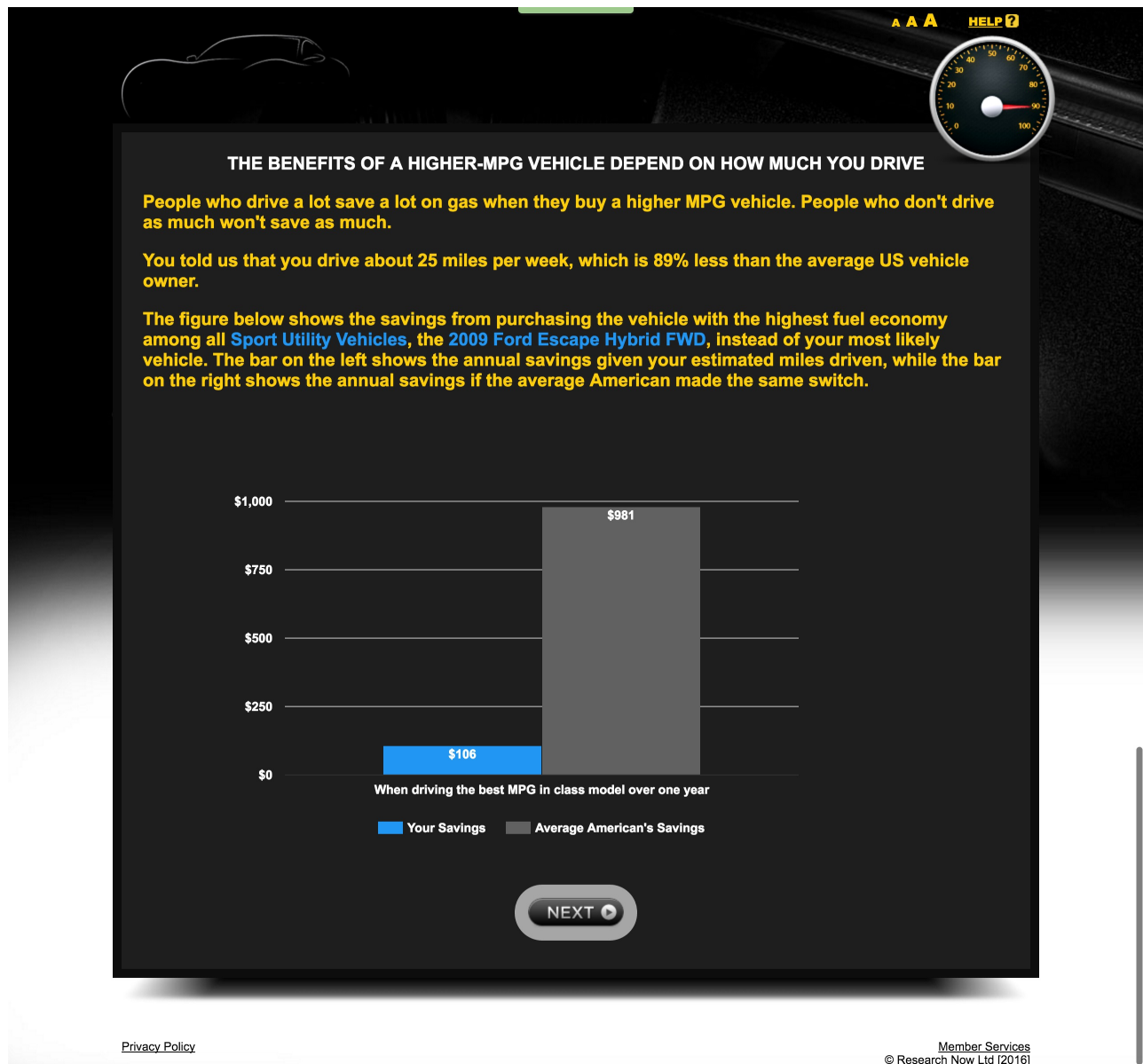
II.B Treatment Screens

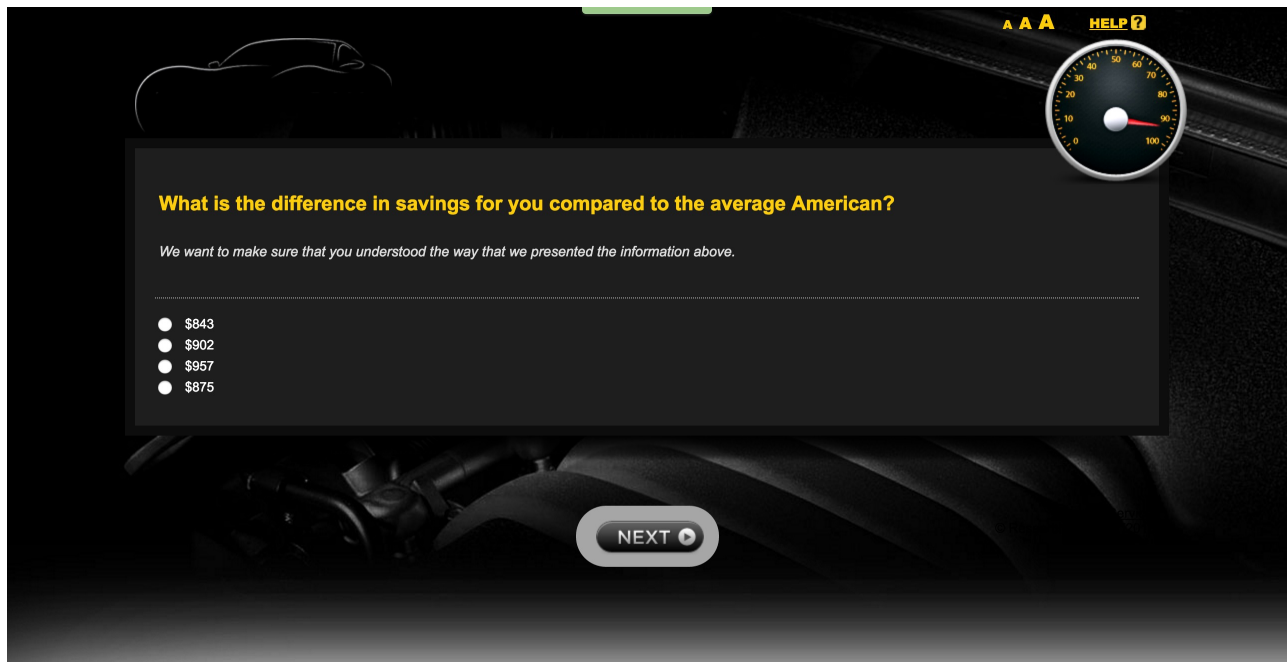




Note: The respondent had to answer this question correctly before advancing to the next screen.

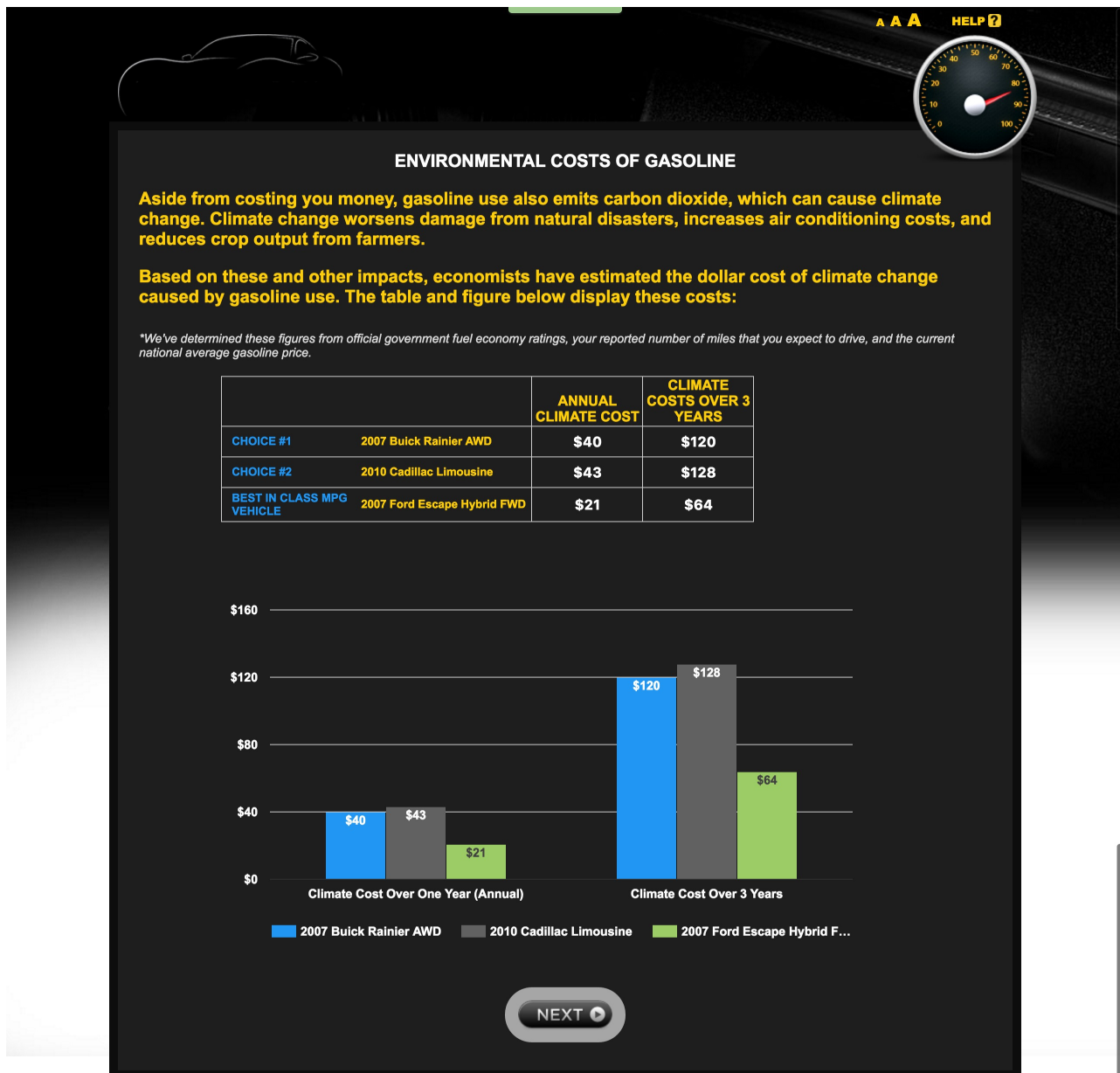
II.C Relative Treatment Screens

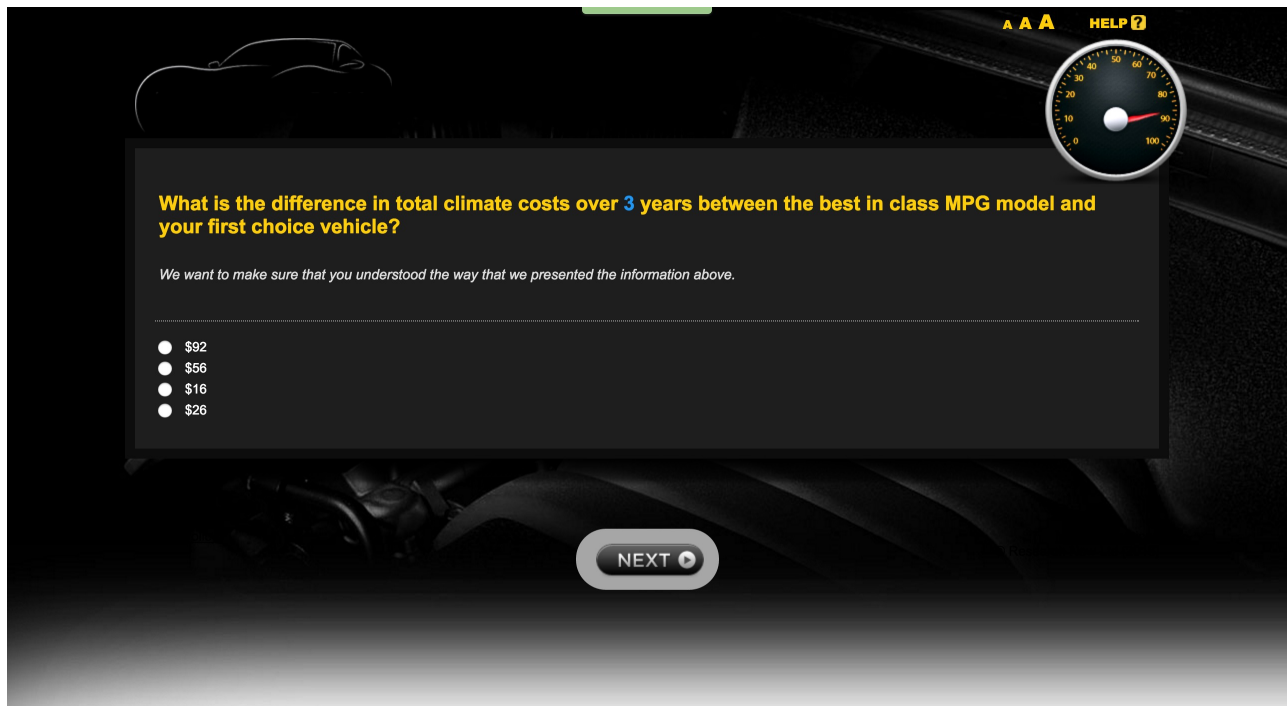




Note: The respondent had to answer this question correctly before advancing to the next screen.

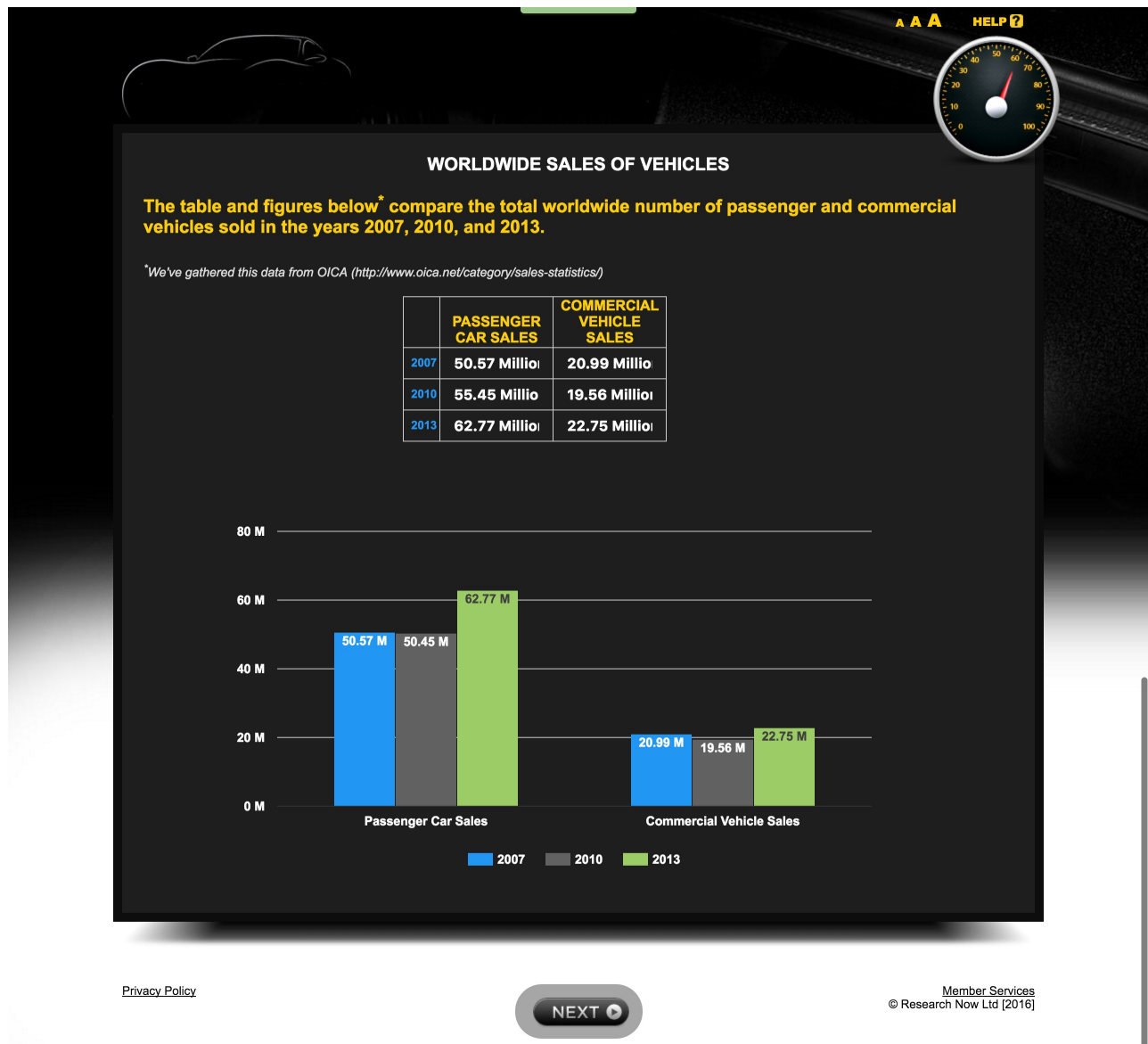
II.D Climate Treatment Screens





Note: The respondent had to answer this question correctly before advancing to the next screen.

II.E Control Screens



Note: These four screens are designed to parallel the four treatment screens in II.B.

HOW MANY CARS WERE SOLD IN 2007 VERSUS 2013?

PASSENGER CARS	In 2007, 50.57 million passenger cars were sold worldwide. Six years later in 2013, the worldwide total for passenger car sales increased to 62.77 million.
COMMERCIAL VEHICLES	In 2007, 20.99 million commercial vehicles were sold worldwide. Six years later in 2013, the worldwide total for commercial vehicle sales increased to 22.75 million.


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Worldwide annual sales of passenger cars increased by 12.2 million between 2007 and 2013.

If those cars were stacked end-to-end, that would be the same length as:

549,000 Football Fields 

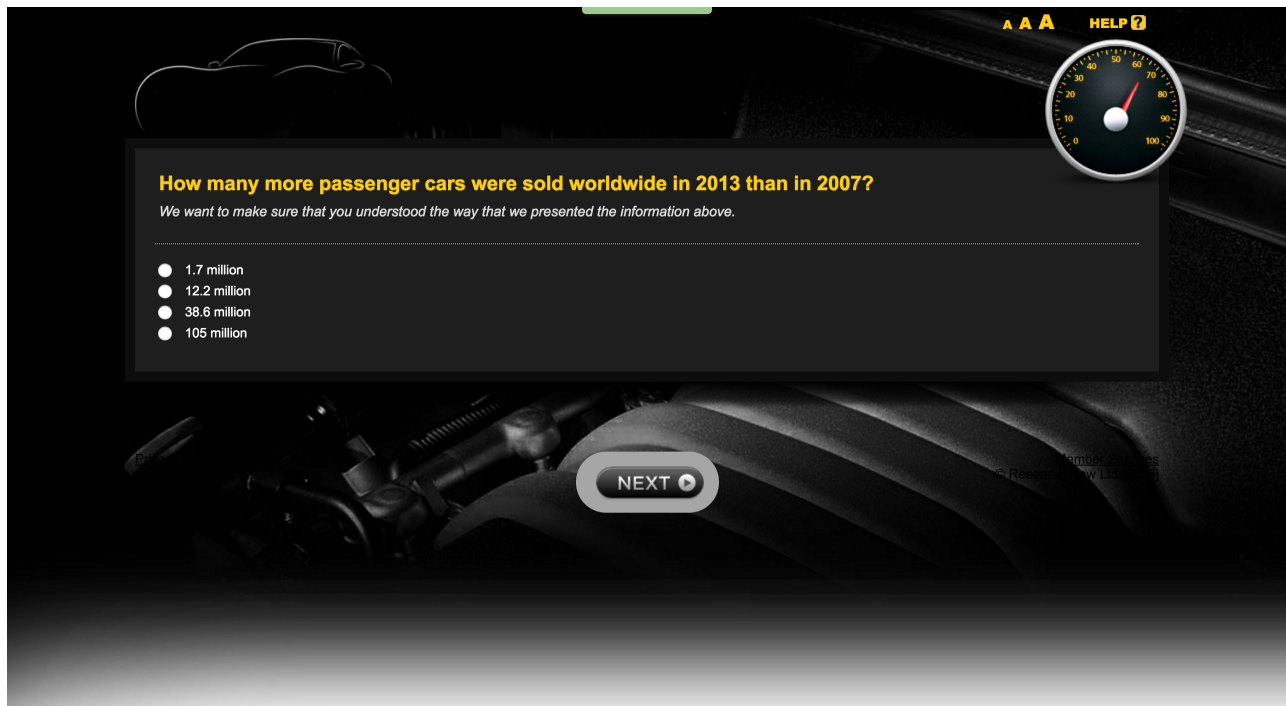
113,000 Empire State Buildings 

31,000 Miles 

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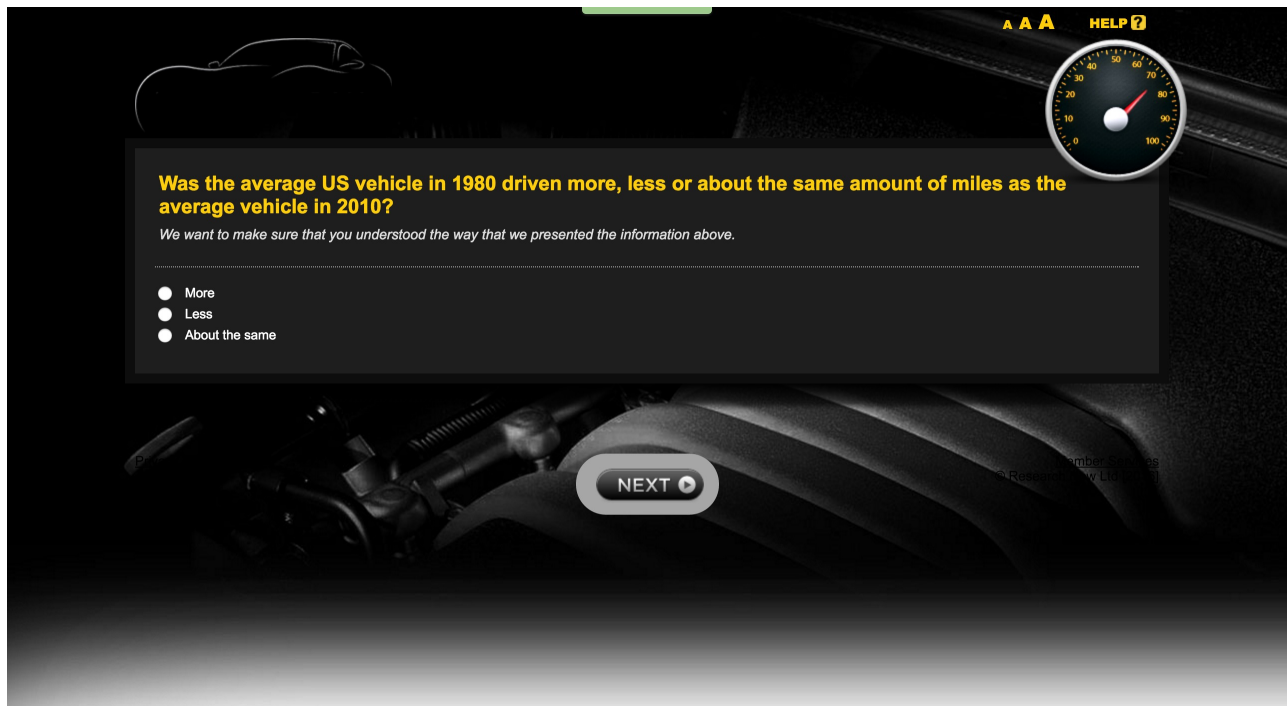


Note: The respondent had to answer this question correctly before advancing to the next screen.

II.F Mileage Control Screens



Note: These four screens are designed to parallel the two relative treatment screens in II.C.



Note: The respondent had to answer this question correctly before advancing to the next screen.

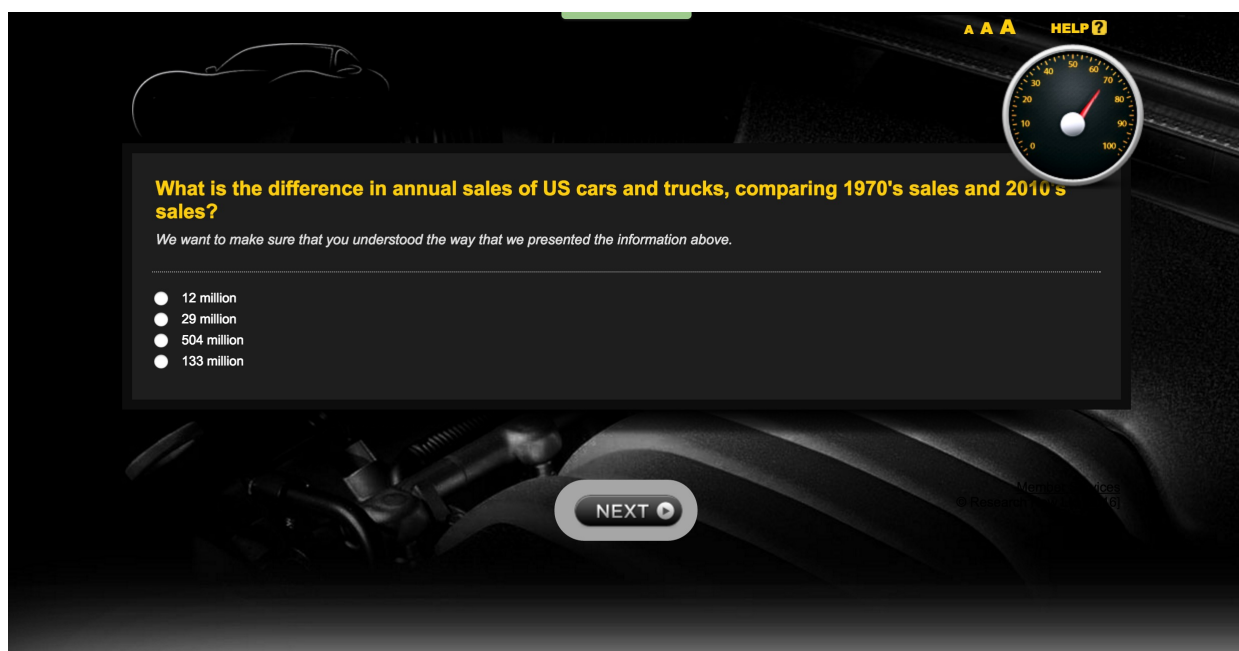
II.G Sales Control Screens



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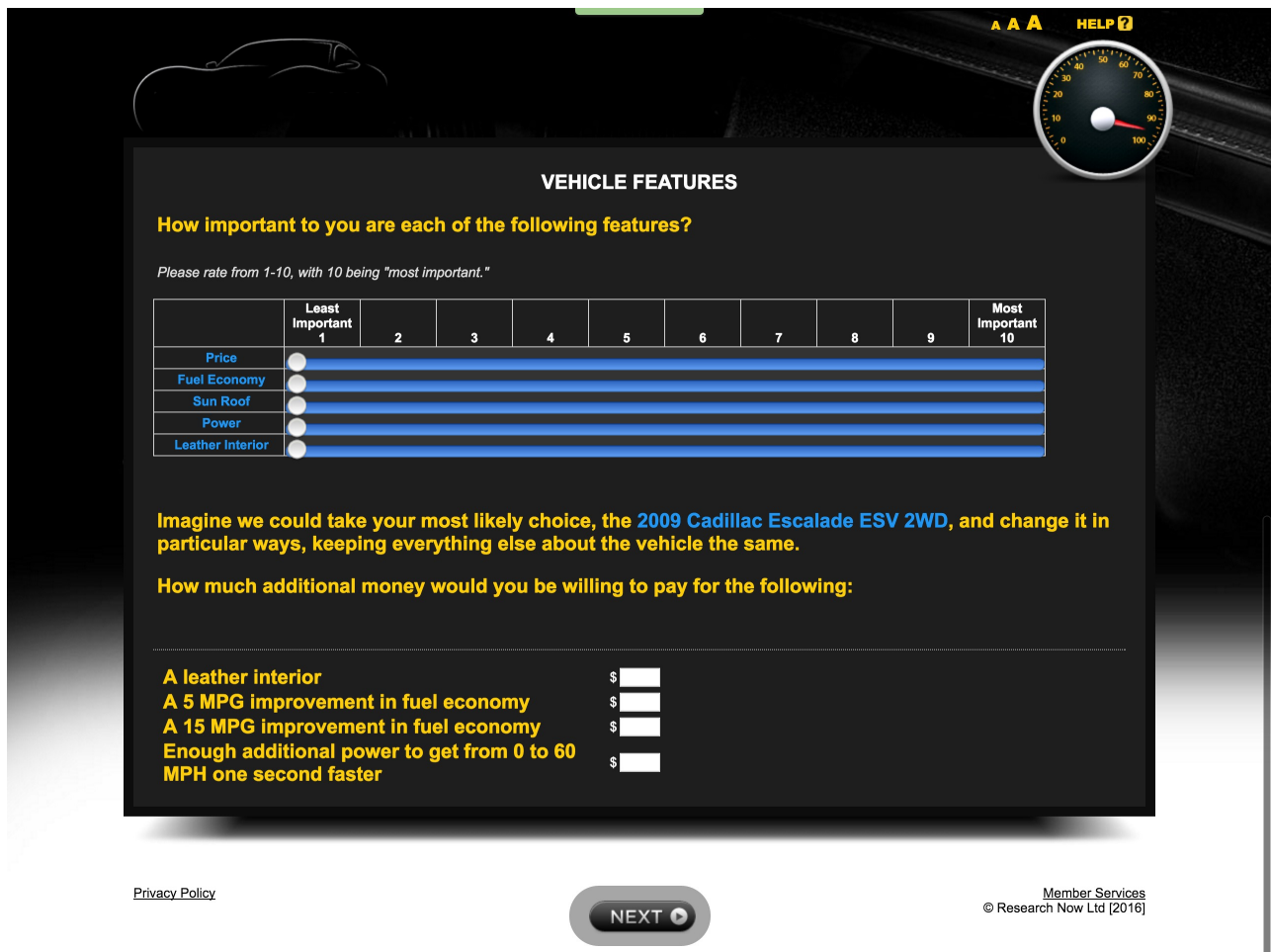
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Note: These two screens are designed to parallel the two climate treatment screens in II.D.



Note: The respondent had to answer this question correctly before advancing to the next screen.

II.H Closing Screens Shown to All Participants



VEHICLE FEATURES

How important to you are each of the following features?

Please rate from 1-10, with 10 being "most important."

	Least Important 1	2	3	4	5	6	7	8	9	Most Important 10
Price	<input type="range"/>									
Fuel Economy	<input type="range"/>									
Sun Roof	<input type="range"/>									
Power	<input type="range"/>									
Leather Interior	<input type="range"/>									

Imagine we could take your most likely choice, the 2009 Cadillac Escalade ESV 2WD, and change it in particular ways, keeping everything else about the vehicle the same.

How much additional money would you be willing to pay for the following:

A leather interior \$

A 5 MPG improvement in fuel economy \$

A 15 MPG improvement in fuel economy \$

Enough additional power to get from 0 to 60 MPH one second faster \$

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AAAH

HELP?

CHANCE OF PURCHASE

Imagine that you are choosing only between the two vehicles you told us about above, the 2009 Cadillac Escalade ESV 2WD and 2007 Chevrolet Colorado 2WD. What do you think is the chance you'll buy one or the other?

Chance that I will buy:

Please drag the slider "left" or "right" to record your response.

50%

50%

2009 Cadillac Escalade ESV 2WD

2007 Chevrolet Colorado 2WD

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AAAH

HELP?

COMMENTS

Thanks for participating in the survey!

Do you have any comments that you'd like to share?

We'll be following up with you in another survey in the future to hear about your shopping experience.

Feel free to visit [FuelEconomy.gov](#), where you can uncover more comparative fuel cost information of different vehicles similar to what you saw in this survey.

FINISH SURVEY

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II.I Follow-Up Survey



MIT Massachusetts Institute of Technology

It's good to see you again!

The last time you took a survey with us, we asked you about your choices regarding a potential upcoming vehicle purchase.

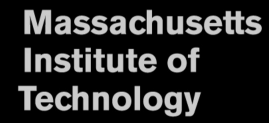
Have you purchased or leased a new or used vehicle since you took the survey in March or April?

☐ YES ☐ NO

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Have you purchased or leased a new or used vehicle since you took the survey in March or April?

YES

NO

Year

Make

Model

Transmission :Engine Size (Liters)

Month Day Year

Please rate from 1-10, with 10 being "most important."

[illegible]

How much additional money would you be willing to pay for the following:

A leather interior	\$	
A 5 MPG improvement in fuel economy	\$	
A 15 MPG improvement in fuel economy	\$	
Enough additional power to get from 0 to 60 MPH one second faster	\$	

45

	2015 Acura RDX 2WD	2013 Audi A3 quattro
Insurance	\$	\$
Gasoline	\$	\$
Maintenance	\$	\$
Depreciation*	\$	\$
*Loss of value between purchase and resale price		

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Least environmentalist 1 2 3 4 5 6 7 8 9 10 Most environmentalist

Category	Least conservative (1)	Most conservative (10)
1	100%	0%
2	0%	100%
3	0%	100%
4	0%	100%
5	0%	100%
6	0%	100%
7	0%	100%
8	0%	100%
9	0%	100%
10	0%	100%

Least well-informed 1 2 3 4 5 6 7 8 9 10 Most well-informed

