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## Signaling ideology through consumption

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Working Paper No. 367

# **Signaling ideology through consumption**

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# Signaling ideology through consumption

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Firms often discourage certain categories of individuals from buying their products, seemingly at odds with typical assumptions about profit maximization. This paper provides a potential rationale for such firm behavior: Consumers seek to signal that they have “desirable” ideological values to themselves and others by avoiding products popular among people with “undesirable” values. In laboratory experiments and surveys, I provide causal evidence that consumption can be diagnostic of consumers’ ideologies and that demand for a product is lower if its customer base consists of individuals whose ideological values are widely considered undesirable. These effects occur for both observable and unobservable consumption and for products that do not possess any inherent ideological or undesirable qualities.

Keywords: Ideology, social image, self-image, signaling, consumption, experiments

JEL Codes: D12, C91, M3

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# 1. Introduction

A typical assumption in economics is that firms maximize their profits and that they do so by selling their products to everyone who is willing to pay their prices. However, firms sometimes explicitly *discourage* individuals with certain ideologies from buying their products. For example, after the neo-Nazi website Daily Stormer claimed Papa John's to be the official pizza brand of the alt-right, the company stated that "we do not want these individuals or groups to buy our pizza" (Washington Post, 2017).<sup>1</sup> Firms are willing to bear substantial costs to avoid customers with "undesirable" ideological values. When the clothing brand Lonsdale purposely broke with their neo-Nazi customers, they lost 35% of their sales volume in Germany (Handelsblatt, 2014). That firms strive for customers not to buy their products seems puzzling from the perspective of profit maximization.

This paper provides a potential rationale for why firms try to avoid certain customers, based on consumers' identity concerns: Consumers seek to signal their desirable characteristics to themselves and others by avoiding products popular among people with undesirable characteristics (or, "types") and by conforming to product choices of people with desirable characteristics.<sup>2</sup> In a survey involving a general population sample, I show that people recognize that choosing products popular among individuals with certain ideological characteristics is diagnostic of a consumer's own characteristics. Two complementary laboratory experiments provide causal evidence that demand for a product is lower if the product's customer base consists of individuals with undesirable characteristics. This is the case even when the product itself does not possess any inherent attributes or qualities that provide a signal about consumers' characteristics. Hence, my findings indicate that firms can face clear incentives to purposefully shun customers with ideologies that are widely seen as undesirable. In line with this explanation, the brand Lonsdale report that their sales recovered after the initial decline (Handelsblatt, 2014). My finding that consumers seek to signal their ideology through consumption can also explain why the growing political polarization in the

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<sup>1</sup> Several additional examples appear to demonstrate firms caring about the ideological values of their customer bases. Wendy's, New Balance, and Depeche Mode reacted similarly after they were claimed to be the official burgers/shoes/band of the alt-right (Washington Post, 2017; Independent, 2017). In preemptive actions, Nike and Ben & Jerry's publicly announced that they were committed to diversity, to prevent their brands from being adopted by hate groups (Washington Post, 2017). Designers refused to take orders from the finance industry (Bloomberg, 2019) and to dress First Lady Melania Trump (Glamour, 2017). Burberry dropped baseball caps from their product line and reduced the visibility of their brand pattern to avoid having football hooligans as customers (BBC News, 2005). Fred Perry pulled a polo shirt from the US market that had become popular among far-right groups (CNN, 2020).

<sup>2</sup> Note that "desirable" and "undesirable" characteristics are not limited to ideology. Customers might seek to signal other characteristics such as social status, wealth, intelligence, beauty, or good taste through consumption. My second study, therefore, does not focus exclusively on ideology but also considers intelligence.

United States has led to a divide in brand preferences (e.g., Gebru et al. 2017; McConnell et al., 2018; Bertrand and Kamenica, 2020; Bonsignore, 2021; see the discussion in Section 2).<sup>3</sup>

The idea that consumers signal desirable characteristics through consumption choices is the focus of a long-standing theoretical literature in economics, philosophy, and sociology (starting with Veblen, 1899/1994; Simmel, 1904/1957; Bourdieu, 1984). Such identity signaling models are widely applied in economics. They provide theoretical foundations for brand images, advertising, and identity-based consumption (e.g., Wernerfelt, 1990; Kuksov, 2007; Vikander, 2017) and have important implications for individual welfare and market outcomes. Identity signaling can result in distortions of consumption expenditures and poverty traps (Frank, 1985; Ireland, 1994; Moav and Neeman, 2010, 2012), Veblen goods (Bagwell and Bernheim, 1996), and fashion cycles (Karni and Schmeidler, 1990; Pesendorfer, 1995).<sup>4</sup> In all of this work, consumers signal their characteristics through the type compositions of products' customer bases. A fundamental prediction of identity signaling models is, therefore, that consumers care about the types of others who consume a product. While this earlier work extensively explores the theoretical implications of identity signaling, it remains an important open *empirical* question whether customers actually care about type compositions of products' customer bases.<sup>5</sup> Answering this empirical question is the main focus of this paper.

To guide my empirical investigation, I introduce a simple theoretical framework, building on Bernheim (1994) and Bénabou and Tirole (2011). In the model, consumers possess individual characteristics that are relevant to their social image. For example, they may differ in terms of ideology, moral values or social status. Individuals have imperfect knowledge about others' characteristics but can potentially receive signals through observing these others' consumption. More precisely, signals emerge through the type composition of products' customer bases: a consumer of a product is attributed the representative consumers' types. The model predicts that demand for a product is lower if its customer base consists of individuals with characteristics that are widely considered undesirable than if its customer base consists of individuals with desirable characteristics. Note that this prediction generally arises from

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<sup>3</sup> A recent Wall Street article titled "Are Your Jeans Red or Blue? Shopping America's Partisan Divide" (Kapner and Chinni, 2019), for example, discusses that "Levi Strauss and Wrangler both got their start as the go-to jeans for cowboys, railroad workers [...] Today, they are on opposite sides of a political divide that is affecting not only how people vote but what they buy." The desire to signal one's ideology through consumption can account for such a divide.

<sup>4</sup> Signaling models have also been proposed to explain how firms set (dynamic) prices (Rao and Schaefer, 2013) and product lines (Friedrichsen, 2018).

<sup>5</sup> Previous empirical work on identity signaling and consumption (e.g., Bursztyn et al., 2018; Friedrichsen and Engelmann, 2018) study demand for products that have properties that directly link them to the image to be signaled (the product's price as a signal of wealth or its social impact as a signal of being moral). In all these studies, it remains unclear whether people buy (or avoid) a product because of the product's properties or because of the type composition of the product's customer base. This paper provides unambiguous evidence that consumers care about the type composition, holding constant properties of the product. I discuss related work in more detail in Section 2.

models of identity signaling; I do not seek to expand the above theoretical literature but rather to apply it to the specific contexts studied in my experiments.

I test the predictions of the theoretical analysis in three studies. In Study 1, I show that consumption can be diagnostic of ideology, and that choosing products popular among people with certain ideologies is recognized as an informative signal of a consumer's ideological values. I implement two online surveys with general population samples in the US: a consumer survey and an observer survey. In the consumer survey, I elicit participants' brand preferences and ideological values. I use brands, such as clothing and food, whose products do not possess any inherent ideological attributes. I find that brand preferences predict ideological values. In the observer survey, I tell participants the brand preferences of different groups of participants from the consumer survey and ask them to guess these participants' ideological values. I find that the observers recognize that consumption choices are informative signals of individuals' ideological values. Study 1 establishes that people recognize that consumption can be diagnostic of ideology, which is a prerequisite for image concerns to impact consumption choices. Two complementary studies then test the main prediction of identity signaling models: Does the type composition of a product's customer base impact the demand for that product?

A key challenge in answering this question is to find *ceteris paribus* variation in the type compositions of customer bases. Preexisting differences in type compositions likely reflect differences in products' qualities and companies' values. These differences can affect consumption through channels unrelated to customers' types. Consumers might, for example, avoid a product because it does not satisfy their moral standards (e.g., made abroad, not organic, vegan, or Fair Trade) or because they do not want to support companies with certain ideological values (see Weber and Zhang, 2022). Moreover, changes in type compositions typically do not occur exogenously but in reaction to events that might change several relevant choice aspects, such as the public perception of companies' values.

Studies 2 and 3 provide causal evidence that consumers care directly about the type composition of a product's customer base, holding constant other product characteristics. I circumvent the above identification challenges by using laboratory experiments that allow precise control over the nature of products. I introduce novel experimental paradigms that do not rely on products having preexisting associations with certain types of consumers. Instead, such associations are created in the experiment, allowing me to exogenously vary the type composition of products' customer bases.

In Study 2, participants are classified into “desirable” and “undesirable” types, based on either their ideological values—I use ideological values that are widely considered

undesirable in the population I study—or their intelligence. I also consider intelligence because the model applies to all characteristics that consumers seek to signal through consumption but says nothing about what these characteristics are.<sup>6</sup> Participants then make consumption choices, which are subsequently revealed to observers. I create a situation in which, from the perspective of the observers, the customer base of one product is statistically associated with certain types of customers. I vary by treatment whether the representative customer type is desirable or undesirable. If a new consumer chooses the product, observers may potentially confuse her with the customer type statistically associated with the product and attribute that customer type to her. I then study how the desirability of customers' types affects demand for the product. While the intuition behind these relationships is straightforward, the key parts of the process tested in Study 2 are whether consumers care sufficiently about the association with specific customer types to favor or avoid certain products and whether they anticipate that their consumption choices will provide a signal about their own type.

I find that consumers care about the *ideological values* of others who consume a product: subjects' willingness to pay for a product is statistically significantly lower if its customer base consists of individuals with undesirable ideological values than if its customer base consists of individuals with desirable ideological values. The effect size is 14.9% of the average price of the product. Net retail margins for the products used in the experiment are about 5% (Damodaran, 2019), suggesting that product adoption by individuals with undesirable characteristics could have non-negligible consequences for the profitability of products and brands. Surprisingly, I find no treatment effect for intelligence.<sup>7</sup> This second result demonstrates that there are limits to the extent to which customers care about other customers' characteristics. Taken together, these findings suggest that subjects care more about the public perception of their ideology than about the public perception of their intelligence. This might explain why most examples of firms avoiding customers come from the domain of ideology.<sup>8</sup>

While many products are consumed in public (e.g., apparel), products are also often consumed in more anonymous settings than the ones investigated in my second study. Can identity signaling also affect demand for unobservable consumption, or is observability a

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<sup>6</sup> I chose these specific characteristics as they are related to identity and have been successfully used previously to induce image concerns in laboratory experiments.

<sup>7</sup> Previous studies show that people value *self-image* based on intelligence (e.g., Möbius et al., 2022; Zimmermann, 2020). While my findings were unexpected, they are in line with those of McManus and Rao (2015), who find that subjects considered intelligence a desirable trait but also disliked signaling it to others.

<sup>8</sup> There are few examples of firms trying to avoid customers that have undesirable characteristics unrelated to ideology. Abercrombie & Fitch did not produce XL or XXL sizes in women's clothing to avoid having large women wear their products (Business Insider, 2013) and paid stars from MTV's *Jersey Shore* not to wear their products (Dunn, White, and Dahl 2012).

requirement for its occurrence? In the theoretical analysis, I show that the type composition of products' customer bases might also matter for unobservable consumption if consumers have imperfect knowledge of their own characteristics. Research in psychology suggest that people are indeed often unsure of their own deep characteristics and, for example, often hold negative unconscious attitudes and values (e.g., Nosek et al, 2007). Consumption can then serve as a self-signal of consumers' types (Bénabou and Tirole, 2011). In Study 3, I test whether image concerns of the type I document in Study 2 extend to the domain of self-signaling. I apply a double-blind procedure and study how a product's adoption by right-wing extremists affects other consumers' demand for the product. Conforming to the choices of right-wing extremists might constitute a negative self-signal about a subject's own values.

I first collect novel consumption data from right-wing extremists by recruiting participants on German neo-Nazi online forums. The right-wing extremists make multiple binary product choices in a short online survey. It is essential for the purpose of this study that one product be adopted by most participants. I achieve this requirement by using products that have incidental connections to symbols popular (or unpopular) among right-wing extremists, thereby possibly increasing (or decreasing) their attractiveness. One product, for example, features the word "milk," a recent symbol of the alt-right, in its name. However, these associations are subtle and not accessible to most people who are not right-wing extremists—I use a separate survey to document that the products are inherently neither associated with right-wing political views nor seen as particularly popular with neo-Nazis.

I then study how these product adoptions by right-wing extremists affect participants' willingness to pay for the product in a laboratory experiment. Participants first see the choices of right-wing extremists and then choose between the same products. Importantly, their choices are entirely private, even to the experimenter. I vary by treatment whether right-wing extremists' undesirable identities are revealed to subjects: Some are told that they are observing right-wing extremists' choices, while others are told that they are observing the choices of individuals recruited on the internet. This creates a difference in the perceived type composition of the product's customer base. I find that subjects' willingness to pay for the product is statistically significantly lower if it is perceived to have been adopted by right-wing extremists than if it is perceived to have been adopted by consumers with neutral ideologies. The effect size is 9.7% of the price of the adopted product, a substantial effect in comparisons to retail net margins for similar products.

In both Studies 2 and 3, I find that subjects care about the ideologies of others who consume a product, and that this concern can affect the subjects' own consumption. This effect



occurs for both observable and unobservable consumption and for products that do not have recognizable properties that directly relate them to certain identities. Thus, I provide unambiguous evidence that the type composition of products' customer bases can impact consumer demand.

While my findings confirm key predictions of identity signaling models, they might also be explained by motives unrelated to identity signaling. To shed light on subjects' motives, I supplement Study 2 and Study 3 with questionnaire evidence that helps me address potential alternative interpretations. Evaluating these responses and patterns in the choice data, I find that all explanations except identity signaling fail to explain the data. One alternative explanation is that the type compositions of products' customer bases might have affected participants' perceptions of the products. I show that participants' perceptions of product quality and of producers' ideological values do not differ between treatment conditions. Other alternative explanations that are excluded by the data are that the statistical association between a product and undesirable types results in feelings of disgust linked to the product and that consumers are more willing to conform to behaviors of others who share similar ideological values. Finally, a potential concern is experimenter demand effects. I note that this explanation is inconsistent with the fact that I find a treatment effect only for ideological values in my second study and not for intelligence; if experimenter demand effects were present, they likely would occur for both ideology and intelligence. Moreover, I provide direct evidence against the importance of experimenter demand effects in the situations studied in this paper, applying the method developed by de Quidt, Haushofer, and Roth (2018).

The rest of the paper proceeds as follows. The next section discusses how this paper relates and contributes to the previous literature. Section 3 describes the theoretical framework that I use to develop my hypothesis. In Sections 4, 5, and 6, I present the design and results from my first, second and third study, respectively. In Section 7, I discuss potential explanations for my results. Finally, Section 8 concludes.

## **2. Contribution to the literature**

There is an extensive theoretical literature in economics on signaling and consumption, as discussed in the Introduction. While most of the early work focuses on signaling of social status and wealth (e.g., Veblen, 1899/1994; Frank, 1985; Karni and Schmeidler, 1990; Ireland, 1994; Pesendorfer, 1995; Moav and Neeman, 2010, 2012; Bagwell and Bernheim, 1996), recent models also examine signaling of other aspects of identity that are relevant to consumers' social images (e.g., Kuksov, 2007; Kuksov, Shachar and Wang, 2013; Kuksov and Wang, 2013;

Friedrichsen, 2018). The key prediction for consumer behavior in all these models is that individuals care about the type composition of products' customer bases.<sup>9</sup> My paper provides important supportive evidence for this prediction.

The empirical literature has focused on wealth signaling through conspicuous consumption of expensive goods (Bloch, Rao and Desai, 2004; Charles, Hurst, and Roussanov, 2009; Heffetz, 2011; Bursztyn et al., 2018; Clingingsmith and Sheremeta, 2018) and on signaling of moral values through consumption of goods with positive social impact (Sexton and Sexton, 2014; Delgado, Harriger and Khanna, 2015; Friedrichsen and Engelmann, 2018).<sup>10</sup> In these studies, signaling is characterized by a direct link between properties of the product (its price or its social impact) and the image to be signaled (being wealthy or being moral). As a result, it remains unclear whether people buy (or avoid) a product because of the product's properties or because of the type composition of the product's customer base. It is important to differentiate between these two different forms of signaling because they have very different implications for company behaviors and public policy.<sup>11</sup> The first contribution of my paper is to provide clear evidence that people care about the type composition of products' customer bases. A second contribution of this paper is to provide evidence that identity signaling motives can also affect demand for products that do not exhibit strong inherent associations with desirable or undesirable personal characteristics. Such products are arguably more common than products that have strong associations with certain personal characteristics. Finally, this paper's investigation of self-signaling (Study 3) fills a gap in the previous literature. My findings suggest that identity signaling motives are not limited to observable ("conspicuous") consumption but also affect unobservable consumption.<sup>12</sup>

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<sup>9</sup> There are related models that assume people care about the number of other consumers who buy a product ("bandwagon effects"; Leibenstein, 1950), about others' unmet desire for a product (Imas and Madarasz, 2020), and about how their consumption levels compare to others (e.g., Hopkins and Kornienko, 2004). The latter motive is sometimes interpreted as status signaling. In these models, consumers do not care about other consumers' types.

<sup>10</sup> There is a small literature in marketing that investigates whether consumers care about who else buys a particular product (White and Dahl, 2006, 2007; Berger and Heath, 2007, 2008). The validity of these studies, however, is limited because they either rely on hypothetical choice situations or suffer from low sample sizes with limited statistical power to detect effects. In addition, it often remains unclear what drives the results. White and Dahl (2006), for example, look at hypothetical choices between steaks of two different sizes. They call the small steak either "chef's cut" or "ladies' cut," and find that men avoid the "ladies' cut." In this setting, treatment differences could be the result of a difference in the perception of whether the small steak satisfies the participant's appetite. Moreover, none of this work investigates conformity to desirable and undesirable types.

<sup>11</sup> For example, companies only face incentives to avoid customers if consumers seek to signal their identities through the type composition of products' customer bases, not if consumers seek to signal their identities through product properties. The theoretical literature discussed above derives many additional company and public policy implications that rely on the assumption that consumers seek to signal their identities through the type composition of products' customer bases.

<sup>12</sup> This paper also relates to identity economics. In the model of Akerlof and Kranton (2000), people belong to a particular category, or, type (e.g., male or female). Each type is linked to "appropriate" behavior (e.g., women should not work as lawyers). If people do not choose an appropriate action, they face costs in terms of a lower self-image. Atkin, Colson-Sihra, and Shayo (2021) apply the model of Akerlof and Kranton (2000) to food choices and provide evidence that identity concerns (religion and ethnicity) interact with group salience and group status to shape consumption choices, specifically demand for beef and pork in India.

My paper also contributes to a literature that studies the impact of ideology on consumption. Groups with different political ideologies systematically differ in their product and brand choices (e.g., Gebru et al. 2017; Bertrand and Kamenica, 2020; Kapner and Chinni, 2019). Recent studies in political science and psychology investigate reasons for this divide, focusing on differences in tastes and personality (Khan, Misra, and Singh, 2013; Roos and Shachar, 2014) and companies' values (McConnell et al., 2018). My first study contributes to this literature by showing that consumption choices are not only diagnostic of ideology but are also recognized as such. My second and third studies demonstrate that consumers care about the ideological values of products' customer bases. Differences in brand choices between conservatives and liberals might thus reflect consumers' desire to signal their political positions; liberals are then attracted to products that are popular among other liberals and avoid products popular among conservatives.

Finally, my investigation adds to the literature on conformity and peer effects (e.g., Krupka and Weber, 2009; Lahno and Serra-Garcia, 2015). Bernheim (1994) and Andreoni and Bernheim (2009) study how image concerns can result in conformity to prosocial behavior. Fatas, Hargreaves Heap, and Rojo Arjona (2018) and Dimant (2019) present evidence that conformity to prosocial behavior can depend on similarity to peers. I add to this literature by showing that conformity in consumption choices depends on the perceived desirability of others' types.

### **3. Theoretical framework**

My study is guided by a simple model of identity signaling and consumption, building on Bernheim (1994) and Bénabou and Tirole (2011). I present the detailed model in Appendix B; in this section, I focus on the model's key insights. Note that I do not seek to expand the theoretical literature on identity signaling and consumption but rather to apply it to the specific contexts studied in my experiments.

A critical feature of the model and the situations that I study is that individuals possess individual characteristics, or *types*, that are relevant to their self- or social image. For example, they may differ in terms of values positions. Individuals have undesirable, "neutral," or desirable characteristics, associated with image  $v^L < v^M < v^H$ . Here I assume that all individuals agree on the desirability of characteristics, but in Appendix B I show that all results also apply when I allow for heterogeneity in desirability views. Individuals have imperfect knowledge about others' types but can potentially receive signals through observing these

others' consumption. An individual's social image,  $E(v|x)$ , is, therefore, the expected value of that person's image conditional on that person's consumption choice,  $x$ .<sup>13</sup>

Individuals choose between a product A and an alternative option B. The alternative option can either be a different product or express that an individual does not want product A. I study contexts in which individuals with characteristics that are either widely seen as undesirable or as desirable, which I refer to as the *targets*, adopt product A.<sup>14</sup> Undesirable targets may be, for example, right-wing extremists. I then investigate how the desirability of targets' characteristics affects the popularity of the product among others with relatively "neutral" characteristics, whom I label the *consumers*. Consumers may be, for example, the general population. I compare a situation in which targets have desirable characteristics with a situation in which targets have undesirable characteristics.

The consumers care about the public perception of their type. They maximize  $u^t(x) + \theta E(v|x)$ , where  $\theta > 0$  is the weight they put on their social image and  $u^t(x)$  is the consumption utility from product  $x$ . There are two types of consumers, reflecting heterogeneity in tastes:  $a$ -consumers derive more consumption utility from A ( $u^a(A) > u^a(B)$ ) and  $b$ -consumers derive more consumption utility from B ( $u^b(B) > u^b(A)$ ).

How does the desirability of targets' characteristics affect consumers' demand for product A? Suppose that the targets have desirable characteristics. Choosing product A then increases a consumer's image, as others might confuse this person with a target (i.e.,  $E(v|A) > E(v|B)$ ). For the  $a$ -consumers, there is thus no trade-off between consumption utility and image, so they choose A. If the  $b$ -consumers are sufficiently concerned about their social image, they also choose A. Suppose now that the targets have characteristics that are considered undesirable. Conforming to the targets' consumption choices then decreases consumers' social image ( $E(v|A) < E(v|B)$ ). Hence, the  $b$ -consumers do not face a trade-off between consumption utility and image and choose B. The  $a$ -consumers might also choose option B. So the consumers choose product A weakly more often if it is adopted by targets with desirable characteristics than if it is adopted by targets with undesirable characteristics. This inequality holds strictly as long as consumers are sufficiently concerned about their social image (see the Proposition in Appendix B).<sup>15</sup>

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<sup>13</sup>  $E(v|x)$  depends on the equilibrium strategies of all types of individuals and is calculated by applying Bayes's rule.

<sup>14</sup> That is, all targets choose product A. There are multiple assumptions that can rationalize such behavior. For example, targets can be assumed to receive substantially more consumption utility from product A than from product B ( $u^{target}(A) - u^{target}(B) > \theta^{target} * \max(v^H - v^M, v^M - v^L)$ ) or not to care about their social image ( $\theta^{target} = 0$ ).

<sup>15</sup> Note that right-wing extremists are rare, so the base rate that a person will be a right-wing extremist is low. Thus, if people form their beliefs rationally, their beliefs that an individual will be a right-wing extremist might not change substantially after observing that individual conforming to the choices of right-wing extremist. Indeed, the model predicts that, when the share

In Appendix B, I extend the model to the domain of self-signaling, building on Bénabou and Tirole (2011). In this version of the model, choices are private information and consumers have imperfect knowledge of their own types. Consumers’ past choices are then self-signals about their own types. The model predicts that consumers also care about the type compositions of products’ customer bases in such settings, if they are sufficiently concerned about their self-image.

In the following, I test the predictions of the model in three studies. Study 1 shows that choosing products popular among individuals with certain characteristics (the targets) is recognized as an informative signal of an individual’s characteristics (that is,  $E(v|A) \neq E(v|B)$ ), which is a prerequisite for identity signaling to impact consumption.

I then test the model’s main prediction that consumers care about the type composition of a product’s customer base in two laboratory experiments. My experimental designs closely follow the theoretical framework: A product is adopted by certain types of customers, the targets. I then vary by treatment the desirability of targets’ characteristics and study how this affects the demand for the product among others, the consumers.

In Study 2, I introduce social image concerns by revealing choices to observers. In this setting,  $\theta$  captures how much consumers care about observers’ beliefs that they have the targets’ characteristics. I attempt to choose desirable and undesirable characteristics that induce high levels of  $\theta$ —a requirement for testing the model’s prediction.

In Study 3, I investigate whether identity signaling extends to the domain of self-signaling. A key requirement for self-signaling to occur, according to the model, is that participants are insecure about their own type. Thus, the design attempts to increase participants’ insecurity.

#### **4. Study 1: Is consumption diagnostic of ideology?**

Study 1 tests whether choosing certain types of products, popular among people with certain ideologies, is recognized as a meaningful signal of consumers’ ideological values. I implement two online surveys with general population samples in the US. Participants in the first survey, the consumer survey, play the role of consumers and targets. I elicit their brand preferences and ideologies. The data from the consumer survey allow me to study whether brand

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of targets in the population is low, targets’ characteristics only matter when  $\theta$  is large. However, prior work shows that people tend to ignore base rates and rely on a representativeness heuristic (Kahneman and Tversky, 1973), which may increase the perceived diagnosticity of consumption signals. Moreover, even if the individual is not perceived as an extremist, she might still be perceived as having right-wing attitudes. Study 3 provides evidence that right-wing extremists choices indeed affect consumer preferences.

preferences can be diagnostic of individuals’ ideologies—replicating and extending earlier work from marketing—and, more importantly, serve as rational benchmarks for the guesses of the participants in the second survey. The participants in the second survey, the observer survey, play the role of observers. They see brand preferences from participants in the consumer survey and then guess these participants’ ideological values. The observer survey allows me to study whether people recognize the diagnosticity of consumption signals, that is,  $E(v|A) \neq E(v|B)$ , a prerequisite for image concerns to impact consumption choices.

## 4.1 Survey design

### 4.1.1 Consumer survey

In the consumer survey, I elicit participants’ brand preferences, ideological values and, finally, socio-economic characteristics.

To measure ideological values, I ask participants whether they agree with the statement that “widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election.” This measure of ideological values allows me to study the diagnosticity of consumption—which is the focus of Study 1—but it is less extreme than the far-right ideologies discussed in earlier examples; about a quarter of US voters agree with the statement.<sup>16</sup> I opted against using more extreme ideological values that only very few people hold to avoid low statistical power.

To elicit brand preferences, I elicit from participants, for ten different brands, whether they “like this brand and would be willing to buy and use this brand’s products.” In the model, the willingness to buy or not to buy a brand’s products correspond to options A and B, respectively.<sup>17</sup> I use two clothing brands (Wrangler, Levi Strauss), car brands (Ford, Subaru), chain restaurants (Chick-fil-A, Starbucks), snack brands (Hershey’s Kisses, Ben & Jerry’s) and beer brands (Miller Lite, Sierra Nevada).<sup>18</sup> I chose these brands based on previous work that linked consumer databases with data on political attitudes and found that brand preferences predict ideological values (e.g., YouGov America, 2012; Politico magazine, 2018; Guardian, 2016; Gebru et al., 2017; Kapner and Chinni, 2019; Toolbox Marketing, 2020).<sup>19</sup>

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<sup>16</sup> People also disagree about the desirability of holding such ideological beliefs. Note that the model allows for such disagreement (see Appendix B.2).

<sup>17</sup> I ask participants about their willingness to buy brands, and not past purchasing behaviors, to avoid low statistical power.

<sup>18</sup> Unlike the brands discussed in the Introduction, the set of brands used in Study 1 have not been adopted by right-wing extremists. Using brands adopted by right-wing extremists would require focusing on targets with extreme ideological values that only few people hold. I opted against using this approach to avoid low statistical power.

<sup>19</sup> Based on previous work, I expect participants who are willing to buy products from Wrangler, Ford, Miller Lite, Chick-fil-A, and Hershey’s Kisses to more often believe in widespread illegal voting than people who are not willing to buy products from these brands. I expect that people who are willing to buy products from Levi Strauss, Subaru, Sierra Nevada, Starbucks,

#### *4.1.2 Observer survey*

Participants in the observer survey receive detailed information on the content of the consumer survey. They are also informed that 26% of the participants in the consumer survey believe that widespread illegal voting and fraud impacted the 2020 presidential election. They then see the brand preferences of different groups of participants in the consumer survey and guess these participants' ideological values. For each of the ten brands, I ask them to only consider participants that are willing to buy products from that brand and to guess what share of those participants believe in widespread illegal voting and fraud. They also make such guesses for people that are not willing to buy products from the brand. I set the default choices to 26% and ask participants to adjust the defaults to their best guesses. I incentivize participants to make accurate guesses. One of the 20 belief questions is randomly drawn, and the participants are paid for the accuracy of their answers to this question: they receive a payoff of  $\$0.20 * (1 - |\text{guessed share} - \text{actual share}|)$ . At the end of the study, I elicit participants' socio-economic characteristics.

#### *4.1.3 Sample and procedural details*

I preregistered the data collection and analysis on OSF ([osf.io/4fcgs](https://osf.io/4fcgs)). I recruited 600 participants for the consumer survey and 300 participants for the observer survey (as outlined in my pre-analysis plan). I invited a sample that is representative of the US general population in terms of political party affiliation to participate in the consumer survey and a sample that is representative in terms of age, gender and ethnicity to participate in the observer survey.<sup>20</sup> Appendix Table A1 gives sample statistics. The experiment was implemented with the help of the survey company Prolific using Qualtrics in May 2022. Appendix D.1 supplies the instructions for both surveys. Participants' understanding of the instructions was tested through comprehension questions. The study obtained ethical approval from the Human Subjects Committee of the Faculty of Economics, Business Administration, and Information Technology at the University of Zurich. The consumer (observer) survey took 3 minutes (5 minutes) to complete, and I paid a fixed payment of \$0.50 (\$0.94). In addition, the participants in the observer survey received on average a bonus of \$0.17.

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and Ben & Jerry's, on the other hand, to less or as often believe in widespread illegal voting as people who are not willing to buy products from these brands.

<sup>20</sup> Prolific only allows to recruit representative samples that are cross-stratified on gender, age and ethnicity, but not on political position. For the consumer survey, however, I wanted to recruit a sample that is broadly representative in terms of ideological values. Hence, I recruited 180 Democrats, 180 Republicans and 240 independents to participate in the consumer survey (gender balanced), reflecting the rough distribution in the US population. Appendix Table A1 shows that both samples are very diverse in terms of gender, age, ethnicity, socio-economic status, and political position, although the consumer survey sample is somewhat younger and less "Democrat" than the observer survey sample.

## 4.2 Results

Figure 1 shows that brand preferences are diagnostic of ideology. For each of the ten brands, I calculate the average agreement with the statement that illegal voting and fraud impacted the 2020 presidential election among participants who are willing to buy products from the brand and among participants who are not willing to buy products from the brand. Figure 1 gives the difference between the two averages for each of the ten brands (see Appendix Table A2 for regression results). The figure shows that participants who are willing to buy products from Wrangler, Ford and Chick-fil-A are 9.6 ( $p = 0.007$ ), 10.1 ( $p = 0.005$ ) and 26.0 ( $p < 0.001$ ) percentage points more likely to believe in illegal voting than those who are not willing to buy these brands' products. Individuals who are willing to buy products from Starbucks and Ben & Jerry's, on the other side, are 16.0 ( $p < 0.001$ ) and 31.8 ( $p < 0.001$ ) percentage points less likely to believe in illegal voting. The data also rejects the joint hypothesis that all ten brand coefficients are zero ( $F = 10.09$ ,  $p < 0.001$ ). Appendix Table A2 shows that these findings are robust to controlling for participants' age, gender, ethnicity, and income.

The patterns in Figure 1 also indicate that people who believe in illegal voting do not simply have a differential willingness to buy jeans, cars, and snacks, but instead have systematically different brand preferences.<sup>21</sup>

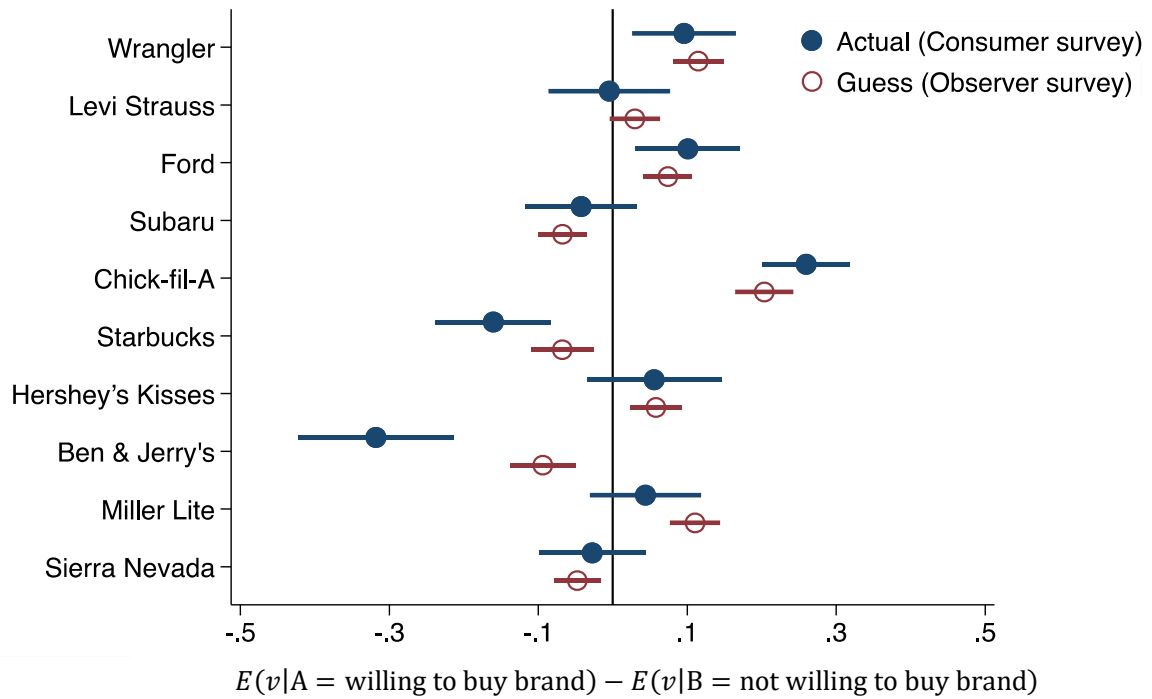
The observer survey allows me to test whether people recognize the diagnosticity of consumption signals, which is a prerequisite for consumption impacting consumers' images. For each of the ten brands, I calculate the observers' average *guessed* agreement with the statement that illegal voting impacted the result of the 2020 presidential election for individuals that are willing to buy products from the brand ( $E(v|A)$ ) and the average guessed agreement with the statement for individuals that are not willing to buy products from the brand ( $E(v|B)$ ). Figure 1 gives the difference between the two guesses for each of the ten brands,  $E(v|A) - E(v|B)$  (see Appendix Table A3 for regression results). The observers recognize that brand preferences can be meaningful signals of consumers' ideological values; they recognize that individuals that are willing to buy Wrangler, Ford and Chick-fil-A more often agree with the statement (all  $p < 0.001$ ), while individuals that like Starbucks and Ben & Jerry's less often agree with the statement ( $p = 0.002$ ,  $p < 0.001$ ).

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<sup>21</sup> I can reject the null hypothesis that the average differences in ideological values between individuals that are willing to buy a brand's products and people that are not willing to buy a brand's products are the same for the jeans brands Wrangler and Levi Strauss ( $p = 0.033$ ), for the car brands Ford and Subaru ( $p = 0.003$ ), for the restaurant chains Chick-fil-A and Starbucks ( $p < 0.001$ ) and for the snack brands Hershey's Kisses and Ben & Jerry's ( $p < 0.001$ ), see Appendix Table A4.



**Figure 1: Consumption is diagnostic of ideology**



*Notes: The “actual” in the figure show the difference in agreement to the statement that “widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election” between individuals that are willing to buy products from the brand and people that are not willing to buy products from the brand (Consumer survey;  $N=600$ ). I asked a different set of participants to predict agreement conditional on brand preferences; “Guess” in the figure show the differences in guesses (Observer survey;  $N=300$ ). These differences correspond in the model to  $E(v|A = \text{willing to buy brand}) - E(v|B = \text{not willing to buy brand})$ . Error bars show the 95% confidence intervals. Robust standard errors are used.*

Observers also perceive the willingness to buy products from Subaru, Hershey’s Kisses, Miller Lite and Sierra Nevada to be diagnostic of ideological values (largest  $p = 0.003$ ). The estimates for the actual values for these brands are in the same direction as the guesses, although they are not statistically significantly different from zero, probably because the data from the consumer survey is noisier than the guesses. The data rejects the joint hypothesis that all then brand coefficients are zero ( $F = 16.44$ ,  $p < 0.001$ ).

Comparing guesses in the observer survey with the rational benchmark from the consumer survey shows that participants’ guesses are often accurate. I cannot reject the hypothesis that the guesses correspond to the actual values for Wrangler ( $p = 0.628$ ; see Appendix Table A4), Levi Strauss ( $p = 0.445$ ), Ford ( $p = 0.495$ ), Subaru ( $p = 0.546$ ), Miller Lite ( $p = 0.110$ ), Sierra Nevada ( $p = 0.614$ ), Chick-fil-A ( $p = 0.117$ ) and Hershey’s Kisses ( $p = 0.962$ ). However, I find some evidence that the observers underestimate the diagnosticity of the willingness to buy products from Starbucks ( $p = 0.039$ ) and Ben & Jerry's ( $p < 0.001$ ).

## **5. Study 2: Signaling ideology through consumption in public settings**

In Study 1, I show that consumption choices can be diagnostic of individuals' ideologies, and that people recognize the diagnosticity of consumption signals, which are prerequisites for image concerns to impact consumer decisions. In Studies 2 and 3, I test the key prediction of the model, that is, whether consumers care about the type composition of products' customer bases. Study 2 tests whether people care about the type of others who buy a product when consumption is publicly observable. As outlined in the theoretical framework, I study contexts in which a product is adopted by a set of people, the targets. I vary the desirability of targets' characteristics and study how this affects the consumption choices of other participants, the consumers. To create social image concerns, the consumers' choices are observed by others, the observers. I relax anonymity by linking choices to portrait photographs. I create a situation in which consumption choices are informative signals about consumers' characteristics: If consumers choose the product that is adopted by the targets, the observers may potentially confuse them with the targets, which affects their social image. However, the presence of the hypothesized effect rests on consumers caring sufficiently about their social image and anticipating that their consumption choices will provide a signal of their image.

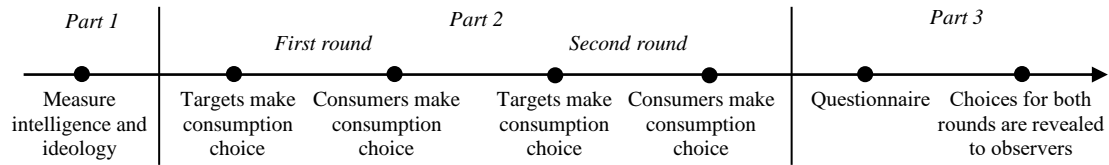
### **5.1 Experimental design**

The experiment consists of three parts. In Part 1, I classify participants into consumers and targets, based on measures of their intelligence and ideology. The main focus of the project is on ideological values. The reason I also consider intelligence is that the model applies to any characteristics that consumers want to signal through consumption. The model does not tell us what these characteristics are, so I decided to look at a broader range of characteristics. In Part 2, targets choose between two products. Next, each consumer is matched to one target, learns the choice and type of that target, and chooses between the same two products. There are two rounds of such consumption choices, one related to intelligence and one to ideology. Finally, in Part 3, I reveal the choices of targets and consumers to observers. Figure 2 gives the timeline of the study.

The key part of the design is that choices signal information about consumers' characteristics to observers. This is implemented as follows: The observers see the portrait photograph and choice of either a consumer or that consumer's matched target, each with a probability of 50%. Importantly, observers do not learn whether the portrait they see is that of the target or the consumer. However, they are told the target's characteristics and which choice the target made. From the observers' perspective, the customer base of the product chosen by

the target is thus statistically associated with a certain type of customer. If the consumer conforms to the target’s choice, the observers will observe the consumer’s photograph with the knowledge that this person chose the product type chosen by the target. This is analogous to, for example, knowing that right-wing extremists wear a particular clothing brand and seeing a person wearing the same clothing brand. However, if the consumer avoids the product chosen by the target, she can signal to the observers that she is not the target. This situation closely reflects the one studied in the theoretical analysis and is explained in detail in Section 5.1.3 and Figure 3.

**Figure 2: Timeline Study 2**



#### 5.1.1 Part 1: Classifying consumers and targets

First, participants’ intelligence and ideologies are measured, on the basis of which they are classified into consumers and targets. While participants are unaware of what will follow in Parts 2 and 3 of the experiment, it is announced that others might receive noisy signals about their performance in the intelligence test and about their choices in the ideology task.

**Measuring intelligence.** I measure participants’ intelligence with a test consisting of 12 Raven’s matrices. Raven’s matrices have been successfully used in previous studies to induce image concerns (e.g., in Zimmermann, 2020). Subjects see patterns in which one part is missing. For each pattern, they are given eight possible suggestions for how to complete it. Subjects have 12 minutes to complete the 12 patterns. For every correct pattern, they earn CHF 0.50 (CHF 1  $\approx$  USD 1). Before subjects start with the test, they solve two training patterns. Subjects are told that Raven’s matrices are regularly used to measure general intelligence. They do not receive feedback about their performance.

**Measuring ideology.** To measure ideology, I give subjects the option to increase their payoff by authorizing the researchers to make a donation on their behalf to Zukunft CH, a conservative Christian organization whose values are perceived negatively among most students in Zurich. Answers collected in a separate online survey suggest that participants dislike being publicly perceived as donors to Zukunft CH (see Appendix C.1 for details).

Subjects receive an endowment of CHF 6. They then choose one of the seven options shown in Table 1, each jointly determining a payment to the subject and a donation to Zukunft CH. I include both positive and negative donations to increase the perceived discrepancy between the “desirable” and the “undesirable” actions, and to avoid having most subjects choose options on the boundary (Option 1 or Option 7). Negative donations are explained as “preventing donations from other participants from being implemented.” To implement subjects’ choices, all individual donations are added up.<sup>22</sup> Donations are anonymous and are not subtracted from the participants’ payments.

**Table 1: Measuring ideology**

Option	In addition to the CHF 6.00 endowment, the subject receives	Donation to Zukunft CH on behalf of subject
1	+ CHF 6.00	+ CHF 9.00
2	+ CHF 4.00	+ CHF 6.00
3	+ CHF 2.00	+ CHF 3.00
4	+ CHF 0.00	+ CHF 0.00
5	– CHF 2.00	– CHF 3.00
6	– CHF 4.00	– CHF 6.00
7	– CHF 6.00	– CHF 9.00

**Classifying consumers and targets.** Subjects are then classified into targets and consumers. For each of the two rounds of consumption choice, two participants are selected to play the role of the (desirable and undesirable) targets in this round. Targets differ between rounds. For one round, targets are selected on the basis of their intelligence score. The subject with the lowest intelligence score among all subjects in the session is selected to be the undesirable target and the subject with the highest intelligence score is selected to be the desirable target.<sup>23</sup> For the other round, targets are selected on the basis of their donation to Zukunft CH. The subject who made the highest donation to Zukunft CH is selected to be the undesirable target and the subject who made the lowest donation to Zukunft CH is selected to be the desirable target. If multiple subjects qualify to play the role of a target, one of them is selected at random. Participants who are not a target in a given round are selected to play the

<sup>22</sup> Note that this procedure does not preclude a negative total donation. Data from an online pilot survey suggested that this is not an issue (see Appendix C.1). Moreover, the payoffs are scaled to assure that the final donation to Zukunft CH will be small and, therefore, inconsequential. The final experiment resulted in a total donation of CHF 237. No research funds were used to pay for this donation.

<sup>23</sup> The targets are not referred to as “desirable” or “undesirable” in the experiment.

role of a consumer in that round. Therefore, in a session with  $N$  participants, each round consists of two targets and  $N - 2$  consumers.

### 5.1.2 Part 2: Consumption choices

Next, participants choose between two products twice. Choice sets differ between the first round and the second round. In one round, subjects choose between two packs of chocolate bars, one produced by Camille Bloch and the other by Munz. Both packs consist of 5 chocolate bars, 23 grams each, and are priced at about CHF 3.50. In the other round, subjects choose between a cup and a 4-GB USB stick. The market prices of the cup and the 4-GB USB stick are about CHF 8 and CHF 4, respectively.<sup>24</sup> I randomize the order of choice sets at the session level.

In each round, the round's targets first choose between the two products available in that round.<sup>25</sup> Next, the consumers are matched with one target and learn that target's type and choice. They are, for example, told that "the participant that made the highest donation to Zukunft CH chose the cup." Which target they observe depends on the treatment condition:

- Subjects in the *undesirable condition* learn the type and choice of the target with undesirable characteristics.
- Subjects in the *desirable condition* learn the type and choice of the target with desirable characteristics.

Assignment to treatment conditions is randomized within sessions. Each subject is assigned to the same treatment condition for both rounds.

After consumers learn the type and choice of their target, they choose between the same products. Instead of one binary choice, I elicit consumers' willingness to pay to receive one product instead of the other product.<sup>26</sup> To do so, consumers make 13 decisions between product-and-money bundles, as shown in Table 2. At the end of the experiment, one of the 13 cases is randomly drawn in each round for possible implementation.

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<sup>24</sup> I selected the 4-GB USB stick and the cup, and the two kinds of chocolates, because the responses in an online survey (see Appendix C.1) suggested that the distribution of the willingness to pay to receive the 4-GB USB stick instead of the cup, and the Munz chocolate instead of the Camille Bloch chocolate, is symmetric with a mean of zero. (However, as I will discuss later, in the laboratory experiment, the USB stick was more popular than the cup.)

<sup>25</sup> Targets do not learn about their role in the experiment; they are only told that others might learn about their choice. Not informing targets protects their self-image as it keeps them ignorant about their relative performance. This design choice is valid for the purpose of this study as the focus lies on consumers' choices; targets' choices only serve as a means to create a statistical association between a product and certain types of consumers.

<sup>26</sup> I elicit the willingness to pay to collect more extensive data. Bénabou, Falk, Henkel and Tirole (2020) point out that image concerns can interact with elicitation methods to affect the measurement of moral preferences. While my use of the multiple price list could reinforce or diminish image concern—thereby potentially affecting the size of the treatment effect—it does not affect the sign of the treatment effect, which is the main interest of this paper.

**Table 2: Consumers' choices**

Decision	Choice situation		
1	Munz + CHF 3.00	<i>or</i>	Camille Bloch
2	Munz + CHF 2.50	<i>or</i>	Camille Bloch
3	Munz + CHF 2.00	<i>or</i>	Camille Bloch
4	Munz + CHF 1.50	<i>or</i>	Camille Bloch
5	Munz + CHF 1.00	<i>or</i>	Camille Bloch
6	Munz + CHF 0.50	<i>or</i>	Camille Bloch
7	Munz	<i>or</i>	Camille Bloch
8	Munz	<i>or</i>	Camille Bloch + CHF 0.50
9	Munz	<i>or</i>	Camille Bloch + CHF 1.00
10	Munz	<i>or</i>	Camille Bloch + CHF 1.50
11	Munz	<i>or</i>	Camille Bloch + CHF 2.00
12	Munz	<i>or</i>	Camille Bloch + CHF 2.50
13	Munz	<i>or</i>	Camille Bloch + CHF 3.00

In the first round, participants make the 13 decisions between two products and for a target in one of the two domains—intelligence or ideology. After making the 13 decisions, the second round starts; they are shown the two other products and the target's choice between the products for the other domain.

### 5.1.3 Part 3: Signaling through consumption

After subjects finish both rounds of consumption choices, choices are revealed to up to 14 observers. The following procedure statistically associates the customer base of one product with certain types of customers. The procedure is illustrated in Figure 3.

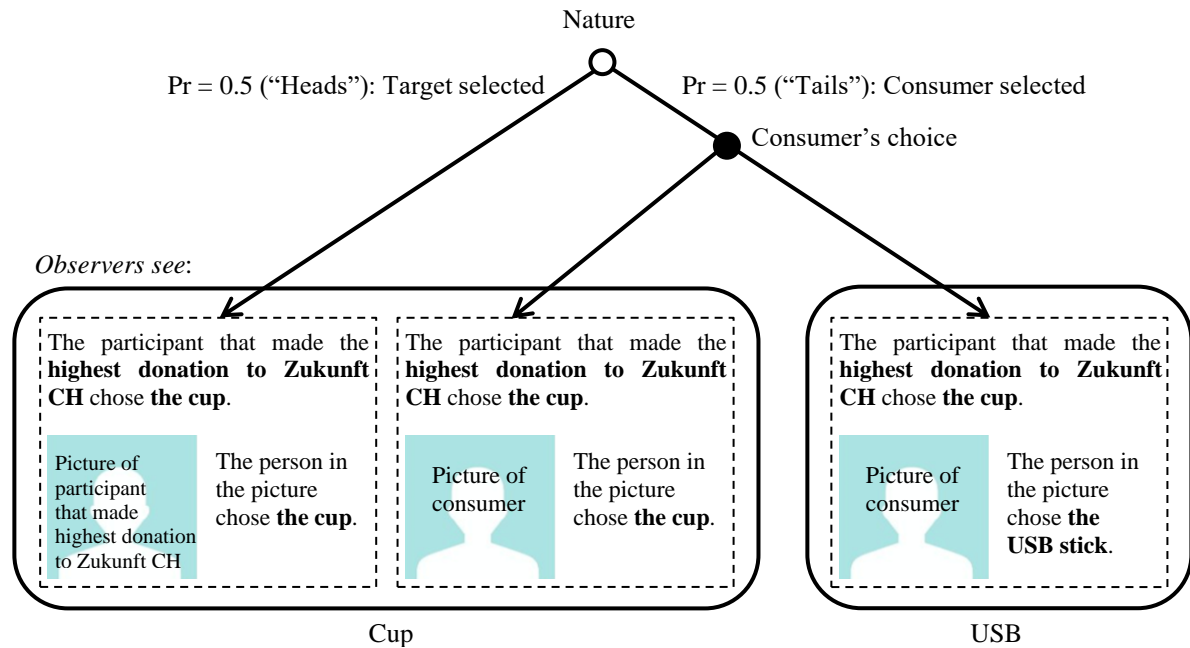
The observers are shown a portrait photograph and the choice made by that person.<sup>27</sup> This person can be either a consumer or that consumer's target, depending on the flip of a computerized fair coin.<sup>28</sup> Importantly, observers do not learn the outcome of the coin flip, that is, they are not told whether they are seeing the consumer or the target. However, I tell observers the type and choice of the target. This creates a statistical association between the product and a certain type of customer. Hence, observers can infer information about the observed person's characteristics by comparing the choice of the person they observe with the target's choice: If the choice of the person corresponds to the target's choice, the person might be the target. However, if the choice differs from the target's choice, the person must be the consumer and not the target. Thus, conforming to the undesirable (desirable) target likely

<sup>27</sup> The picture is taken at the very beginning of the experiment, before subjects enter the lab.

<sup>28</sup> Remember that the consumer makes choices for 13 cases. If the coin flip selects the consumer, the observer does not see the choices for all 13 cases but only which product the consumer chose for one randomly drawn case. This randomly drawn case is then implemented; that is, the consumer receives the chosen option for this case.

decreases (increases) the consumer’s social image. Figure 3 illustrates this procedure with an example in which the target—the person with the undesirable quality of making the highest donation to Zukunft CH—chose the cup. I explain this procedure in detail to consumers before they make their choices and test their understanding of the instructions through comprehension questions.

**Figure 3: Signaling through consumption**



*Notes: The figure illustrates how choices are revealed to the observers such that the customer base of one product is statistically associated with certain types of customers. In the illustrated case, the consumer is paired with the undesirable target that made the highest donation to the charity Zukunft CH and that target chose the cup. The observers learn the type and the choice of the consumer’s target (“The participant that made the highest donation to Zukunft CH chose the cup”). Moreover, the observers see the picture and choice of either the target or the consumer, depending on the coin flip (see boxes in dotted lines). The observers do not know whether tails or heads is realized. The boxes in solid lines therefore give the observers’ information sets.*

In each round, choices of only three randomly drawn consumers are implemented and (possibly) revealed to observers. The choices of all other consumers are neither implemented nor seen by any observer, but instead these remaining consumers serve in the role of observers. Each observer is matched to two of the drawn consumers such that each drawn consumer is (possibly) observed by two thirds of all observers.<sup>29</sup> The reason I implement only three choices

<sup>29</sup> The matching between consumers and observers works as follows: Starting with round 1, all consumers of this round are randomly assigned to three groups of equal size (groups 1–3). Next, one member of each group is randomly drawn. The choices of these three subjects are implemented. All members of group 1 play the roles of observers for the drawn consumers of group 2 and group 3. In a similar manner, the members of group 2 play the role of observers for group 1 and group 3, and the members of group 3 play the role of observers for groups 1 and 2. The same procedure is then repeated for the second round. Note that each of the drawn consumers is, thus, observed by two thirds of all consumers, resulting in between 11 and 14 observers.

in each round is (i) to match consumers with many observers while (ii) limiting the number of participants each observer sees. The former is important to induce sufficiently strong social image concerns. The latter is important to ensure that a target's identity is never revealed with certainty to observers, thereby protecting the social image of undesirable targets.<sup>30</sup> Targets' choices are always implemented, that is, they always receive the product they chose. Consumers are informed about the number of observers and about the probability with which their choice will be implemented before they make their choice.

#### *5.1.4 Questionnaire*

At the end of the experiment, but before consumers' choices are revealed to observers, subjects fill out a short questionnaire. Most importantly, I measure subjects' perceptions of the four products used in the experiment.<sup>31</sup> I provide additional details on the questionnaire in Section 6, when I discuss different explanations for my findings.

#### *5.1.5 Procedural details*

I preregistered the data collection and analysis (AECTR-0004268). I aimed for a sample size of 160 participants. According to my simulations, the statistical power with this sample size was 80% to detect an effect size equal to  $CHF\ 0.50$  (as outlined in my pre-analysis plan). I conducted eight sessions, each consisting of between 19 and 24 participants. In total, 87 subjects participated in the desirable condition and 81 in the undesirable condition. All sessions took place at the Laboratory for Experimental and Behavioral Economics at the University of Zurich, in June 2019. Participants were recruited using hroot (Bock, Baetge, and Nicklisch, 2014) from the joint subject pool of the University of Zurich and the Swiss Federal Institute of Technology. The experiment was implemented using z-Tree (Fischbacher, 2007). Appendix D.2 supplies the instructions for the study. My study obtained ethical approval from the Human Subjects Committee of the Faculty of Economics, Business Administration, and Information Technology at the University of Zurich.

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<sup>30</sup> The following procedure guarantees that targets are never revealed with certainty to observers. For each round, consumers play the role of an observer for two other consumers. If these two consumers share the same target and "heads" comes up twice, the observer would see the picture of the same person (the target) twice. This would reveal to the observer that the person in the picture is the target. To avoid this issue, the two coin flips are either tails-heads or heads-tails, each with a probability of 50%. While this procedure creates a dependency in the realization of coin flips, it does not affect the individual probabilities that a target or a consumer is drawn. Hence, the procedure corresponds, from a subject's perspective, to the procedure explained above. Note that this procedure requires participants to play the role of an observer for at most two consumers in each round.

<sup>31</sup> In addition, I elicit subjects' demographics, their willingness to pay to receive each of the products in private, and how much they care about being perceived as intelligent and tolerant. The complete questionnaire is in Appendix D.2.



## 5.2 Results

On average, subjects solved 8.41 of 12 Raven's matrices (std. dev. = 2.01). Only 4.71% of subjects solved all 12 matrices, and the minimal number of matrices solved was 3. For ideology, the median (and modal) choice was the option that neither increased nor decreased the donation to Zukunft CH (Option 4). A total of 32.35% of subjects chose the option that maximized their own payoff and the donation to Zukunft CH (Option 1), while 14.12% of subjects chose the option that minimized the donation to Zukunft CH and their own payoff (Option 7). Figures A1 and A2 in the Appendix provide the full distribution for intelligence and ideology.

A majority of targets preferred Munz chocolate over Camille Bloch Torino chocolate (10 of 16) and the 4-GB USB stick over the cup (11 of 16). Targets' choices are unbalanced between treatment conditions (see Appendix Figure A3).<sup>32</sup> I account for these differences in the analysis of consumer behavior.

In the following, I focus on consumers' choices. Consumers choose between product-and-money bundles. Six subjects made product choices that are non-monotone in money, and one subject did so in both rounds. These seven observations are excluded from my analysis.<sup>33</sup> The fact that most subjects exhibit monotone choice patterns can be seen as an indicator that subjects understood the choices they were facing.

I now turn to the question of whether the type composition of products' customer bases affects consumers' choices, the focus of this paper. I first pool that data from the ideology round and the intelligence round and look at the binary choice between the two products when neither of them is bundled with a monetary payment.<sup>34</sup> Figure 4 provides supportive evidence for the prediction of the theoretical analyses: Consumers chose the option that was chosen by their target less often in the undesirable condition than in the desirable condition. Table 3, column (1) gives the estimated coefficients of a linear regression of the probability of choosing the same option as the target on a treatment dummy (1 = undesirable condition). Column (2) adds session fixed effects to the specification. Subjects are 16.8 percentage points less likely

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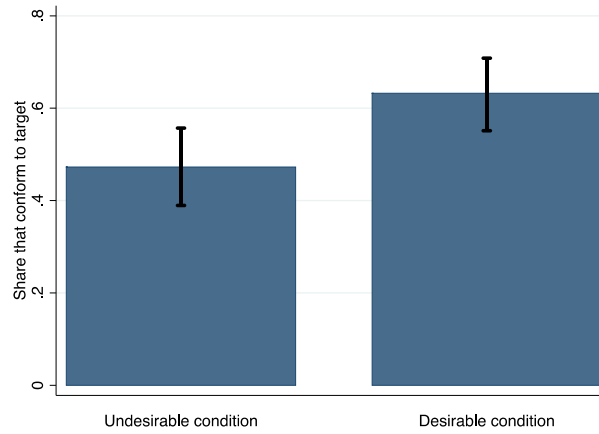
<sup>32</sup> The treatment difference in the share of targets that chose the cup and in the share of targets that chose the Camille Bloch Torino chocolate is not statistically significant different from zero (tests of proportions,  $z = 0.54$ ,  $p = 0.59$ , and  $z = 1.03$ ,  $p = 0.30$ , respectively).

<sup>33</sup> Specifically, these subjects chose (A, CHF  $X$ ) over (B, CHF 0) but (B, CHF 0) over (A, CHF  $X - 0.5$ ), where A and B are either the two kinds of chocolates or the cup and the USB stick. I pre-registered that I drop these observations. Appendix Tables A5 and A6 show that results do not change if I keep them instead.

<sup>34</sup> I preregistered participants' willingness to pay to receive the same product as their targets instead of receiving the other product as the main outcome variable. I discuss the willingness to pay next. Note that while results are qualitatively similar for both outcome variables, there is a difference in terms of significance (see Table 3).

to choose the product adopted by their target in the undesirable condition than in the desirable condition ( $p = 0.003$ ).

**Figure 4: Consumers' consumption by treatment condition**



*Notes: The figure shows the share of consumers that choose the same option as the target when neither of the two products is bundled with a monetary payment for both treatment conditions. I pool that data from the ideology round and the intelligence round. Bars show standard errors. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .*

**Table 3: Relationship between consumers' choices and targets' types, Study 2**

Dependent variable	Pr(Conform to target)			WTP for target's product		
	(1)	(2)	(3)	(4)	(5)	(6)
1 = undesirable condition	-0.160*** (-2.85)	-0.168*** (-3.01)	-0.209*** (-3.80)	-0.229 (1.50)	-0.267* (-1.82)	-0.329** (-2.20)
1 = target chose Munz			0.166* (1.79)			0.160 (0.78)
1 = target chose cup			-0.045 (-0.44)			-0.193 (-0.63)
1 = target chose USB stick			0.240*** (2.98)			0.400* (1.91)
Constant	0.632*** (16.34)			-0.082 (0.78)		
Log(sigma)				1.337*** (15.06)	1.310*** (15.00)	
<i>N</i>	301	301	301	301	301	301
Session fixed effects	No	Yes	Yes	No	Yes	Yes

*Notes: Columns (1)–(3): Linear regressions of probability of choosing the same product as the target when neither of the two products is connected with any payment on a treatment dummy, a constant, and, depending on the specification, session fixed effects and controls for the targets' choices. Columns (4)–(6): Tobit regressions (left-censored at CHF -3,  $n = 17$ ; right-censored at CHF +3,  $n = 10$ ) of willingness to pay (WTP) to receive the same product as the target instead of the other product on the same set of variables. The  $t$  statistics are given in parentheses; standard errors are clustered at subject level (168 clusters). \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .*

Remember that targets' choices are unbalanced between conditions. This introduces a bias in the estimation of the treatment effect. Specification (3) accounts for this issue by controlling for the targets' choices; the estimated treatment effect increases to 20.9 percentage points. This issue can also be addressed by estimating treatment effects separately for each possible target choice. I obtain similar results under this approach (see Figure A4a in the Appendix).

The choice data collected allow me to calculate participants' willingness to pay to receive the same product as their target instead of the other product.<sup>35</sup> Note that this variable is left-censored at CHF -3 (10 observations) and right-censored at CHF 3 (17 observations). Figure A5 in the Appendix gives the cumulative distribution of the willingness to pay.

Table 3, column (4) gives the estimates from a tobit regression of the willingness to pay on a treatment dummy. The specification in column (5) adds fixed effects, and the specification in column (6) controls for targets' choices. The estimates support the prediction of the theoretical analysis in that the coefficient is negative in all three specifications. That is, consumers' willingness to pay is lower for a product that is adopted by individuals with undesirable characteristics than for a product that is adopted by people with desirable characteristics. However, the effect is significant (at the 5% level) only in the specification that controls for targets' choices. Results are qualitatively similar (and statistically significant) if treatment effects are estimated separately for each possible target choice (see Figure A4b in the Appendix).

Next, I investigate whether treatment effects differ between the ideology round and the intelligence round. Table 4 replicates the previous analysis, but with treatment effects estimated separately for ideology (T-IDE) and intelligence (T-INT). There is a statistically significant treatment effect for ideology in all six specifications. Surprisingly, however, none of the specifications yields a significant treatment effect for intelligence. The difference in treatment effects is statistically significant for the willingness to pay measure.<sup>36</sup> These findings suggest that subjects care more about the public perception of their ideology than the public perception of their intelligence when making consumption choices. In terms of the model, this means that

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<sup>35</sup> Note that my data are discrete because I use the list method. Hence, for a subject who chooses Camille Bloch in the choice situation "(Camille Bloch, CHF 1.50) or (Munz, CHF 0)" but Munz in the choice situation "(Camille Bloch, CHF 1) or (Munz, CHF 0)," the difference in monetary value must be in [CHF 1, CHF 1.5]. I set this difference to CHF 1.25.

<sup>36</sup> Results are qualitatively similar if treatment effects are estimated separately for the target choices (see Figure A4c-f in the Appendix). Figure A5 in the Appendix gives the cumulative distribution functions of subjects' willingness to pay conditional on treatment and round. I pre-registered that I would look at both heterogeneous treatment effects for intelligence and ideology and heterogeneous treatment effects for the two choice sets used. I do not find differences for the choice sets: Treatment effects do not differ between the two kinds of chocolates and the cup and the USB stick ( $p > 0.80$ ).

$\theta_{ideology}$  is bigger than  $\theta_{intelligence}$ . This might explain why firms appear to be particularly concerned with the ideology of their customers, as suggested by the examples in the Introduction.

**Table 4: Treatment effects for intelligence and ideology**

Dependent variable	Pr(Conform to target)			WTP for target's product		
	(1)	(2)	(3)	(4)	(5)	(6)
1 = undesirable condition × 1 = ideology (T-IDE)	-0.272*** (-3.43)	-0.277*** (-3.52)	-0.290*** (-3.76)	-0.600*** (-2.65)	-0.623*** (-2.86)	-0.652*** (-3.04)
1 = undesirable condition × 1 = intelligence (T-INT)	-0.050 (-0.61)	-0.109 (-1.40)	-0.128 (-1.56)	0.134 (0.64)	0.082 (0.39)	-0.009 (-0.04)
1 = intelligence round	-0.111 (-1.43)	-0.109 (-1.40)	-0.015 (-0.18)	-0.209 (-0.97)	-0.197 (-0.92)	-0.010 (-0.05)
Constant	0.688 (12.94)			0.187 (1.22)		
Log(sigma)				1.322*** (15.25)	1.296*** (15.18)	1.277*** (14.85)
<i>p</i> value T-IDE==T-INT	0.055	0.065	0.161	0.020	0.024	0.040
<i>N</i>	301	301	301	301	301	301
Session fixed effects	No	Yes	Yes	No	Yes	Yes
Target choice controls	No	No	Yes	No	No	Yes

Notes: Columns (1)–(3): Linear regressions of probability of choosing the same product as the target when neither of the two products is connected with any payment on the interaction between a treatment dummy and a dummy for being in the ideology round (T-IDE), the interaction between a treatment dummy and a dummy for being in the intelligence round (T-INT), a dummy for being in the intelligence round, (1 = intelligence round), a constant, and, depending on the specification, session fixed effects and controls for the targets' choices. Columns (4)–(6): Tobit regressions (left-censored at CHF −3, *n* = 17; right-censored at CHF +3, *n* = 10) of willingness to pay (WTP) to receive the same product as the target instead of the other product on the same set of independent variables. The *t* statistics are in parentheses; standard errors are clustered at subject level (168 clusters). \*\*\* *p* < 0.01.

How large are these effect sizes? The average price of the product adopted by the target is CHF 4.39. In the pooled data, subjects' willingness to pay is estimated to be CHF 0.33 lower if the product is adopted by the targets with undesirable identities—a decrease of 7.5% of the average product price. For ideology, the treatment effect is estimated to be CHF −0.65—a decrease of 14.8% of the average product price. Given that European net margins for food processing, food retail, and electronics are only 6.76%, 1.67%, and 11.83%, respectively (Damodaran, 2019), product adoptions by customers with undesirable characteristics could have non-negligible effects on the profitability of products and brands.

To summarize, Study 2 provides evidence that consumers care about the ideologies of others who consume a product in a setting where choices are observed by others. However, many products are consumed in more anonymous settings, where such social signaling is unlikely to play an important role. Do the ideologies of a product's customer base also matter in such contexts? I address this question in a third study.

## **6. Study 3: Self-signaling and consumption**

In the third study, I investigate whether people care about the ideological values of a product's customer base when product choices are private information. This study allows me to test whether image concerns of the type I document in my second study extend to the domain of self-signaling.

As in Study 2, I investigate contexts in which a product is adopted by a set of people, the targets, and study how the desirability of targets' ideologies affect choices of others, the consumers. Unlike Study 2, however, consumers' choices are entirely private, even to the experimenter. The theoretical analysis predicts that consumers might avoid products adopted by undesirable types even in such settings if they are insecure about their own characteristics and sufficiently concerned with their self-image.

Studying self-signaling requires a substantially different design from the one used in Study 2. Apart from applying a double-blind procedure, the design of Study 3 differs in two other important aspects from the second study.

First, in Study 3 a product is adopted by many targets. Self-signaling requires subjects to believe that a significant share of a product's customers base consists of people with certain characteristics in order for consumption to be diagnostic.<sup>37</sup> Observing the choice of only one target with a desirable or undesirable type, as done in Study 2, might not alter the perceived composition of a product's customer base in the eyes of consumers.

Second, I attempt to increase subjects' uncertainty about their own values. Such uncertainty is a necessary condition for self-signaling to occur, according to the model (see also Bénabou and Tirole, 2011). I increase the uncertainty about own values to increase the statistical power of the study. I do so by threatening subjects' identities in the context of values. Identity threats are commonly used in psychology to investigate self-image concerns (e.g., Monin and Miller, 2001) and are an integral part of economic models of self-signaling and morality (Bénabou and Tirole, 2011).

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<sup>37</sup> For social-signaling, the choice of one target suffices to statistically associate a product with certain types of people *in the view of observers*. The challenge for studying self-signaling is to create a similar association in the view of consumers.

To further strengthen self-image concerns, I recruit targets with characteristics that are likely perceived as very undesirable by the consumers: right-wing extremists. Conforming to the choices of right-wing extremists might constitute a bad signal about a subject's implicit values.

## 6.1 Experimental design

Participants in a laboratory experiment play the role of consumer and choose between two products. Before consumers make their choices, they are informed about the choices made by others, the targets. The role of targets is served by right-wing extremists who are recruited outside the laboratory. I vary by treatment whether the targets are perceived to have neutral ideologies (*neutral condition*) or undesirable ideologies (*undesirable condition*). I do so by revealing the political ideology of targets only to the consumers in the undesirable condition; consumers in the neutral condition are kept uninformed about the targets' undesirable ideology. Consumers make their choices in a double-blind setting to eliminate possible image concerns toward the experimenter.

### 6.1.1 The targets: A sample of right-wing extremists

I collect novel consumption data from 10 individuals recruited on right-wing extremist internet forums to participate in a short online survey. The survey consists of eight binary product choices. One of the eight choice situations is randomly drawn, and participants receive the product they chose in this choice situation. I offer an anonymous shipping option.<sup>38</sup> Subjects also fill out a short demographic questionnaire.

For the purpose of my study, it is essential that one product be adopted by most of the right-wing extremists. To achieve this requirement, I select products with incidental connections to symbols liked (or disliked) by right-wing extremists, likely increasing (or decreasing) the attractiveness of products. One product, for example, had the word "milk" (a recent symbol of the alt-right) in its name. I succeeded in that 9 out of 10 of the extremists preferred the "Munz Praliné-Prügeli" milk chocolate over the "Camille Bloch Torino" chocolate. Table C1 in Appendix C.2 gives all choice situations and the corresponding distribution of the extremists' choices.

The incidental associations to symbols liked or disliked by the right-wing extremists are subtle and not accessible to most people who are not right-wing extremists. I document this

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<sup>38</sup> Hermes, a German postal service company, allows sending packages to pick-up points instead of specific addresses. Alternatively, participants can choose to have the product and the payment sent to an address of their choice. I promise participants that all their information will be kept confidential and that addresses will be deleted directly after their payment is shipped. No research funds were used to pay right-wing extremists.

in a separate online survey with participants drawn from the same subject pool from which I recruit participants for the laboratory experiment. Participants neither associate Munz (or Camille Bloch) with right-wing extremism nor think that Munz is more useful to or more popular with neo-Nazis than Camille Bloch (see Appendix C.3 for details). Any statistical associations between products and types are, therefore, created in the experiment and emerge through the (perceived) type composition of products' customer bases.

#### *6.1.2 The consumers: A laboratory experiment*

Participants in the laboratory experiment play the role of consumers. I investigate how the product adoptions of the right-wing extremists affect consumers' choices. Consumers choose between the Munz chocolate and the Camille Bloch chocolate. As discussed in Section 6.1.1, the Munz chocolate was very popular with the right-wing extremists, which is a key requirement for my study. Another advantage of using the chocolates is that they can be consumed in private, which makes it unlikely that consumers avoid Munz because of social image concerns.

In the laboratory, I first threaten consumers' identities to increase their uncertainty about their own values. Next, consumers learn the choices of the targets. I manipulate the perception of the type composition of products' customer bases by revealing the targets' ideologies only to some consumers, which is the key aspect of Study 3. Then, consumers make their product choice. Finally, they fill out a survey and receive payment in private.

**Identity threat.** I threaten consumers' personal moral identities to increase their uncertainty about their own types. To do so, consumers complete an implicit association test (IAT)—a popular test in psychology to measure implicit racism—before they make their decision. I use the skin-tone IAT (Nosek et al, 2007). Consumers learn their results from the IAT. The IAT very often reveals racism (65–82% of the population are implicit racists, according to Project Implicit) and thereby threatens subjects' identities. Indeed, 45.23% of participants reported in the survey at the end of the experiment that the IAT at least somewhat threatened their identity. To avoid social-signaling motives, IAT scores are not saved, and as a result, neither the experimenter nor any other person sees the scores. To strengthen the identity threat, consumers receive detailed information about the interpretation of the results from the IAT at the beginning of the experiment.

**Treatments.** Next, consumers observe the choices of the 10 targets. Consumers are randomly assigned to either the *undesirable* or the *neutral condition*. The treatment is randomized within sessions. In both conditions, consumers observe the choices of the right-

wing extremists. However, the political ideology of targets is revealed only in the undesirable condition. In the neutral condition, consumers are told that the targets were participants in a previous study who were recruited online. Participants in both conditions receive demographic information about the targets (distribution of gender, age, and education) to keep the perception of the targets in domains unrelated to ideology somewhat similar between conditions.

**Consumers' choices.** Next, consumers choose between the two kinds of chocolate. As in Study 2, consumers make 13 decisions between product-and-money bundles (see Table 2). Unlike in the second study, however, the choices are elicited in two stages. First, consumers make a binary choice between the two products. In this choice situation, none of the products are bundled with money. Then, they make the 13 decisions, where the choice between (Munz, CHF 0) and (Camille Bloch, CHF 0) is set to subjects' first-stage choices (but can be changed). At the end of the experiment, one of the 13 second-stage choices is randomly chosen to be implemented.

**Anonymity.** To guarantee consumers' anonymity, one participant is randomly selected to be the "monitor" at the beginning of each session. The monitor pays the participants at the end of the study and does not participate in the experiment. The remaining participants are in the role of consumers. Each consumer receives a random ID number hidden in an envelope. The experimenter cannot match the ID number to the participant. Each consumer opens the envelope in private and enters this ID number in the computer terminal at which they sit. At the end of the study, each consumer's monetary payoff and chosen product are placed in an envelope labeled only with the anonymous ID number. The monitor, who does not know the contents of any of the envelopes, distributes the envelopes to the consumers based on their ID numbers at the end of the study.

**Survey.** Before consumers receive their payment, they fill out a survey. It takes 20 to 30 minutes to fill the payment envelopes after consumers make their product choices. Thus, the survey is very long to keep subjects occupied. Most importantly, the survey elicits consumers' perception of the products and tests for experimenter demand effects.<sup>39</sup> I provide additional details on the questionnaire in Section 7, where I discuss different explanations for my findings.

**Sequence.** Consumers receive instructions explaining the entire experiment. While the instructions explain that they have to choose between two products ("product A" and "product B") in the 13 cases, it is not revealed what these products are. Instructions announce that

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<sup>39</sup> I included many questions to keep subjects occupied and to potentially inform future research. The complete questionnaire is in Appendix D.3.



participants will observe the choices of “10 participants from a previous study” but do not give any information about the types or choices of the targets. To strengthen the identity threat, the instructions contain detailed information about the IAT. Participants’ understanding of the instructions is tested through comprehension questions. Then, depending on the treatment condition, they are told that the 10 other participants are either right-wing extremists or unspecified participants recruited on the internet. Next, it is revealed that the products correspond to Camille Bloch chocolate and Munz chocolate. At the same time, consumers learn that 9 out of 10 targets chose the Munz chocolate. This procedure prevents consumers from evaluating the products before they learn the preferences of the targets. Next, consumers choose between the two chocolates. Finally, consumers fill out a survey and then receive their payment from the monitor.

**Procedure.** I conducted 11 sessions, each consisting of between 19 and 23 participants, resulting in a total of 243 participants (113 in the neutral condition, 119 in the undesirable condition and 11 monitors). All sessions took place at the Laboratory for Experimental and Behavioral Economics at the University of Zurich, in December 2018. Participants were recruited using hroot (Bock, Baetge, and Nicklisch, 2014) from the joint subject pool of the University of Zurich and the Swiss Federal Institute of Technology. The experiment was implemented using z-Tree (Fischbacher, 2007) and, for the IAT, Minno.js (Zlotnick, Dzikiewicz, and Bar-Anan, 2015). Appendix D.3 supplies the instructions for the study. This study obtained ethical approval from the Human Subjects Committee of the Faculty of Economics, Business Administration, and Information Technology at the University of Zurich.

## 6.2 Results

I find that consumers’ demand for Munz, the product popular with the targets, is lower when targets are perceived to have undesirable ideologies, as predicted by the model.<sup>40</sup> Table 5, column (1) gives the estimates of a linear regression of the probability that consumers will choose the Munz chocolate when none of the products are bundled with money on a treatment dummy (1 = undesirable condition). Column (2) adds session fixed effects. In the undesirable condition, consumers are estimated to be 13.6 percentage points less likely to choose the Munz chocolate than in the neutral condition ( $p = 0.036$ ).

As in Study 2, the data allow me to calculate subjects’ willingness to pay to receive the Munz chocolate instead of the Camille Bloch chocolate. Note that this variable is left-censored

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<sup>40</sup> Six participants made product choices that are non-monotone in money. These individuals are excluded from the analysis. Appendix Table A7 shows that results do not change if these observations are kept.

at CHF -3 (five observations) and right-censored at CHF 3 (nine observations). Appendix Figure A6 shows the cumulative distribution of the willingness to pay.

**Table 5: Relationship between consumers' choices and targets' ideology, Study 3**

Dependent variable	Pr(Munz)		WTP Munz	
	(1)	(2)	(3)	(4)
1 = undesirable condition	-0.133** (-2.00)	-0.136** (-2.11)	-0.325** (-2.08)	-0.335** (-2.26)
Constant	0.564*** (11.87)		0.078 (0.69)	
Log(sigma)			1.169*** (20.12)	1.108*** (20.14)
<i>N</i>	226	226	226	226
Session fixed effects	No	Yes	No	Yes

*Notes: Columns (1) and (2): Linear regressions of probability of choosing Munz chocolate when neither of the two products is connected with any payment on a treatment dummy. Robust standard errors are used. Columns (3) and (4): Tobit regressions (left-censored at CHF -3, n = 5; right-censored at CHF +3, n = 9) of willingness to pay (WTP) to receive the Munz chocolate instead of the Camille Bloch chocolate on a treatment dummy. The t statistics are in parentheses. \*\* p < 0.05; \*\*\* p < 0.01.*

Table 5, column (3) gives the estimates of a tobit regression of the willingness to pay on a treatment dummy. Column (4) adds session fixed effects. Consumers in the undesirable condition are willing to pay CHF 0.335 less for the product adopted by the targets than consumers in the neutral condition ( $p = 0.025$ ). Note that the effect size is about 10% of the price of the chocolates. This is a substantial effect in comparison to European net margins for food processing and food retail, 6.76% and 1.67%, respectively (Damodaran, 2019).

In summary, I show that the effect demonstrated in Study 2 replicates for unobservable consumption. In complement with Study 2, I thus provide evidence that the type compositions of products' customer bases affect consumer behavior for both observable and unobservable consumption. Importantly, this effect occurs for products that do not have recognizable properties that directly relate them to certain identities.

## 7. Alternative explanations

In both Studies 2 and 3, I find that consumers care about the ideologies of others who choose a product, as predicted by models of identity signaling. In the following, I discuss whether explanations other than identity signaling could produce my findings. Understanding the motives of consumer behavior is potentially important for the policy implications of my work;

identity signaling, for example, often results in suboptimal consumption behaviors (Frank, 1985; Ireland, 1994; Moav and Neeman, 2010, 2012). Evaluating responses to the questionnaires and patterns in the choice data, I find that all explanations except identity signaling fail to explain the data.

One alternative explanation is that the type compositions of products' customer bases might have affected participants' perceptions of the products or the producer, for example, through forms of social learning (Bikhchandani, Hirshleifer, and Welch, 1998). Such differences in perception might then translate into differences in consumption choices.

To examine possible treatment differences in product perceptions, I elicit participants' perceptions of different dimensions of product quality (including price, processing quality, and quality of raw materials) and of the ideological values of the producers in both Studies 1 and 2. I do not find treatment differences in most dimensions of product quality (see Appendix Tables A9 and A10). Moreover, there are no treatment differences in the perception of the producers' values: In Study 2, subjects do not think that the producer of the product that is adopted by the target with undesirable ideologies promotes conservative Christian values (Wilcoxon rank-sum,  $p = 0.611$ ; see Table A9). In Study 3, subjects in the undesirable condition do not think that Munz, the producer of the product adopted by right-wing extremists, promotes right-wing extremism, or discriminates against minorities (Wilcoxon rank-sum,  $p = 0.800$ ,  $p = 0.406$ , respectively; see Table A10).

Another explanation is that associating a product with right-wing extremists, as in Study 3, might remind the buyer of unpleasant associations with Nazis and their actions, resulting in feelings of disgust when consuming the product—in line with negative contagion (Rozin, Millman, and Nemeroff, 1986)—thereby devaluating the product. In the questionnaires, I ask subjects whether they feel disgusted when they think about eating the product chosen by their target. There are no treatment differences in subjects' responses in either Study 2 or Study 3 (Wilcoxon rank-sum,  $p = 0.967$ ,  $p = 0.422$ , respectively; see Tables A9 and A10).

Third, people might be more willing to conform to the behaviors of others who have similar personality traits or values than to others who are different (Fatas, Hargreaves Heap and Rojo Arjona, 2018; Dimant, 2019). Treatment differences in the similarity between consumers and targets could therefore potentially explain the treatment differences in consumer behavior. The data from Study 2 allows me to measure the similarity between the ideological values of consumers and targets by I comparing the donations to Zukunft CH.

Similarity can not account for the treatment differences; if anything, controlling for similarity increases estimated treatment effects (see Appendix Table A8).<sup>41</sup>

Finally, one might worry about experimenter demand effects. I note that this explanation is inconsistent with the fact that I find a treatment effect only for ideology in Study 2, and not for intelligence; if experimenter demand effects were present, they likely would occur in both the ideology round and the intelligence round.

Moreover, I provide direct evidence against the importance of experimenter demand effects in the situations studied in this paper, based on the method developed by de Quidt, Haushofer, and Roth (2018). In the questionnaire of Study 3, subjects are asked to submit an offer (in [0 CHF, 6 CHF]) to buy a USB stick, incentivized by the Becker–DeGroot–Marschak method. Half of the subjects are assigned to a demand condition and the other half to a control condition. In the demand condition, I add the sentence “We expect that participants who are shown these instructions will specify a lower maximum price than they normally would.” As de Quidt, Haushofer, and Roth (2018) argue, such a sentence induces experimenter demand effects and makes it possible to test for the importance of experimenter demand effects in a specific setting. The average willingness to pay for the USB stick does not differ between treatment conditions (tobit regression, coefficient = CHF  $-0.034$ ,  $t = -0.11$ ,  $p = 0.916$ ), suggesting that experimenter demand effects are weak for the kind of consumption choices studied in this paper.

## 8. Conclusion

Many firms appear to shun potential customers with ideologies that are widely considered undesirable—for example, neo-Nazis, alt-right followers and hooligans—which seems at odds with the typical assumption that firms will seek to sell greater quantities of their products where profitable. This paper provides a potential rationale for such firm behavior, based on consumers’ image concerns: Consumers seek to signal to themselves and others that they have desirable characteristics by avoiding products popular among people with undesirable characteristics and by conforming to the product choices of people with desirable characteristics. Thus, a firm urging undesirable groups not to buy the firm’s products might be entirely consistent with profit-maximization, if the perceived negative impacts of such a

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<sup>41</sup> Moreover, the consumers in the undesirable condition are on average *more similar* to their targets than the consumers in the desirable condition. I measure similarity as  $1 - |\text{donation} - \text{target's donation}|/6$  and regress this variable on a dummy of being in the undesirable condition. The coefficient estimate is 0.16 ( $t = 2.99$ ;  $p = 0.003$ ). Therefore, if participants are more willing to conform to more similar targets, conformity should be more common in the undesirable condition than in the desirable condition. I find the opposite pattern.

customer base outweigh the immediate profits from such sales. Conditions for such a relationship, however, are that consumers recognize the diagnosticity of consumption signals and that consumers care sufficiently about the association with specific customer types to avoid products that are disproportionately purchased by individuals with undesirable characteristics.

In a first study with a sample that is broadly representative of the US general population I show that consumption choices can be diagnostic of individuals' ideologies, and that people recognize the diagnosticity of consumption signals. I then test whether the consumer motive to signal one's type through consumption is sufficiently strong to drive purchasing behavior. In two laboratory experiments, I vary by treatment whether the customer base of a product consists of people with desirable or undesirable characteristics. I find that demand for a product is lower if its customer base consists of individuals with undesirable ideologies. This is the case even when consumption is unobservable and can only serve as a self-signal. Hence, my findings indicate that firms can face incentives to purposefully shun customers whose ideological values are widely considered undesirable.

The paper also provides some evidence on the limits to such identity signaling. While study participants care about the ideological values of products' customer bases, they do not appear to care about the intelligence associated with a product's customer base. This finding suggests that individuals care more about the public perception of their ideology than about the public perception of their intelligence when they make consumption choices. Future research can build on my experimental paradigms to investigate the importance of additional customer characteristics and explore the conditions under which signaling varied characteristics is relevant for purchasing behavior. The prevalence of gender marketing, for example, suggests that firms often care about the gender composition of products' customer bases. Studying whether consumers seek to signal their masculinity or femininity through consumption seems to be a promising avenue for future research.

A key aspect of my studies is that I investigate demand for products that do not have properties that are inherently related to specific desirable or undesirable characteristics. This stands in contrast to other forms of signaling whereby, for example, an expensive product signals high wealth or income or a product with positive social impact signals prosocial concern. In the settings I investigate, signals about a consumer's characteristics emerge only through the types of customers who buy the product and are entirely unrelated to the products themselves. Hence, my findings indicate that products and brands can convey identities (or, "brand-images") that shape their consumers' images independently of any actual product characteristics.

My findings might help explain why firms spend substantial amounts of money to attract people with desirable characteristics (e.g., celebrities) as visible consumers of their products. While in some cases an individual's traits may convey information about a product's quality—for instance, Michael Jordan endorsing Nike or Gatorade—but in other cases the informational value of a celebrity endorsement seems much less clear—Michael Jordan wearing Hanes underwear. My results provide an explanation of why such celebrity endorsement could nevertheless affect sales: creating the perception that a brand is popular among people with desirable characteristics allows individuals to signal to themselves and others that they share such positive characteristics by consuming the product.

Relatedly, my work also suggests a potential policy tool for behavioral change. Where policy makers desire to change consumption behavior, perhaps away from undesirable products like cigarettes or unhealthy foods, one potential instrument might be to promote associations between such products and undesirable types.

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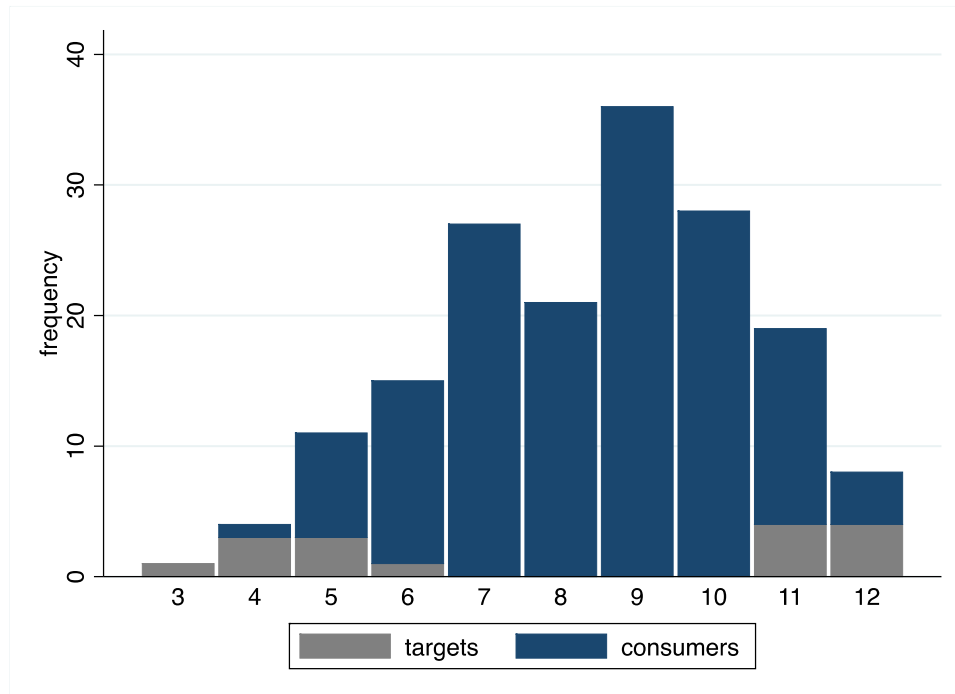
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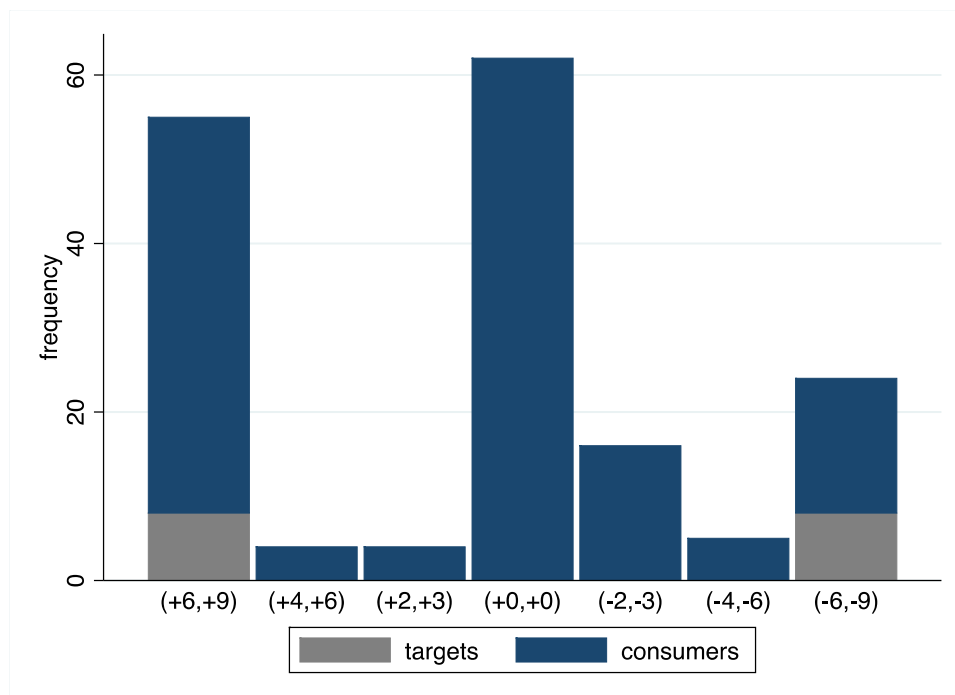
## Appendix A: Additional results

**Figure A1: Distribution intelligence score, Study 2**



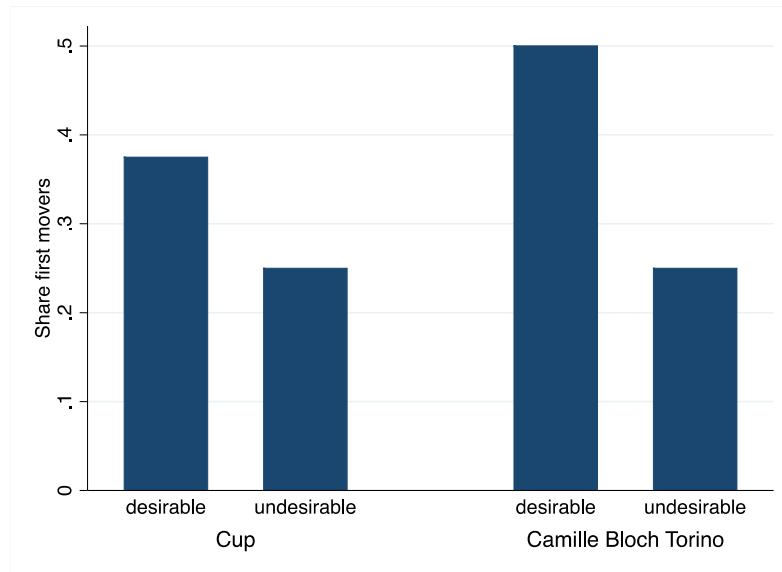
*Notes: Distribution of the number correctly solved Raven's matrices.*

**Figure A2: Distribution ideological values, Study 2**



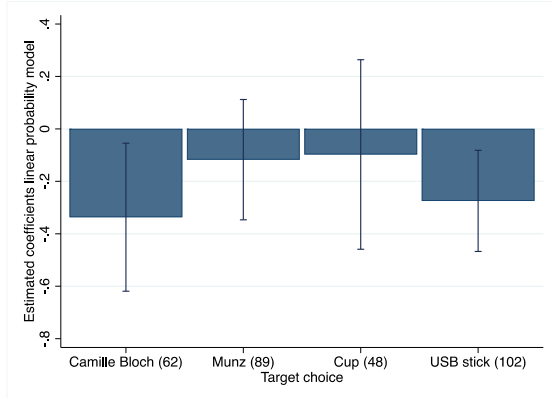
*Notes: Distribution of donations to Zukunft CH. (+6, +9) means that the subject chose the option that increases her payoff by CHF 6 and the donation to Zukunft CH by CHF 9.*

**Figure A3: Targets' choices conditional on treatment condition, Study 2**

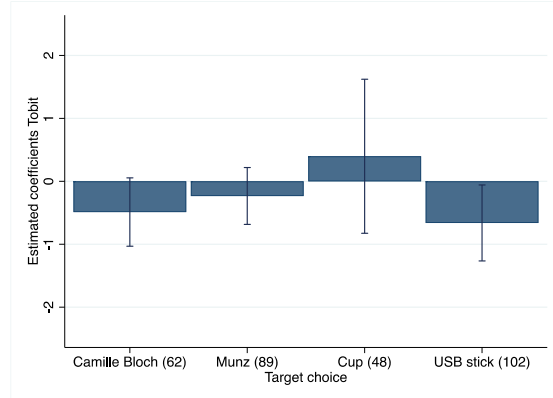


*Notes: “Cup” gives the share of targets in each condition that chose the cup over the USB stick. “Camille Bloch Torino” gives the share of targets in each condition that chose the Camille Bloch Torino chocolate over the Munz chocolate.*

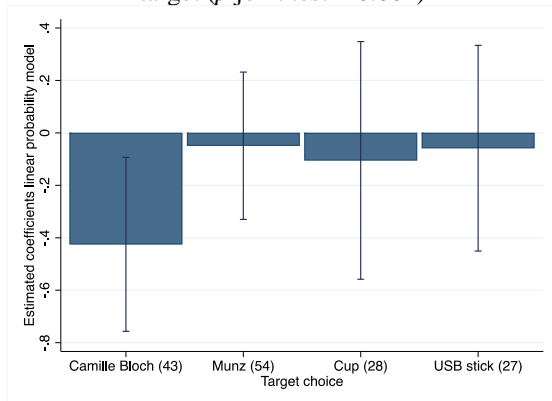
**Figure A4: Treatment effects conditional on target choice, Study 2**



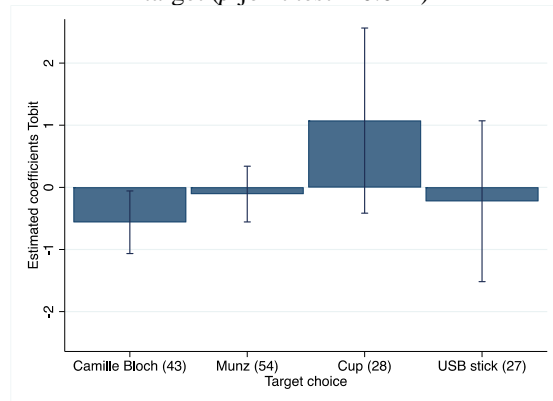
(a) pooled, probability to chose same product as the target ( $p$  joint test = 0.002)



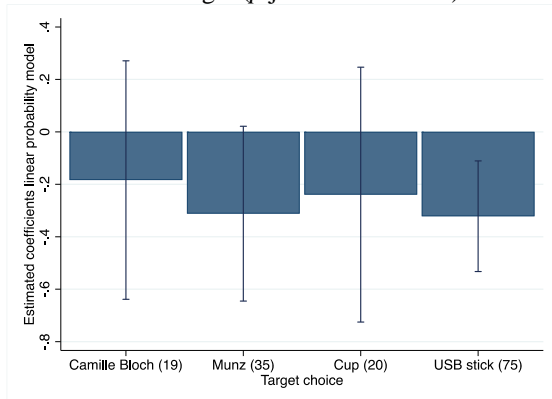
(b) pooled, WTP to receive same product as the target ( $p$  joint test = 0.011)



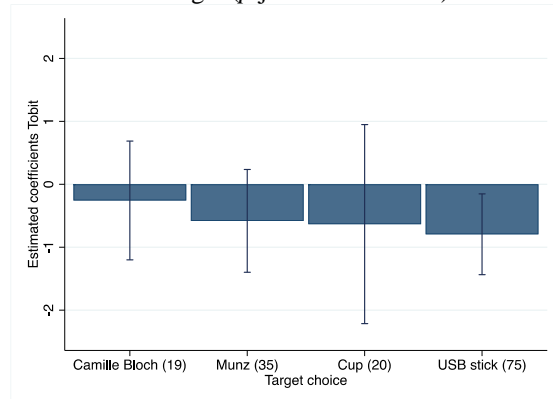
(c) intelligence, probability to chose same product as the target ( $p$  joint test = 0.128)



(d) intelligence, WTP to receive same product as the target ( $p$  joint test = 0.117)



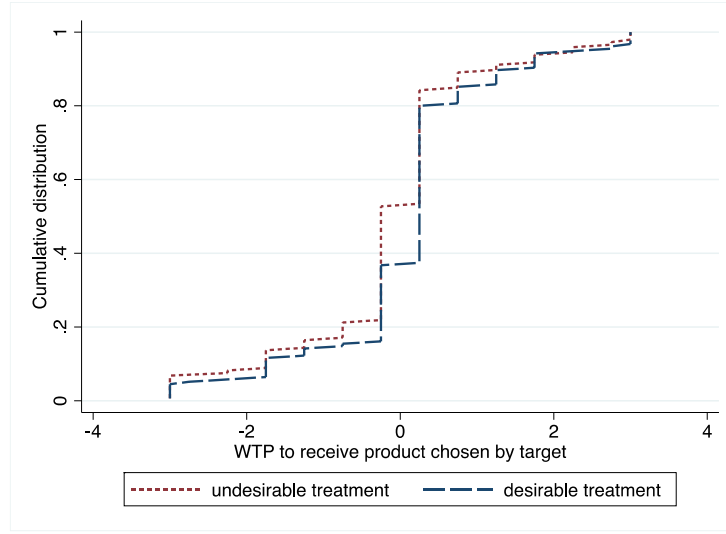
(e) ideology, probability to chose same product as the target ( $p$  joint test = 0.006)



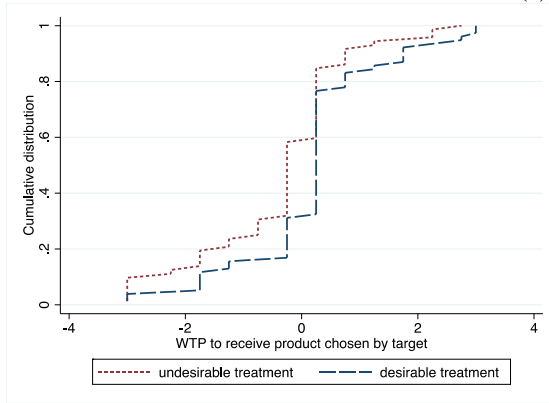
(f) ideology, WTP to receive same product as the target ( $p$  joint test = 0.044)

Notes: The bars in the figures give estimated treatment effects condition on targets' choices. In figures (a), (c) and (e), the independent variable is the probability of choosing the same product as the target when neither of the two products is connected with any payment (linear probability model). In figures (b), (d) and (f), the independent variable is the willingness to pay (WTP) to receive the same product as the target instead of the other product (tobit model). Figures (a) and (b) show the estimates when the data from the intelligence and the ideology rounds are pooled, while figures (c) to (f) show effects for the intelligence and ideology data separately. Coefficients in figure (a) and coefficients in figure (b) are estimated jointly by interacting the treatment dummy with dummies for the targets' choices. Moreover, coefficients for figures (c) and (e) and coefficients for figures (d) and (f) are estimated jointly by interacting the treatment dummy with dummies for the targets' choices and a dummy for being in the ideology round. The numbers in brackets indicate the number of observations in this category. "p joint test" reports the  $p$  value of a joint test that all four coefficients in the figure are equal to zero. All regressions control for the choice of the target and session fixed effects. Intervals indicate 95%-confidence intervals. Standard errors are clustered at subject level.

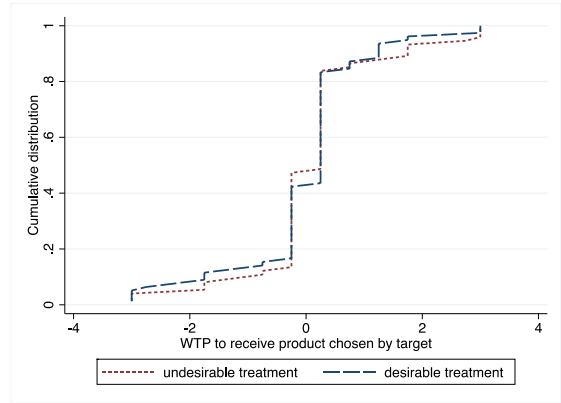
**Figure A5: Distribution willingness to pay, Study 2**



(a) pooled



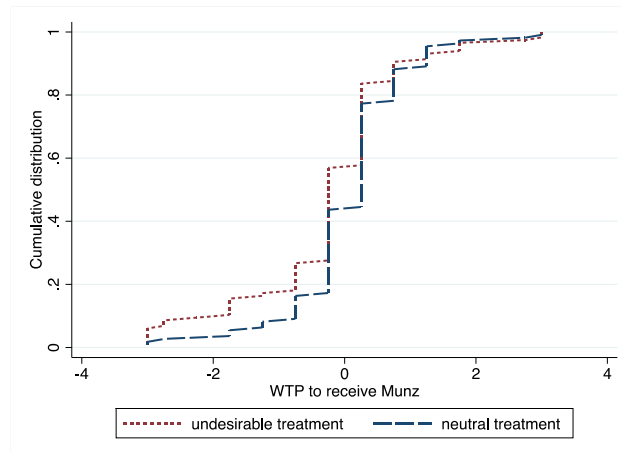
(b) ideology



(c) intelligence

*Notes: Cumulative distributions of subjects willingness to pay to receive the product chosen by the target instead of the other product. (a) uses data from both rounds, (b) uses only data from the ideology round and (c) uses only data from the intelligence round. Distributions are statistically significantly different between treatment conditions for ideology (Wilcoxon rank-sum test,  $z = 2.98$ ,  $p = 0.003$ ), but not for intelligence ( $z = 0.15$ ,  $p = 0.885$ ).*

**Figure A6: Distribution willingness to pay, Study 3**



*Notes: Cumulative distributions of subjects willingness to pay to receive Munz product instead of the Camille Bloch product for both treatment conditions. Distributions are statistically significantly different between treatment conditions (Wilcoxon rank-sum test,  $z = 2.220$ ,  $p = 0.0264$ ).*

**Table A1: Summary statistics Study 1**

	Consumer survey	Observer survey
Age	37.66	45.80
Female	0.49	0.51
Asian	0.09	0.07
Black	0.05	0.13
Hispanic	0.07	0.07
White	0.76	0.72
High school diploma	0.99	0.99
Bachelors degree or higher	0.63	0.64
Democrat	0.31	0.44
Republican	0.30	0.20
Independent	0.39	0.36
Fraud 2020 election	0.26	0.24
N	600	300

*Notes: This table displays the mean value of demographics for the consumer and the observer survey of Study 1. “Fraud 2020 election” is a binary variable taking value one for participants that agree with the statement that “widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election.”*



**Table A2: Consumption is diagnostic of ideology, Study 1 (Consumer survey)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Wrangler	0.096*** (0.035)										0.043 (0.039)	0.022 (0.04)
Levi Strauss		-0.005 (0.042)									-0.016 (0.043)	-0.017 (0.043)
Ford			0.101*** (0.036)								0.038 (0.039)	0.05 (0.038)
Subaru				-0.042 (0.038)							-0.034 (0.039)	-0.035 (0.038)
Chick-fil-A					0.260*** (0.03)						0.230*** (0.031)	0.227*** (0.031)
Starbucks						-0.160*** (0.039)					-0.096** (0.039)	-0.106*** (0.038)
Hershey's Kisses							0.056 (0.046)				0.035 (0.046)	0.031 (0.044)
Ben & Jerry's								-0.318*** (0.053)			-0.253*** (0.055)	-0.242*** (0.054)
Miller Lite									0.044 (0.038)		0.024 (0.043)	0.022 (0.042)
Sierra Nevada										-0.028 (0.037)	-0.005 (0.042)	-0.017 (0.042)
R <sup>2</sup>	0.011	0.00	0.012	0.002	0.073	0.030	0.002	0.074	0.002	0.001	0.155	0.1998
Controls	No	No	No	No	No	No	No	No	No	No	No	Yes
F joint test											10.09	9.71
p joint test											< 0.0001	< 0.0001

Notes: Linear regressions of probability of agreeing to the statement that “widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election” (0 or 1) on willingness to buy products from different brands (0 or 1). “F joint test” and “p joint test” gives test statistics for the joint test that all ten brand coefficients are zero. Specification (12) controls for age, gender, ethnicity and income. N=600 (Consumer survey). Standard errors are given in parentheses; robust standard errors are used. \* p < 0.1; \*\* p < 0.05; \*\*\* p < 0.01.

**Table A3: Consumption is recognized to be diagnostic, Study 1 (Observer survey)**

	(1)
Wrangler	0.115*** (0.017)
Levi Strauss	0.030* (0.017)
Ford	0.074*** (0.017)
Subaru	-0.068*** (0.017)
Miller Lite	0.110*** (0.017)
Sierra Nevada	-0.048*** (0.016)
Chick-fil-A	0.203*** (0.02)
Starbucks	-0.068*** (0.021)
Hershey's Kisses	0.058*** (0.017)
Ben & Jerry's	-0.094*** (0.022)
R <sup>2</sup>	0.088
F joint test	16.44
p joint test	< 0.0001

*Notes: I asked a set of participants to predict agreement to the statement that “widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election” conditional on brand preferences. The table gives results from linear regressions of the difference in guessed agreement among individuals that are willing to buy products from a brand and among individuals that are not willing to buy products from that brand. “F joint test” and “p joint test” gives test statistics for the joint test that all ten brand coefficients are zero. N=300 (Consumer survey). Standard errors are given in parentheses; robust standard errors are used. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .*

**Table A4: Difference in actual and guessed ideological values, Study 1**

	Actual (Consumer survey)	Guess (Observer survey)	<i>p</i> value Actual == Guess
Wrangler (W)	0.096*** (0.035)	0.115*** (0.017)	0.628
Levi Strauss (LS)	-0.005 (0.042)	0.030* (0.017)	0.445
<i>p</i> value W == LS	0.033	<0.0001	
Ford (F)	0.101*** (0.036)	0.074*** (0.017)	0.495
Subaru (S)	-0.042 (0.038)	-0.068*** (0.017)	0.546
<i>p</i> value F == S	0.003	<0.0001	
Miller Lite (ML)	0.044 (0.038)	0.110*** (0.017)	0.110
Sierra Nevada (SN)	-0.028 (0.037)	-0.048*** (0.016)	0.614
<i>p</i> value ML == SN	0.079	<0.0001	
Chick-fil-A (C)	0.260*** (0.03)	0.203*** (0.02)	0.117
Starbucks (SB)	-0.160*** (0.039)	-0.068*** (0.021)	0.039
<i>p</i> value C == SB	<0.0001	<0.0001	
Hershey's Kisses (H)	0.056 (0.046)	0.058*** (0.017)	0.962
Ben & Jerry's (B)	-0.318*** (0.053)	-0.094*** (0.022)	0.0001
<i>p</i> value H == B	<0.0001	<0.0001	
<i>N</i>	600	300	

Notes: Column "Actual" gives the difference in agreement to the statement that "widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election" between individuals that are willing to buy products from the brand and people that are not willing to buy products from the brand. I asked a different set of participants to predict agreement conditional on brand preferences; Column "Guess" give the differences in guesses. Column "*p* value Actual == Guess" provides *p* values from testing the null hypothesis that differences in actual agreement corresponds to differences in guessed agreement. Column "*p* value brand A == brand B" provides *p* values from testing the null hypothesis that differences in actual (guessed) agreement for brand A corresponds to differences in actual (guessed) agreement for brand B. Standard errors are given in parentheses; robust standard errors are used. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

**Table A5: Treatment effects in Study 2, robustness**

Dependent variable	Pr(Conform to target)			WTP for target's product		
	(1)	(2)	(3)	(4)	(5)	(6)
1 = undesirable condition	-0.147*** (-2.66)	-0.155*** (-2.81)	-0.191*** (-3.47)	-0.236 (1.59)	-0.265* (-1.86)	-0.323** (-2.24)
Constant	0.624*** (16.09)			0.085 (0.83)		
Log(sigma)				1.320*** (15.17)	1.294*** (15.13)	1.279*** (14.96)
N	308	308	308	308	308	308
Session fixed effects	No	Yes	Yes	No	Yes	Yes
Target choice controls	No	No	Yes	No	No	No

Notes: Regressions show that results do not change if I keep the seven observations in which subjects made choices that are non-monotone in money. Columns (1)–(3): Linear regressions of probability of choosing the same product as the target when neither of the two products is connected with any payment on a treatment dummy, a constant, and, depending on the specification, session fixed effects and controls for the targets' choices. Specifications include the non-monotone observations. Columns (4)–(6): Tobit regressions (left-censored at CHF -3, n = 17; right-censored at CHF +3, n = 10) of willingness to pay (WTP) to receive the same product as the target instead of the other product on the same set of variables. Specifications include the non-monotone observations. Given that these observations have multiple switching points, it is unclear how to construct the WTP. I take the average of the WTPs calculated based on the first and on the last switching point. The t statistics are given in parentheses; standard errors are clustered at subject level (168 clusters). \* p < 0.1; \*\* p < 0.05; \*\*\* p < 0.01.

**Table A6: Treatment effects for intelligence and ideology in Study 2, robustness**

Dependent variable	Pr(Conform to target)			WTP for target's product		
	(1)	(2)	(3)	(4)	(5)	(6)
1 = undesirable condition × 1 = ideology (T-IDE)	-0.244*** (-3.11)	-0.252*** (-3.24)	-0.262*** (-3.42)	-0.592*** (-2.71)	-0.610*** (-2.89)	-0.634*** (-3.05)
1 = undesirable condition × 1 = intelligence (T-INT)	-0.051 (-0.63)	-0.059 (-0.72)	-0.120 (-1.45)	0.119 (0.58)	0.078 (0.38)	-0.008 (-0.04)
1 = intelligence round	-0.094 (-1.21)	-0.094 (-1.21)	-0.004 (-0.05)	-0.213 (-1.00)	-0.201 (-0.95)	-0.021 (-0.09)
Log(sigma)				1.307*** (15.39)	1.281*** (15.32)	1.263*** (15.04)
<i>p</i> value TE-M==TE-I	0.092	0.095	0.218	0.021	0.025	0.0422
<i>N</i>	308	308	308	308	308	308
Session fixed effects	No	Yes	Yes	No	Yes	Yes
Target choice controls	No	No	Yes	No	No	Yes

Notes: Regressions show that results do not change if I keep the seven observations in which subjects made choices that are non-monotone in money. Columns (1)–(3): Linear regressions of probability of choosing the same product as the target when neither of the two products is connected with any payment on the interaction between a treatment dummy and a dummy for being in the ideology round (T-IDE), the interaction between a treatment dummy and a dummy for being in the intelligence round (T-INT), a dummy for being in the intelligence round, (1 = intelligence round), a constant, and, depending on the specification, session fixed effects and controls for the targets' choices. Specifications include the non-monotone observations. Columns (4)–(6): Tobit regressions (left-censored at CHF -3, *n* = 17; right-censored at CHF +3, *n* = 10) of willingness to pay (WTP) to receive the same product as the target instead of the other product on the same set of independent variables. Specifications include the non-monotone observations. Given that these observations have multiple switching points, it is unclear how to construct the WTP. I take the average of the WTPs calculated based on the first and on the last switching point. The *t* statistics are in parentheses; standard errors are clustered at subject level (168 clusters). \*\*\* *p* < 0.01.

**Table A7: Treatment effects in Study 3, robustness**

Dependent variable	Pr(Munz)		WTP Munz	
	(1)	(2)	(3)	(4)
1 = undesirable condition	-0.129** (-1.98)	-0.133** (-2.09)	-0.315** (-2.08)	-0.326** (-2.26)
Constant	0.566*** (11.87)		0.077 (0.70)	
Log(sigma)			1.154*** (20.42)	1.093*** (20.43)
<i>N</i>	232	232	232	232
Session fixed effects	No	Yes	No	Yes

*Notes: Regressions show that results do not change if I keep the six observations in which subjects made choices that are non-monotone in money. Columns (1) and (2): Linear regressions of probability of choosing Munz chocolate when neither of the two products is connected with any payment on a treatment dummy. Specifications include the non-monotone observations. Robust standard errors are used. Columns (3) and (4): Tobit regressions (left-censored at CHF -3, n = 5; right-censored at CHF +3, n = 9) of willingness to pay (WTP) to receive the Munz chocolate instead of the Camille Bloch chocolate on a treatment dummy. Specifications include the non-monotone observations. Given that these observations have multiple switching points, it is unclear how to construct the WTP. I take the average of the WTPs calculated based on the first and on the last switching point. The t statistics are in parentheses. \*\* p < 0.05; \*\*\* p < 0.01.*

**Table A8: Treatment effects and similarity, Study 2**

Dependent variable	Pr(Conform to target)			WTP for target's product		
	(1)	(2)	(3)	(4)	(5)	(6)
1 = intelligence round	0.104 (0.76)	-0.015 (-0.18)	0.135 (0.86)	0.167 (0.48)	-0.010 (-0.05)	-0.113 (-0.28)
Similarity ideology × 1 = ideology	0.135 (1.10)		0.264** (2.16)	0.452 (1.29)		0.744* (1.97)
Similarity intelligence × 1 = intelligence	0.022 (0.12)		-0.070 (-0.36)	0.560 (1.22)		0.591 (1.23)
1 = undesirable condition × 1 = ideology (T-IDE)		-0.290*** (-3.76)	-0.334*** (-4.20)		-0.652*** (-3.04)	-0.774*** (-3.29)
1 = undesirable condition × 1 = intelligence (T-INT)		-0.128 (-1.56)	-0.141 (-1.63)		-0.009 (-0.04)	0.059 (0.26)
Log(sigma)				1.290*** (14.96)	1.277*** (14.85)	1.263*** (14.92)
<i>p</i> value T-IDE==T-INT		0.161	0.102		0.040	0.012
<i>N</i>	301	301	301	301	301	301
Session fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Target choice controls	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Columns (1)–(3): Linear regressions of probability of choosing the same product as the target when neither of the two products is connected with any payment on a dummy for being in the intelligence round, (1 = intelligence round), a constant, session fixed effects, controls for the targets' choices and, depending on the specification, the similarity between the consumer with her target for ideology and for intelligence, the interaction between a treatment dummy and a dummy for being in the ideology round (T-IDE) and the interaction between a treatment dummy and a dummy for being in the intelligence round (T-INT). Columns (4)–(6): Tobit regressions (left-censored at CHF -3, *n* = 17; right-censored at CHF +3, *n* = 10) of willingness to pay (WTP) to receive the same product as the target instead of the other product on the same set of independent variables. Similarity ideology is defined as “1-|donation – target's donation|/6.” Similarity intelligence is defined as “1-|intelligence scores – target's intelligence scores|/8.” Because similarity ideology is only important for the ideology round, and similarity intelligence is only important for the intelligence round, these measures are interacted with a dummy for being in the ideology round (1=ideology) and a dummy for being in the intelligence round (1=intelligence), respectively. The *t* statistics are in parentheses; standard errors are clustered at subject level (168 clusters). \* *p* < 0.1; \*\* *p* < 0.05; \*\*\* *p* < 0.01.

**Table A9: Perception of the products, Study 2**

**(a) Intelligence and ideology**

	Camille Bloch/Munz						Cup/USB Stick					
	Product chosen by target, mean rating			Product not chosen by target, mean rating			Product chosen by target, mean rating			Product not chosen by target, mean rating		
	Desirable condition	Undesirable condition	rank-sum z (p)	Desirable condition	Undesirable condition	rank-sum z (p)	Desirable condition	Undesirable condition	rank-sum z (p)	Desirable condition	Undesirable condition	rank-sum z (p)
What do you think, how much does the product currently cost? (in CHF)	3.94	3.88	0.442 (0.658)	3.88	3.70	1.003 (0.316)	8.71	7.56	1.519 (0.129)	7.56	7.26	0.181 (0.856)
How good is the quality of the raw materials used? (1 = "very low quality"; 5 = "very high quality")	3.71	3.52	1.519 (0.129)	3.64	3.26	2.598 (0.009)	3.17	3.01	1.034 (0.301)	3.23	3.07	.799 (0.425)
How well is the product processed? (1 = "very low quality"; 5 = "very high quality")	3.81	3.67	1.454 (0.146)	3.76	3.45	2.232 (0.026)	3.32	3.22	0.681 (0.496)	3.39	3.15	1.638 (0.101)
When you think about using/eating the product, are you disgusted? (1 = "very disgusted"; 5 = "not disgusted at all")	4.42	4.15	0.974 (0.330)	4.33	4.08	1.032 (0.302)	4.51	4.45	-0.179 (0.858)	4.52	4.41	0.496 (0.620)

Notes: "rank-sum"-columns give the z value and p value of a Wilcoxon rank-sum test for the equality of response distributions among conditions.



**(b) Ideology only**

	<b>Camille Bloch/Munz</b>						<b>Cup/USB Stick</b>					
	<i>Product chosen by target, mean rating</i>			<i>Product not chosen by target, mean rating</i>			<i>Product chosen by target, mean rating</i>			<i>Product not chosen by target, mean rating</i>		
	<i>Desirable condition</i>	<i>Undesirable condition</i>	<i>rank-sum z (p)</i>	<i>Desirable condition</i>	<i>Undesirable condition</i>	<i>rank-sum z (p)</i>	<i>Desirable condition</i>	<i>Undesirable condition</i>	<i>rank-sum z (p)</i>	<i>Desirable condition</i>	<i>Undesirable condition</i>	<i>rank-sum z (p)</i>
What do you think, how much does the product currently cost? (in CHF)	3.95	3.95	0.461 (0.645)	3.99	3.73	0.948 (0.343)	8.37	7.35	1.170 (0.242)	7.57	7.31	0.094 (0.925)
How good is the quality of the raw materials used? (1 = "very low quality"; 5 = "very high quality")	3.75	3.58	0.420 (0.674)	3.71	3.42	1.058 (0.290)	3.10	2.93	0.859 (0.390)	3.20	2.98	0.826 (0.409)
How well is the product processed? (1 = "very low quality"; 5 = "very high quality")	3.79	3.62	0.814 (0.416)	3.75	3.42	1.238 (0.216)	3.29	3.13	0.765 (0.444)	3.31	3.13	0.836 (0.403)
When you think about using/eating the product, are you disgusted? (1 = "very disgusted"; 5 = "not disgusted at all")	4.46	4.19	0.041 (0.967)	4.36	3.96	0.646 (0.518)	4.57	4.52	-0.193 (0.847)	4.65	4.46	1.166 (0.244)
Does the producer of the good promote conservative Christian values (e.g, fighting abortions and marriage for same-sex couples)? (1 = "yes, strongly "; 5 = "no, not at all")	3.82	3.96	-0.509 (0.611)	3.57	3.88	-1.054 (0.292)	4.08	4.13	-0.193 (0.847)	4.16	4.02	0.757 (0.449)

*Notes: "rank-sum"-columns give the z value and p value of a Wilcoxon rank-sum test for the equality of response distributions among conditions.*

**(c) Intelligence only**

	<b>Camille Bloch/Munz</b>						<b>Cup/USB Stick</b>					
	<i>Product chosen by target, mean rating</i>			<i>Product not chosen by target, mean rating</i>			<i>Product chosen by target, mean rating</i>			<i>Product not chosen by target, mean rating</i>		
	<i>Desirable condition</i>	<i>Undesirable condition</i>	<i>rank-sum z (p)</i>	<i>Desirable condition</i>	<i>Undesirable condition</i>	<i>rank-sum z (p)</i>	<i>Desirable condition</i>	<i>Undesirable condition</i>	<i>rank-sum z (p)</i>	<i>Desirable condition</i>	<i>Undesirable condition</i>	<i>rank-sum z (p)</i>
What do you think, how much does the product currently cost? (in CHF)	3.93	3.84	0.233 (0.816)	3.81	3.68	0.552 (0.581)	9.29	7.92	0.963 (0.336)	7.54	7.18	0.178 (0.859)
How good is the quality of the raw materials used? (1 = "very low quality"; 5 = "very high quality")	3.68	3.49	1.528 (0.126)	3.60	3.17	2.310 (0.021)	3.29	3.15	0.685 (0.493)	3.29	3.22	0.280 (0.780)
How well is the product processed? (1 = "very low quality"; 5 = "very high quality")	3.82	3.70	1.215 (0.224)	3.76	3.47	1.847 (0.065)	3.39	3.37	0.203 (0.839)	3.54	3.19	1.661 (0.097)
When you think about using/eating the product, are you disgusted? (1 = "very disgusted"; 5 = "not disgusted at all")	4.40	4.13	1.139 (0.255)	4.32	4.15	0.804 (0.421)	4.39	4.33	-0.062 (0.951)	4.29	4.33	-0.561 (0.575)

Notes: "rank-sum"-columns give the  $z$  value and  $p$  value of a Wilcoxon rank-sum test for the equality of response distributions among conditions.

**Table A10: Perception of the products, Study 3**

	<b>Camille Bloch</b>			<b>Munz</b>		
	<i>Neutral condition, mean rating</i>	<i>Undesirable condition, mean rating</i>	<i>rank-sum, z (p-value)</i>	<i>Neutral condition, mean rating</i>	<i>Undesirable condition, mean rating</i>	<i>rank-sum, z (p-value)</i>
What do you think, how much does a pack of Camille Bloch Torino (Munz) chocolate bars currently cost at Migros? (in CHF)	3.88	4.01	-0.559 (0.576)	3.77	3.9	-0.757 (0.449)
How healthy are the products? (1 = "very unhealthy"; 5 = "very healthy")	1.94	1.94	-0.027 (0.978)	1.9	1.95	-0.518 (0.604)
How long can you store them? (1 = "spoils soon "; 5 = "long storage life")	4.39	4.26	1.333 (0.182)	4.42	4.23	1.997 (0.046)
How good is the quality of the raw materials used? (1 = "very low quality"; 5 = "very high quality")	3.5	3.47	0.166 (0.868)	3.41	3.46	-0.389 (0.697)
How sustainable are the raw materials used? (1 = "very sustainable"; 5 = "not sustainable at all")	3.38	3.22	1.430 (0.153)	3.41	3.22	1.670 (0.095)
What is the quality of the processing? (1 = "very low quality"; 5 = "very high quality")	3.68	3.78	-0.872 (0.383)	3.55	3.64	-1.159 (0.247)
When you think about eating the Camille Bloch (Munz) chocolate, are you disgusted? (1 = "very disgusted"; 5 = "not disgusted at all")	4.34	4.44	-0.693 (0.488)	4.46	4.6	-0.803 (0.422)

See next page for the rest of the table.

	<b>Camille Bloch</b>			<b>Munz</b>		
	<i>Neutral condition, mean rating</i>	<i>Undesirable condition, mean rating</i>	<i>rank-sum, z (p-value)</i>	<i>Neutral condition, mean rating</i>	<i>Undesirable condition, mean rating</i>	<i>rank-sum, z (p-value)</i>
If you were to eat the chocolate in public, would people associate you with right-wing extremism? (1 = "Yes, for sure"; 5 = "No, certainly not")	4.93	4.86	-0.024 (0.981)	4.89	4.82	0.625 (0.532)
If you were to eat the chocolate in front of your family or friends, would you associate it with right-wing extremism? (1 = "Yes, for sure"; 5 = "No, certainly not")	4.95	4.91	0.276 (0.782)	4.93	4.89	-0.031 (0.975)
What do you think, does Camille Bloch (Munz) in any way promote right-wing extremism (for example, through party donations, employment of right-wing extremists, public support for right-wing extremist ideals)? (1 = "Yes, very strong"; 5 = "No, not at all")	4.39	4.45	-0.547 (0.585)	4.39	4.34	0.254 (0.800)
What do you think, does Camille Bloch (Munz) in any way discriminate against minorities (for example, in the recruitment, payment and promotion of employees)? (1 = "Yes, very strong"; 5 = "No, not at all")	3.96	4.12	-1.445 (0.149)	3.97	4.04	-0.831 (0.406)

Notes: "rank-sum"-columns give the  $z$  value and  $p$  value of a Wilcoxon rank-sum test for the equality of response distributions among conditions.

## Appendix B: A simple model of identity signaling through consumption

In this Appendix, I introduce a simple model to guide my investigation, building on Bernheim (1994) and Bénabou and Tirole (2011). Note that I do not attempt to provide a novel theoretical contribution, but rather use simple economic analysis to guide my empirical investigation.

### B.1 Basic model

A critical feature of the model and the situations that I study is that individuals possess individual characteristics, or *types*, that are relevant to their self- or social image. For example, they may differ in terms of ideology. Individuals have undesirable, “neutral,” or desirable characteristics, associated with image  $v^L < v^M < v^H$ . Individuals have imperfect knowledge about others’ types but can potentially receive signals through observing these others’ consumption. An individual’s social image,  $E(v|x)$ , is, therefore, the expected value of that person’s image conditional on that person’s consumption choice,  $x$ .

Individuals choose between a product A and an alternative option B. I study contexts in which individuals with either undesirable or desirable characteristics, which I refer to as the *targets*, adopt product A. Undesirable targets may be, for example, right-wing extremists. I then investigate how the desirability of targets’ characteristics affects the popularity of the product among others with relatively “neutral” characteristics, whom I label the *consumers*. Consumers may be, for example, the general population. I compare a situation in which targets have desirable characteristics with a situation in which targets have undesirable characteristics.

Formally, I consider a population of decision makers, normalized to  $[0,1]$ , each of whom chooses between A and B. Choices are publicly observable. Decision makers differ in their taste (or, consumption utility),  $u$ , and in their characteristics that shape their image,  $v$ . Each decision makers has a type  $t \in \{a, b, target\}$ . Both  $a$ - and  $b$ -types have “neutral” characteristics ( $v^M$ ), but differ in their taste:  $a$ -types derive more consumption utility from A and  $b$ -types derive more consumption utility from B. Specifically, I assume that  $u^a(A) - u^a(B) = u^b(B) - u^b(A) = \Delta u > 0$ . I will refer to the combination of the  $a$ - and  $b$ -types as *consumers*. The targets are either assumed to have desirable ( $v^H$ ) or undesirable ( $v^L$ ) characteristics, and receive more consumption utility from product A. All targets choose product A.<sup>42</sup> While types are private information, the distribution of types is common

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<sup>42</sup> There are multiple assumptions that can rationalize such behavior. For example, targets can be assumed to receive substantially more consumption utility from product A than from product B ( $u^{target}(A) - u^{target}(B) > \theta^{target} * \max(v^H - v^M, v^M - v^L)$ ) or not to care about their social image ( $\theta^{target} = 0$ ).

knowledge and described by  $\Pr(a) = \delta$ ,  $\Pr(target) = \gamma$  and  $\Pr(b) = 1 - \gamma - \delta$ , with  $\delta, \gamma > 0$  and  $\delta + \gamma < 1$ .

The consumers care about the public perception of their type. They maximize  $u^t(x) + \theta E(v|x)$ , where  $\theta > 0$  is the weight they put on their social image and  $u^t(x)$  is the consumption utility from product  $x$ . A consumer's social image is the expected value of her image conditional on her choice,  $x$ :  $E(v|x) = \rho(x)v^{target} + (1 - \rho(x))v^M$ , where  $v^{target}$  is the targets' image ( $v^H$  or  $v^L$ ) and  $\rho(x)$  is the probability that an individual is a target given her choice  $x$ . This probability is calculated by applying Bayes' rule:<sup>43</sup>

$$\rho(A) = \frac{\gamma x^{target}}{\delta x^a + (1 - \gamma - \delta)x^b + \gamma x^{target}} = \frac{\gamma}{\delta x^a + (1 - \gamma - \delta)x^b + \gamma}$$

$$\rho(B) = \frac{\gamma(1 - x^{target})}{1 - \delta x^a - (1 - \gamma - \delta)x^b - \gamma x^{target}} = 0,$$

where  $x^t$  is the probability that a consumer with type  $t$  chooses product A.

This model can also be interpreted as a self-signaling model, following Bénabou and Tirole (2011). For this alternative interpretation, players have imperfect knowledge of their own types. Consumers' past choices are then signals about their own type. There are two periods. In period 0, the consumer "obtains a momentary insight into his true nature," (Bénabou and Tirole, 2011) and temporarily learns his type. Then, he makes his choice. In period 1, the consumer remembers his type  $t$  with probability  $1 - \theta$ , with probability  $\theta$  the consumer has no direct access to the motivation behind his behavior in period 0 (that is, his type), and only remembers his choice,  $x$ . In the latter case, therefore, his self-image corresponds to  $E(v|x)$ . In period 0, the consumer cares about his consumption utility and his expected self-image in period 1: he maximizes  $u^t(x) + (1 - \theta)v^M + \theta E(v|x)$ . This consumer problem corresponds to the consumer problem discussed before. Note that the key requirement for self-signaling to occur is  $\theta > 0$ , that is, that consumers are insecure about their own type.

I follow Bénabou and Tirole (2011) by restricting attention to monotonic Perfect Bayesian equilibria. In a monotonic equilibrium,  $x^a = x^b = x^{target} = 1$  implies  $\rho(B) = 0$ . The Lemma shows that an equilibrium exist, but it might not be unique.

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<sup>43</sup> Note that  $\rho(B)$  is not defined for  $x^a = x^b = 1$ . I restrict attention to monotonic Perfect Bayesian equilibria, which implies  $\rho(B) = 0$  for this case.

**Lemma.** If targets have desirable characteristics, there exists a unique monotonic Perfect Bayesian equilibrium. If targets have undesirable characteristics, there are in between one and three monotonic Perfect Bayesian equilibria.

*Proof:* I will first derive the equilibria for the case that the targets have undesirable characteristics. Note that  $x^{target} = 1$  and the restriction to monotonic equilibria implies that  $\rho(B) = 0$  and therefore  $x^b = 0$ . The  $a$ -types choose A iff  $\Delta u \geq \rho(A)\theta(v^M - v^L)$  with  $\rho(A) = \frac{\gamma}{\delta x^a + \gamma}$ . There are three potential equilibria:

- $x^a = 0$ . In this case,  $\rho(A) = 1$ . This equilibrium exists iff  $\Delta u \leq \theta(v^M - v^L)$ .
- $x^a = 1$ . In this case,  $\rho(A) = \frac{\gamma}{\delta + \gamma}$ . This equilibrium exists iff  $\Delta u \geq \frac{\gamma}{\delta + \gamma}\theta(v^M - v^L)$ .
- $x^a \in (0,1)$ . In this case,  $\rho(A) = \frac{\gamma}{\delta x^a + \gamma}$  and  $x^a = \frac{\gamma}{\delta} \left( \frac{\theta}{\Delta u} (v^M - v^L) - 1 \right)$ . This equilibrium exists iff  $\frac{\gamma}{\delta + \gamma}\theta(v^M - v^L) < \Delta u < \theta(v^M - v^L)$ .

Note that for each value of  $\Delta u$  there exists at least one monotone Perfect Bayesian equilibrium, and at most three equilibria.<sup>44</sup>

Next, I will derive the equilibria for the case that the targets have desirable characteristics. Note that  $x^{target} = 1$  and the restriction to monotonic equilibria implies that  $\rho(B) = 0$  and therefore  $x^a = 1$ . The  $b$ -types choose B iff  $\Delta u \geq \rho(A)\theta(v^H - v^M)$  with  $\rho(A) = \frac{\gamma}{1 - (1 - \gamma - \delta)(1 - x^b)}$ . There are three potential equilibria:

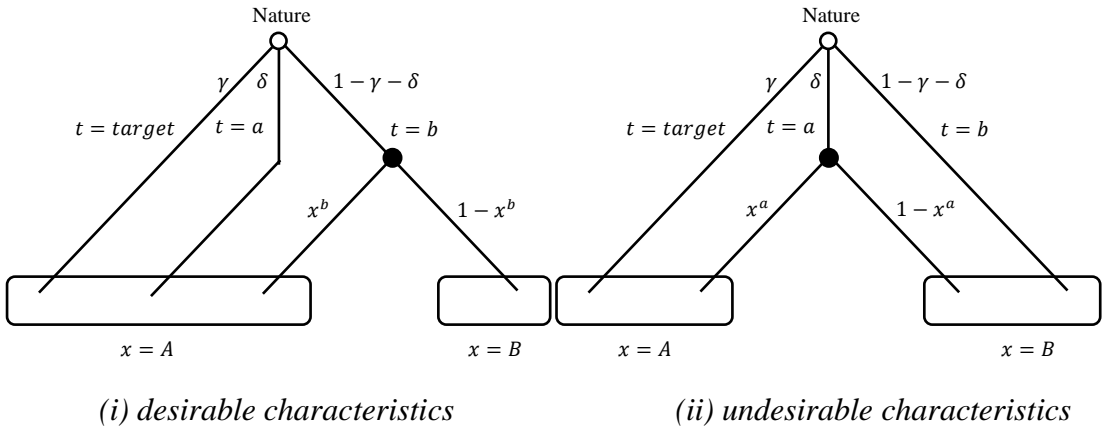
- $x^b = 0$ . In this case,  $\rho(A) = \frac{\gamma}{\gamma + \delta}$ . This equilibrium exists iff  $\Delta u \geq \frac{\gamma}{\gamma + \delta}\theta(v^H - v^M)$ .
- $x^b = 1$ . In this case,  $\rho(A) = \gamma$ . This equilibrium exists iff  $\Delta u \leq \gamma\theta(v^H - v^M)$ .
- $x^b \in (0,1)$ . In this case,  $\rho(A) = \frac{\gamma}{1 - (1 - \gamma - \delta)(1 - x^b)}$  and  $x^b = \frac{\gamma\theta(v^H - v^M) - \Delta u(\gamma + \delta)}{\Delta u(1 - \gamma - \delta)}$ . This equilibrium exists iff  $\gamma\theta(v^H - v^M) < \Delta u < \frac{\gamma}{\gamma + \delta}\theta(v^H - v^M)$ .

<sup>44</sup> The number of equilibria could be reduced by restricting attention to undominated equilibria, as Bénabou & Tirole (2011) do. This equilibrium refinement criterion eliminates equilibria that are Pareto-dominated (weakly lower payoffs for all types, and a strictly lower payoff for at least one of them). The equilibria would then be given by:  $x^a = 0$  for  $\Delta u < \theta(v^M - v^L)$ ,  $x^a \in \{0,1\}$  for  $\Delta u = \theta(v^M - v^L)$  and  $x^a = 1$  for  $\Delta u > \theta(v^M - v^L)$ . If in addition the targets are assumed to care about their image (but assuming that  $x^{target} = 1$  still holds), the equilibrium  $x^a = 0$  for  $\Delta u = \theta(v^M - v^L)$  would be Pareto-dominated by  $x^a = 1$ , and the equilibrium would be unique. However, none of this is necessary to proof the Proposition.

Note that for each value of  $\Delta u$  there exists a unique monotone equilibrium. ■

In the following, I investigate how the share of consumers that choose A,  $x^{a\cup b} = \frac{\delta x^a + (1-\gamma-\delta)x^b}{1-\gamma}$ , depends on the desirability of targets' characteristics. I refer to the shares for desirable and undesirable targets as  $x_H^{a\cup b}$  and  $x_L^{a\cup b}$ , respectively. Suppose that the targets have desirable characteristics. Choosing product A then increases a consumer's image (i.e.,  $E(v|A) > E(v|B)$ ). For the  $a$ -types, there is thus no trade-off between consumption utility and image, so  $x^a = 1$ . If the  $b$ -types are sufficiently concerned about their social image, they also choose A. Figure B1(i) illustrates this case from the perspective of the  $b$ -types. These behaviors imply that  $x_H^{a\cup b} \geq \frac{\delta}{1-\gamma}$ . Suppose now that the targets have undesirable characteristics. Conforming to the targets' consumption choices then decreases consumers' social image ( $E(v|A) < E(v|B)$ ). Hence, the  $b$ -types do not face a trade-off between consumption utility and image and choose B, so  $x^b = 0$ . The  $a$ -types might also choose option B, and, therefore,  $x_L^{a\cup b} \leq \frac{\delta}{1-\gamma}$ . In summary,  $x_L^{a\cup b} \leq x_H^{a\cup b}$ , that is, consumers choose product A weakly more often if it is adopted by targets with desirable characteristics than if it is adopted by targets with undesirable characteristics.

**Figure B1: Game for desirable and undesirable characteristics**



*Notes: Boxes show observers' information sets. Note that for desirable characteristics,  $a$ -types do not face a tradeoff between consumption utility and image utility and therefore  $x^a = 1$ . For undesirable characteristics, the same is true for  $b$ -types,  $x^b = 0$ .*

The Proposition shows that this inequality holds strictly as long as consumers are sufficiently concerned about their social image, relative to  $\Delta u$ . Given that there can be multiple equilibria



for the undesirable target, the Proposition compares  $x_H^{a\cup b}$  with  $\max(x_L^{a\cup b})$ . Figure B2 illustrates how  $x_H^{A\cup B}$  and  $x_L^{A\cup B}$  depend on  $\Delta u$ .

**Proposition.** The relationship between  $x_H^{a\cup b}$  and  $x_L^{a\cup b}$  is characterized by a threshold  $\underline{\theta}$  such that  $x_H^{a\cup b} > \max(x_L^{a\cup b})$  if  $\theta > \underline{\theta}$  and  $x_H^{a\cup b} = \max(x_L^{a\cup b}) = \frac{\delta}{1-\gamma}$  if  $\theta \leq \underline{\theta}$ . Furthermore,  $\underline{\theta}$  is increasing in  $\Delta u$ .

*Proof:* If the targets have undesirable characteristics, the results proofed in the Lemma imply that the share of  $a$  - and  $b$ -types that choose product A is:

$$x_L^{A\cup B} = \begin{cases} 0 & \text{if } \Delta u < \frac{\gamma}{\delta + \gamma} \theta (v^M - v^L) \\ \left\{ 0, \frac{\gamma}{1-\gamma} \left( \frac{\theta}{\Delta u} (v^M - v^L) - 1 \right), \frac{\delta}{1-\gamma} \right\} & \text{if } \Delta u \in \left[ \frac{\gamma}{\delta + \gamma} \theta (v^M - v^L), \theta (v^M - v^L) \right] \\ \frac{\delta}{1-\gamma} & \text{if } \Delta u > \theta (v^M - v^L) \end{cases}$$

with  $\frac{\gamma}{1-\gamma} \left( \frac{\theta}{\Delta u} (v^M - v^L) - 1 \right) \leq \frac{\delta}{1-\gamma}$  for  $\Delta u \geq \frac{\gamma}{\delta + \gamma} \theta (v^M - v^L)$ . Therefore,  $\max(x_L^{A\cup B}) = 0$  for  $\Delta u < \frac{\gamma}{\delta + \gamma} \theta (v^M - v^L)$  and  $\max(x_L^{A\cup B}) = \frac{\delta}{1-\gamma}$  for  $\Delta u \geq \frac{\gamma}{\delta + \gamma} \theta (v^M - v^L)$ .

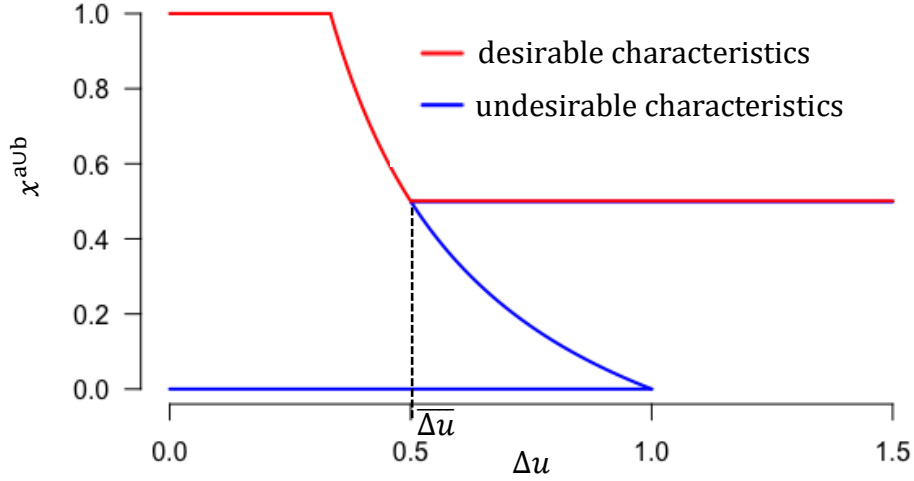
If the targets have desirable characteristics, the results proofed in the Lemma imply that the share of  $a$  - and  $b$ -types that choose product A is:

$$x_H^{A\cup B} = \begin{cases} 1 & \text{if } \Delta u \leq \gamma \theta (v^H - v^M) \\ \frac{\gamma}{1-\gamma} \left( \frac{\theta}{\Delta u} (v^H - v^M) - 1 \right) & \text{if } \Delta u \in \left( \gamma \theta (v^H - v^M), \frac{\gamma}{\gamma + \delta} \theta (v^H - v^M) \right) \\ \frac{\delta}{1-\gamma} & \text{if } \Delta u \geq \frac{\gamma}{\gamma + \delta} \theta (v^H - v^M) \end{cases}$$

with  $\frac{\gamma}{1-\gamma} \left( \frac{\theta}{\Delta u} (v^H - v^M) - 1 \right) > \frac{\delta}{1-\gamma}$  for  $\Delta u < \frac{\gamma}{\gamma + \delta} \theta (v^H - v^M)$ .

Define  $\overline{\Delta u} = \theta \frac{\gamma}{\delta + \gamma} \max(v^M - v^L, v^H - v^M)$  and note that  $x_H^{A\cup B} > \max(x_L^{A\cup B})$  for  $\Delta u < \overline{\Delta u}$ , that  $x_H^{A\cup B} = \max(x_L^{A\cup B}) = \frac{\delta}{1-\gamma}$  for  $\Delta u \geq \overline{\Delta u}$ . To finish the proof, note that  $\Delta u < \overline{\Delta u}$  is equivalent to  $\theta > \frac{\delta + \gamma}{\gamma} \frac{\Delta u}{\max(v^M - v^L, v^H - v^M)} \equiv \underline{\theta}$  and that  $\underline{\theta}$  is increasing in  $\Delta u$ . ■

**Figure B2**



Note: The figures shows consumers' demand for product A,  $x^{a \cup b} = \frac{\delta x^a + (1-\gamma-\delta)x^b}{1-\gamma}$ , for the case that targets have desirable (red) and the case that targets have undesirable characteristics (blue). Parameters:  $\gamma = \delta = 1/3$ ,  $v^H - v^M = v^M - v^L = \theta = 1$

## B.2 Model extension: Disagreement about desirability of characteristics

In the basic model, I assume that all individuals agree on the desirability of characteristics. However, in some situations consumers might want to signal different characteristics.<sup>45</sup> For example, Democrats and Republicans might want to signal fundamentally different ideological values with their consumption choices. In this section I extend to model allow for such heterogeneity and show that all results also apply to these settings.

As in the basic model, individuals have  $L$ ,  $M$  or  $H$  characteristics. Individuals choose between a product A and an alternative option B. I study contexts in which individuals with either  $L$  or  $H$  characteristics, the targets, adopt product A. I then investigate how the desirability of targets' characteristics affects the popularity of the product among others with relatively "neutral" characteristics ( $M$  characteristics), the consumers.

Unlike the basic model, I allow for disagreement about desirability of characteristics. A majority of consumers, the  $H$ -attracted consumers, perceive the  $H$  characteristics as more desirable than the  $L$  characteristics and seek to signal that they have  $H$  characteristics; they associate the characteristics with image utilities  $v^L = -v < 0$ ,  $v^M = 0$  and  $v^H = v$ . There are also the  $L$ -attracted consumers that perceive the  $L$  characteristics as the more desirable and seek to signal that they have  $L$  characteristics; they associate the characteristics with image

<sup>45</sup> Note that the basic model can capture individual disagreement if a large majority agrees about the desirability of characteristics. For example, a right-wing extremist has a bad social image even if she personally perceives her ideological values as desirable.

utilities  $v^L = v$ ,  $v^M = 0$  and  $v^H = -v$ . An individual's image,  $E^t(v|x)$ , does, therefore, not only depend on her consumption choice,  $x$ , but also on her views about the desirability of characteristics,  $t$ .

Formally, I consider a population of decision makers, normalized to  $[0,1]$ , each of whom chooses between A and B. I deviate from the basic model by assuming that *all* decision makers derive more consumption utility from A:  $u(A) - u(B) = \Delta u > 0$ . This simplifying assumption allows me to focus on the heterogeneity in perceived desirability. Choices are publicly observable. Each decision makers has a type  $t \in \{H - attracted, L - attracted, target\}$ . Both  $H$  - and  $L$  -attracted types (the consumers) have “neutral” characteristics ( $v^M$ ). The targets are either assumed to have  $H$  or  $L$  characteristics. All targets choose product A.<sup>46</sup> While types are private information, the distribution of types is common knowledge and described by  $\Pr(H - attracted) = \delta$ ,  $\Pr(target) = \gamma$  and  $\Pr(L - attracted) = 1 - \gamma - \delta$ , with  $\delta, \gamma > 0$ ,  $\delta + \gamma < 1$ . Without loss of generality, I also assume that there are more  $H - attracted$  than  $L - attracted$  consumers, that is,  $\delta > 1 - \gamma - \delta$ .

The consumers care about their image. They maximize  $u(x) + \theta E^t(v|x)$ , where  $\theta > 0$  is the weight they put on their image and  $u(x)$  is the consumption utility from product  $x$ . A consumer's image is  $E^t(v|x) = \rho(x)v^t + (1 - \rho(x))v^M = \rho(x)v^t$ , where  $v^t$  is the consumer's perception of targets' image ( $-v$  or  $v$ ) and  $\rho(x)$  is the probability that an individual is a target given her choice  $x$ . This probability is calculated by applying Bayes' rule, as in the basic model. As in the basic model, I restrict attention to monotonic Perfect Bayesian equilibria. Note that  $x^{target} = 1$  and the restriction to monotonic equilibria implies that:

$$\rho(A) = \frac{\gamma}{\delta x^{H-attracted} + (1 - \gamma - \delta)x^{L-attracted} + \gamma}$$

$$\rho(B) = 0$$

where  $x^t$  is the probability that a consumer with type  $t$  chooses product A. The Lemma II shows that an equilibrium exists, but it might not be unique.

**Lemma II.** For both the case where targets have  $L$  and the case where targets have  $H$  characteristics, there are in between one and three monotonic Perfect Bayesian equilibria.

---

<sup>46</sup> There are multiple assumptions that can rationalize such behavior. For example, targets can be assumed to receive substantially more consumption utility from product A than from product B ( $u^{target}(A) - u^{target}(B) > \theta^{target} * v$ ) or not to care about their social image ( $\theta^{target} = 0$ ).

*Proof:* I will first derive the equilibria for the case that the targets have  $L$  characteristics. Note that  $x^{L-attracted} = 1$  because  $\Delta u + \rho(A)\theta v > 0$ . The  $H$ -attracted types choose A iff  $\Delta u \geq \rho(A)\theta v$  with  $\rho(A) = \frac{\gamma}{\delta x^{H-attracted} + 1 - \delta}$ . There are three potential equilibria:

- $x^{H-attracted} = 0$ . In this case,  $\rho(A) = \frac{\gamma}{1 - \delta}$ . This equilibrium exists iff  $\Delta u \leq \frac{\gamma}{1 - \delta} \theta v$ .
- $x^{H-attracted} = 1$ . In this case,  $\rho(A) = \gamma$ . This equilibrium exists iff  $\Delta u \geq \gamma \theta v$ .
- $x^{H-attracted} \in (0, 1)$ . In this case,  $\rho(A) = \frac{\gamma}{\delta x^{H-attracted} + 1 - \delta}$  and  $x^{H-attracted} = \frac{\gamma \theta v}{\Delta u \delta} + 1 - \frac{1}{\delta}$ . This equilibrium exists iff  $\gamma \theta v < \Delta u < \frac{\gamma}{1 - \delta} \theta v$ .

Note that for each value of  $\Delta u$  there exists at least one monotone Perfect Bayesian equilibrium, and at most three equilibria.

Next, I will derive the equilibria for the case that the targets have  $H$  characteristics. Note that  $x^{H-attracted} = 1$  because  $\Delta u + \rho(A)\theta v > 0$ . The  $L$ -attracted types choose A iff  $\Delta u \geq \rho(A)\theta v$  with  $\rho(A) = \frac{\gamma}{\delta + (1 - \gamma - \delta)x^{L-attracted} + \gamma}$ . There are three potential equilibria:

- $x^{L-attracted} = 0$ . In this case,  $\rho(A) = \frac{\gamma}{\delta + \gamma}$ . This equilibrium exists iff  $\Delta u \leq \frac{\gamma}{\delta + \gamma} \theta v$ .
- $x^{L-attracted} = 1$ . In this case,  $\rho(A) = \gamma$ . This equilibrium exists iff  $\Delta u \geq \gamma \theta v$ .
- $x^{L-attracted} \in (0, 1)$ . In this case,  $\rho(A) = \frac{\gamma}{\delta + (1 - \gamma - \delta)x^{L-attracted} + \gamma}$  and  $x^{L-attracted} = \frac{\gamma \theta v}{\Delta u (1 - \gamma - \delta)} - \frac{\delta + \gamma}{1 - \gamma - \delta}$ . This equilibrium exists iff  $\gamma \theta v < \Delta u < \frac{\gamma}{\delta + \gamma} \theta v$ .

Note that for each value of  $\Delta u$  there exists at least one monotone Perfect Bayesian equilibrium, and at most three equilibria. ■

Proposition II shows that the main results from the basic model also apply to settings where consumers disagree about the desirability of characteristics. The proposition shows that if consumers are sufficiently concerned about their image, then the consumers' demand for product A,  $x^{consumers} = \frac{\delta x^{H-attracted} + (1 - \gamma - \delta)x^{L-attracted}}{1 - \gamma}$ , is lower when the targets have  $L$  characteristics than when they have  $H$  characteristics. What explains this result is, first, that consumers avoid product A when they perceive targets' characteristics as undesirable and,

second, that a majority of consumers view characteristics  $L$  as undesirable. Hence, companies can face incentives to avoid customer groups when a majority of consumers perceive these customers' characteristics as undesirable, even if there is a smaller group of consumers that are attracted to these customers' characteristics.

In Proposition II, I refer to consumers' demand for product A for the case that targets have  $H$  or  $L$  characteristics as  $x_H^{consumers}$  or  $x_L^{consumers}$ , respectively. Because there can be multiple equilibria, the proposition compares  $\min(x_H^{consumers})$  with  $\min(x_L^{consumers})$  and  $\max(x_H^{consumers})$  with  $\max(x_L^{consumers})$ . Figure B3 illustrates how  $x_H^{consumers}$  and  $x_L^{consumers}$  depend on  $\Delta u$ .

**Proposition II.** The relationship between  $x_H^{consumers}$  and  $x_L^{consumers}$  is characterized by two thresholds  $\underline{\theta}^1$ ,  $\underline{\theta}^2$  such that i)  $\max(x_H^{consumers}) > \max(x_L^{consumers})$  if  $\theta > \underline{\theta}^1$  and  $\max(x_H^{consumers}) = \max(x_L^{consumers})$  if  $\theta \leq \underline{\theta}^1$ ; ii)  $\min(x_H^{consumers}) > \min(x_L^{consumers})$  if  $\theta > \underline{\theta}^2$  and  $\min(x_H^{consumers}) = \min(x_L^{consumers})$  if  $\theta \leq \underline{\theta}^2$ .

*Proof:* If the targets have  $L$  characteristics, the results proofed in the Lemma imply that the share of  $H$  - and  $L$ -attracted types that choose product A is:

$$x_L^{consumers} = \begin{cases} \frac{1 - \gamma - \delta}{1 - \gamma} & \text{if } \Delta u < \gamma\theta v \\ \left\{ \frac{1 - \gamma - \delta}{1 - \gamma}, \frac{\gamma\theta v}{\Delta u} - \gamma, 1 \right\} & \text{if } \Delta u \in \left[ \gamma\theta v, \frac{\gamma}{1 - \delta}\theta v \right] \\ 1 & \text{if } \Delta u > \frac{\gamma}{1 - \delta}\theta v \end{cases}$$

Hence,

$$\begin{aligned} \min(x_L^{consumers}) &= \begin{cases} \frac{1 - \gamma - \delta}{1 - \gamma} & \text{if } \Delta u \leq \frac{\gamma}{1 - \delta}\theta v \\ 1 & \text{if } \Delta u > \frac{\gamma}{1 - \delta}\theta v \end{cases} \\ \max(x_L^{consumers}) &= \begin{cases} \frac{1 - \gamma - \delta}{1 - \gamma} & \text{if } \Delta u < \gamma\theta v \\ 1 & \text{if } \Delta u \geq \gamma\theta v \end{cases} \end{aligned}$$

Figure B3 illustrates how  $x_L^{consumers}$  depends on  $\Delta u$ .

If the targets have  $H$  characteristics, the results proofed in the Lemma imply that the share of  $H$  - and  $L$ -attracted types that choose product A is:

$$x_H^{consumers} = \begin{cases} \frac{\delta}{1-\gamma} & \text{if } \Delta u < \gamma\theta v \\ \left\{ \frac{\delta}{1-\gamma}, \frac{\frac{\gamma\theta v}{\Delta u} - \gamma}{1-\gamma}, 1 \right\} & \text{if } \Delta u \in \left[ \gamma\theta v, \frac{\gamma}{\delta+\gamma}\theta v \right] \\ 1 & \text{if } \Delta u > \frac{\gamma}{\delta+\gamma}\theta v \end{cases}$$

Hence,

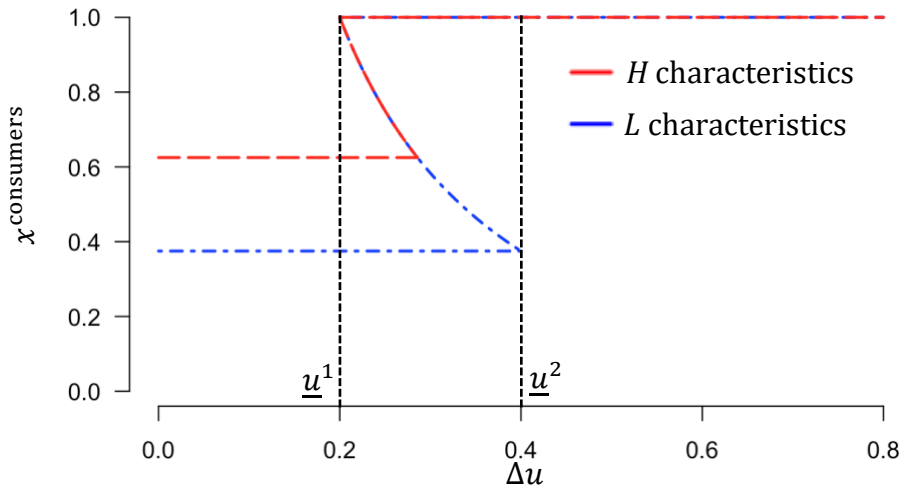
$$\min(x_H^{consumers}) = \begin{cases} \frac{\delta}{1-\gamma} & \text{if } \Delta u \leq \frac{\gamma}{\delta+\gamma}\theta v \\ 1 & \text{if } \Delta u > \frac{\gamma}{\delta+\gamma}\theta v \end{cases}$$

$$\max(x_H^{consumers}) = \begin{cases} \frac{\delta}{1-\gamma} & \text{if } \Delta u < \gamma\theta v \\ 1 & \text{if } \Delta u \geq \gamma\theta v \end{cases}$$

Figure B3 illustrates how  $x_H^{consumers}$  depends on  $\Delta u$ .

Define  $\underline{u}^1 = \gamma\theta v$  and  $\underline{u}^2 = \frac{\gamma}{1-\delta}\theta v$ . Note that i)  $\max(x_H^{consumers}) = \frac{\delta}{1-\gamma} > \frac{1-\gamma-\delta}{1-\gamma} = \max(x_L^{consumers})$  if  $\Delta u < \underline{u}^1$  and  $\max(x_H^{consumers}) = \max(x_L^{consumers}) = 1$  if  $\Delta u \geq \underline{u}^1$  and ii)  $\min(x_H^{consumers}) \geq \frac{\delta}{1-\gamma} > \frac{1-\gamma-\delta}{1-\gamma} = \min(x_L^{consumers})$  if  $\Delta u < \underline{u}^2$  and  $\min(x_H^{consumers}) = \min(x_L^{consumers}) = 1$  if  $\Delta u \geq \underline{u}^2$ . To finish the proof, note that  $\Delta u < \underline{u}^1$  and  $\Delta u < \underline{u}^2$  are equivalent to  $\theta > \frac{\Delta u}{\gamma v} \equiv \underline{\theta}^1$  and  $\theta > \frac{\Delta u(1-\delta)}{\gamma v} \equiv \underline{\theta}^2$ , respectively. ■

**Figure B3**



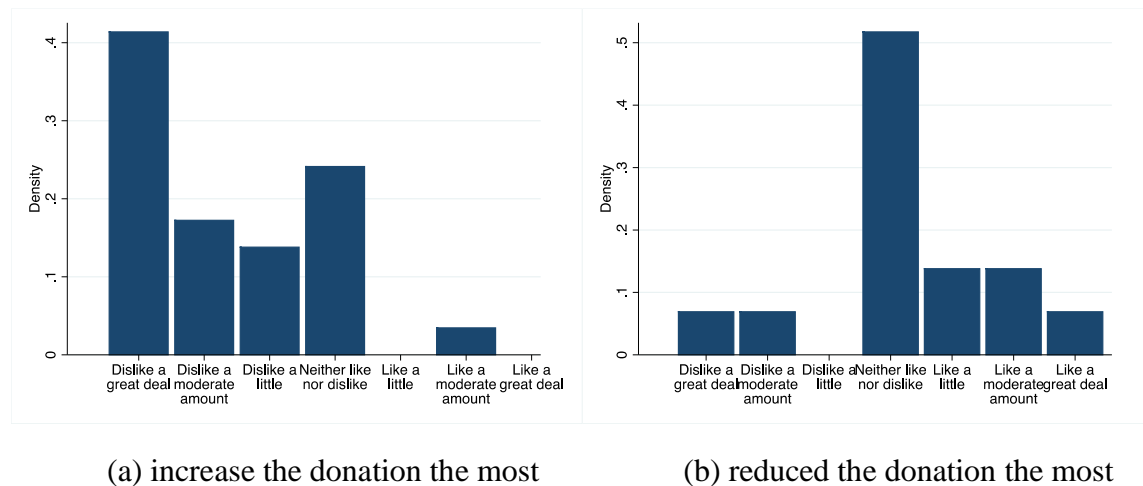
Note: The figures shows consumers' demand for product A,  $x^{consumers} = \frac{\delta x^{H-attracted} + (1-\gamma-\delta)x^{L-attracted}}{1-\gamma}$ , for the case when the targets have L characteristics (blue) and for the case when targets have H characteristics (red). Parameters:  $\gamma = 0.2$ ,  $\delta = 0.5$ ,  $v = \theta = 1$ .

## Appendix C: Results from the additional surveys

### C.1 Perception Zukunft CH, Study 2

To elicit participants' perception of Zukunft CH and to decide on several aspects of Study 2's design, I implemented an online survey. I recruit 29 participants, drawn from the same subject pool from which I recruit participants for Study 2.

**Figure C1: Participants dislike being publicly perceived as donors to Zukunft CH**



*Notes: Participants in an online survey (N=29) are asked to rate how much they would like it if other participants in a hypothetical laboratory experiment would receive information that makes them believe that “you are the participant who increased the donation to Zukunft CH the most,” or information that make them believe that “you are the participant who reduced the donation to Zukunft CH the most.” Figure C1a (C1b) shows the distribution of responses the first (second) question.*





The online survey consists of three parts. In Part 1, subjects repeatedly choose between pairs of products. The choice sets include those used in Study 2. As in Study 2, consumers make 13 decisions between product-and-money bundles (see Table 2 in Section 5.1.2). In Part 2, subjects make choices in four choice situations designed to measure their ideological values, including the one used in Study 2 (see Section 5.1.1). In all choice situations, participants face tradeoffs between their own payoff and a donation to an organization (Zukunft CH, ProTell, UNICEF, FAIRMED). In Part 3, subjects rate whether they like or dislike it if they would be publicly associated with these organizations, including Zukunft CH. Specifically, they are asked how much they would like it (from 1 = dislike a great deal to 7 = like a great deal) if other participants in a hypothetical laboratory experiment would receive information that makes them believe that “you are the participant who increased the donation to Zukunft CH the most,” or information that make them believe that “you are the participant who reduced the donation to Zukunft CH the most.” Figure C1 shows the distribution of responses to both

questions. Participants disliked being publicly associated with Zukunft CH: I can reject the hypothesis that the two distributions are equal (Wilcoxon signed-ranks test,  $z = -3.702$ ,  $p = 0.0002$ ).









## C.2 Survey with right-wing extremists, Study 3

In Study 3, targets are played by right-wing extremists (see Section 5.1.1). I collect consumption data from 10 right-wing extremists who are recruited on right-wing extremist internet forums to participate in a short online survey. The survey consists of eight binary product choices. For the purpose of my study, it is essential that one product be adopted by most of the right-wing extremists. To achieve this requirement, I select products with incidental connections to symbols liked (or disliked) by right-wing extremists, likely increasing (or decreasing) the attractiveness of products. Table C1 shows the eight choice situations and highlights all symbols that may make a product more attractive (blue) or less attractive (red) for right-wing extremists. The table also gives the distribution of extremists' choices (column "Share right" gives the share of participants that chose the "Right option").

**Table C1: Presentation of product choices to right-wing extremists**

<i>Left option</i> (unattractive for right-wing extremists)	<i>Right option</i> (attractive for right-wing extremists)	<i>Share right</i>
Pack Camille <b>Bloch</b> Torino 5 x 23g (Art. Nr. 3000652) 	Pack Munz Praliné-Prügeli <b>Milch</b> 5 x 23g (Art. Nr. 3928213) 	0.9
Intenso <b>Rainbow</b> Line 4GB USB Stick Blau (Art. Nr. 3502450) 	Butlers <b>HENKELBECHER KREUZ</b> Grau (Art Nr. 10210598) 	0.1



<p>Intenso <b>Rainbow</b> Line 4GB USB Stick Blau (Art. Nr. 3502450)</p> 	<p>Kahla Tasse 0,18l <b>Rot-Weiss</b> (Art Nr. 27508877)</p> 	0.6
<p>Kahla Colore Tasse 0,25l Grau (Art Nr. 204708A70705C)</p> 	<p>Butlers <b>HENKELBECHER KREUZ</b> Grau (Art Nr. 10210598)</p> 	0.2
<p>Kahla Colore Tasse 0,25l <b>Schokobraun</b> (Art Nr. 204708A72605C)</p> 	<p>Kahla Tasse 0,18l <b>Rot-Weiss</b> (Art Nr. 27508877)</p> 	0.7
<p>Intenso <b>Rainbow</b> Line 8GB USB Stick Grün (Art. Nr. 3502460)</p> 	<p>Butlers <b>HENKELBECHER KREUZ</b> Grau (Art Nr. 10210598)</p> 	0.0

Kahla Colore Tasse 0,25l Schokobraun (Art Nr. 204708A72605C) 	Butlers <b>HENKELBECHER KREUZ</b> Grau (Art Nr. 10210598) 	0.3
Intenso Rainbow Line 8GB USB Stick Grün (Art. Nr. 3502460) 	Intenso Rainbow Line 4GB USB Stick Blau (Art. Nr. 3502450) 	0.2

Notes: column "Share right" gives the share of participants that chose the "Right option." The colors show the symbols that might make a product more attractive (red) or less attractive (blue) with right-wing extremists. Camille Bloch Torino, is produced by a firm founded by a Jewish family (Bloch). "Milch," German for milk, is a symbol of the alt-right. "Rainbow" and "Schokobraun" (=chocolate brown) are symbols of cultural diversity (however, brown is also the color of the Nazi Party, besides black-white-red). "HENKELBECHER KREUZ" sounds similar as "Hakenkreuz" (=swastika), "Rot-Weiss" (=red-white) are the colors of the Swiss flag, and 88 is a well known Nazi symbol. In the last choice situation, the left option dominates the right option, if one abstracts from the color difference. I added this option for potential future research on potential limits of identity signaling.

### C.3 Measure product perceptions, Study 3

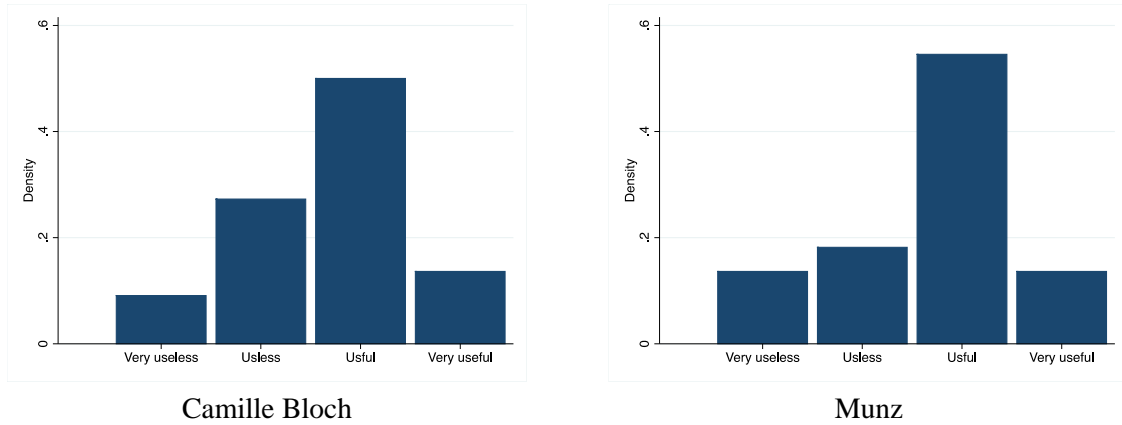
In an online survey, I document that the products used in Study 3 are not associated with right-wing political attitudes. I recruit 22 participants, drawn from the same subject pool from which I recruit participants for Study 3.

Participants rate how useful and how popular different products (including those used in Study 3) are for different groups of people: managers, construction worker, students, accountants, neo-Nazis, left-wing extremists, men and women. While I am only interested in the neo-Nazi ratings, I add the other groups to make the survey feel more natural and to avoid demand effects. I also ask participants whether they associate the products' consumers with a particular political position (left-wing extremist, left-wing, center, right-wing, right-wing extremist, no relation to political position).

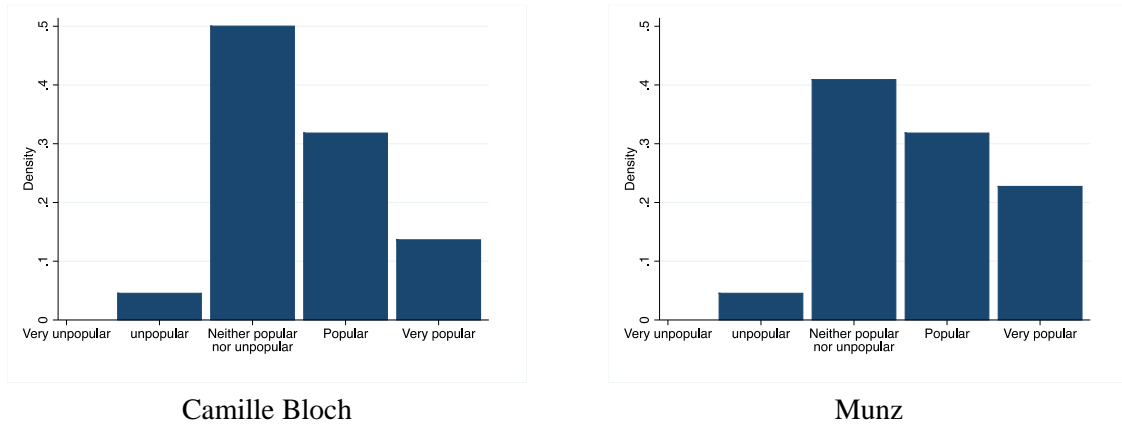
Figure C2 shows that participants neither associate Munz (or Camille Bloch) with right-wing extremism nor think that Munz is more useful to or more popular with neo-Nazis than Camille Bloch.

**Figure C2: Associations of chocolates with right-wing extremists**

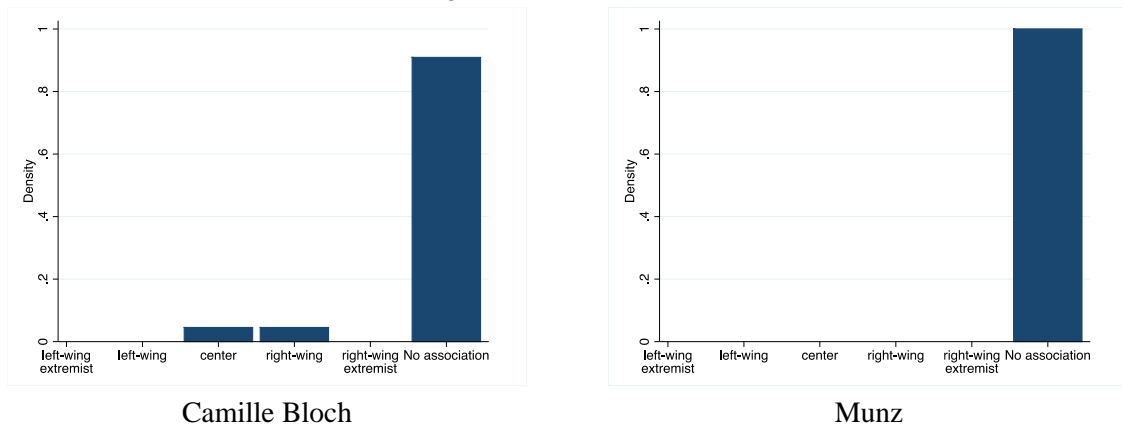
(a) How useful is the product for neo-Nazis? (Wilcoxon signed-rank test,  $p = 1.000$ ,  $N = 22$ )



(b) How popular is the product among neo-Nazis? (Wilcoxon signed-rank test,  $p = 0.293$ ,  $N = 22$ )



(c) With which political position would you associate a person that consumes the product?  
(Wilcoxon signed-rank test,  $p = 0.157$ ,  $N = 22$ )



Notes: Answers to an online survey with 21 participants. In figures (c), "No association" was labeled as "I would not associate the product with a specific political position" in the survey.

## Appendix D: Instructions

### D.1 Instructions Study 1

#### *D.1.1 First online survey*

#### Welcome

This study on decision-making is conducted by researchers at the **University of Zurich, Switzerland**.

**It is important that you take the time to read all instructions and that you read questions carefully before you answer them.** Previous research has found that some people do not take the time to read everything that is displayed. You will need to demonstrate that you read our questions carefully to be allowed to participate in the study.

The study takes about 3 minutes to complete. You will receive a fixed payment of USD 0.50 (=€0.40) for completing the study.

This study received approval from the Human Subjects Committee of the Faculty of Business, Economics and Informatics of the University of Zurich. Your participation in this study does not pose any risks to your health or well-being. **All the information gathered in this study is kept strictly anonymous and will never be associated with your identity.**

By continuing you are acknowledging that you understand the above information and give your consent to participate in the study. Participation in this study is voluntary. You may withdraw your consent and discontinue participation in the project at any time. Doing so will not result in any penalty.

If you choose not to participate, please click “I do NOT want to participate” at the bottom of this page.

If you want to participate, please answer the following two comprehension questions correctly and then choose “I want to participate.” You have to answer the two questions, for which the correct answers are clearly explained above, to show that you read the instructions carefully. If you do not correctly answer all questions, you will not be allowed to participate in the study.

Given the instructions above, what is the fixed payment that you receive for completing the study? (USD 0.22, USD 0.50, USD 0.92)

Given the instructions above, how long does it take to complete the study? (3 minutes, 5 minutes, 15 minutes)

☐ I do NOT want to participate  
☐ I want to participate

[NEXT]

We first ask you about your preferences for certain brands and products.

**For each of the following brands, do you agree with the statement:**

**“I like this brand and would be willing to buy and use this brand’s products” ?**

	<b>I agree with the statement (I like this brand)</b>	<b>I do NOT agree with the statement (I do not like this brand)</b>
Ben & Jerry's	<input type="radio"/>	<input type="radio"/>
Chick-fil-A	<input type="radio"/>	<input type="radio"/>
Ford	<input type="radio"/>	<input type="radio"/>
Hershey’s Kisses	<input type="radio"/>	<input type="radio"/>
Levi Strauss	<input type="radio"/>	<input type="radio"/>
Miller Lite	<input type="radio"/>	<input type="radio"/>
Sierra Nevada	<input type="radio"/>	<input type="radio"/>
Starbucks	<input type="radio"/>	<input type="radio"/>
Subaru	<input type="radio"/>	<input type="radio"/>
Wrangler	<input type="radio"/>	<input type="radio"/>

[NEXT]

Next, we ask for some information about you and your opinions.

Do you agree with the following statement? Widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election. (I agree with the statement, I do NOT agree with the statement)

Which of these political labels best describe you? (Democrat, Republican, Independent)

On policy matters, where do you see yourself on the liberal/conservative spectrum? (Very conservative, Conservative, Moderate, Liberal, Very liberal)

What is your Prolific ID?

What is your age?

Do you identify yourself as a woman or a man? (Woman, Man, Neither man nor woman)

Please indicate your marital status (Single, Married)

Do you have children living with you? (No, Yes)

How would you describe your ethnicity/race? (European American / White, African American / Black, Hispanic / Latino, Asian / Asian American, Other)

**In which state do you live?** (1 Alabama, 2 Alaska, 3 Arizona, 4 Arkansas, 5 California, 6 Colorado, 7 Connecticut, 8 Delaware, 9 District of Columbia, 10 Florida, 11 Georgia, 12 Hawaii, 13 Idaho, 14 Illinois, 15 Indiana, 16 Iowa, 17 Kansas, 18 Kentucky, 19 Louisiana, 20 Maine, 21 Maryland, 22 Massachusetts, 23 Michigan, 24 Minnesota, 25 Mississippi, 26 Missouri, 27 Montana, 28 Nebraska, 29 Nevada, 30 New Hampshire, 31 New Jersey, 32 New Mexico, 33 New York, 34 North Carolina, 35 North Dakota, 36 Ohio, 37 Oklahoma, 38 Oregon, 39 Pennsylvania, 40 Rhode Island, 41 South Carolina, 42 South Dakota, 43 Tennessee, 44 Texas, 45 Utah, 46 Vermont, 47 Virginia, 48 Washington, 49 West Virginia, 50 Wisconsin, 51 Wyoming, 52 Puerto Rico)

**Which category best describes your highest level of education?** (Eighth Grade or less, Some High School, High School degree / GED, Some College, 2-year College Degree, 4-year College Degree, Master's Degree, Doctoral Degree, Professional Degree (JD, MD, MBA))

**What is your current employment status?** (Full-time employee, Part-time employee, Self-employed or small business owner, Unemployed and looking for work, Student, Not in labor force (for example: retired, or full-time parent))

**What was your TOTAL household income, before taxes, last year (2021)?** (\$0 - \$9,999, \$10,000 - \$14,999, \$15,000 - \$19,999, \$20,000 - \$29,999, \$30,000 - \$39,999, \$40,000 - \$49,999, \$50,000 - \$74,999, \$75,000 - \$99,999, \$100,000 - \$124,999, \$125,000 - \$149,999, \$150,000 - \$199,999, \$200,000+)

**Are you a homeowner?** (Yes, No)

Thank you for participating in this study!

#### *D.1.1 Second online survey*

### **Welcome**

This study on decision-making is conducted by researchers at the **University of Zurich, Switzerland**.

**It is important that you take the time to read all instructions and that you read questions carefully before you answer them.** Previous research has found that some people do not take the time to read everything that is displayed. You will need to demonstrate that you read our questions carefully to be allowed to participate in the study.

The study takes about 5 minutes to complete. You will receive a fixed payment of USD 0.94 (=£0.75) for completing the study.

This study received approval from the Human Subjects Committee of the Faculty of Business, Economics and Informatics of the University of Zurich. Your participation in this study does not pose any risks to your health or well-being. **All the information gathered in this study is kept strictly anonymous and will never be associated with your identity.**

By continuing you are acknowledging that you understand the above information and give your consent to participate in the study. Participation in this study is voluntary. You may withdraw your consent and discontinue participation in the project at any time. Doing so will not result in any penalty.

If you choose not to participate, please click “I do NOT want to participate” at the bottom of this page.

If you want to participate, please answer the following two comprehension questions

correctly and then choose “I want to participate.” You have to answer the two questions, for which the correct answers are clearly explained above, to show that you read the instructions carefully. If you do not correctly answer all questions, you will not be allowed to participate in the study.

Given the instructions above, what is the fixed payment that you receive for completing the study? (USD 0.22, USD 0.94, USD 1.02)

Given the instructions above, how long does it take to complete the study? (5 minutes, 10 minutes, 15 minutes)

☐ I do NOT want to participate

☐ I want to participate

[NEXT]

### Overview

We will first provide you with a brief overview of this study. We will provide you with further details on the next screens.

**Earlier study:** In an earlier study, we recruited 600 participants from a general sample of the US population on Prolific. The composition of participants in this earlier study reflects the distribution of political party affiliations in the US.

In this earlier study, we first asked the participants whether they would be willing to buy products of different brands. Second, we asked the participants about their political views.

**Your task:** We will show you the brand preferences of different groups of participants in the earlier study. Your task is to guess these participants’ political views. You can increase your payment by making accurate guesses.

[NEXT]

### Description of the earlier study

Before we give you additional details on your task, we first explain how we elicited brand preferences and political views in the earlier study.

**Brand preferences:** For ten different brands, participants were asked whether they agree or do not agree with the following statement:

*“I like this brand and would be willing to buy and use this brand’s products.”*

They either selected “I agree” or “I do not agree.”

We asked participants whether they agree with the above statement for the following ten brands: Ben & Jerry's, Chick-fil-A, Ford, Hershey’s Kisses, Levi Strauss, Miller Lite, Sierra Nevada, Starbucks, Subaru, Wrangler.

**Political views:** After measuring their brand preferences, we asked participants whether they agree or do not agree with the following statement:

*“Widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election.”*

They either selected “I agree” or “I do not agree.” 26% of participants in the earlier study agreed with the statement.

### **Your task**

We will now describe your task.

For each of the ten brands:

1. We will ask you to consider all participants in the earlier study that **like the brand and would be willing to buy and use the brand’s products**. Among these participants, you have to guess what share agreed with the statement that “Widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election.”
2. We will ask you to consider all participants that **do not like the brand and would not be willing to buy and use the brand’s products**. Among these participants, you have to guess what share agreed with the statement that “Widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election.”

You will enter the 20 guesses in input fields. You can enter any number from 0 (meaning that *no participant agreed* with the statement) to 100 (meaning that *all participants agreed* with the statement). Remember: 26% of all participants agreed with the statement. Hence, we set the default choice to 26%, but you should adjust this number to your best guess.

*You can earn an additional \$0.2 by making accurate guesses.* At the end of the study, we will calculate the difference between your answers and the actual shares that agreed with the statement. You will be paid more the closer your answers are to the actual shares. (Click [here](#) to learn in detail how your payment is calculated.)

Before you proceed with the 20 guesses, please answer the following comprehension questions correctly:

Are the following statements true or false?

- 26% of all participants in the earlier study agreed with the statement “Widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election” (True, False)
- You can earn an additional \$0.2 by making accurate guesses (True, False)

[NEXT]



**POP-UP: You can earn an additional \$0.2 by making accurate guesses**

We first randomly draw one of the twenty guesses to count for the payment. We then pay you for the accuracy of this randomly drawn guess. We calculate your payment as follows:

We first calculate the difference between your guess and the actual share of individuals that agree with the statement. Note that the difference is 0 if your guess corresponds exactly to the actual share. The more your guess deviates from the actual share, the higher the difference. The maximum value of the difference is 100.

Your payment is then calculated according to the following formula:

$$\text{Payment} = \$0.2 * (1 - (\text{difference} / 100))$$

Hence, your payment is between \$0 and \$0.2.

While this payoff formula may look complicated, what it means for you is simple: you get paid more the closer your answers are to the actual shares.

Please close this window and go back to the survey.

### Guesses

For each of the following ten brands:

1. We ask you to consider all participants in the earlier study that **like the brand and would be willing to buy and use the brand's products**. Among these participants, you have to guess what share agreed with the statement that "Widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election."
2. We ask you to consider all participants that **do not like the brand and would not be willing to buy and use the brand's products**. Among these participants, you have to guess what share agreed with the statement that "Widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election."

Please enter your guesses in the corresponding input fields below. You can enter any number from 0 (meaning that *no participant agreed* with the statement) to 100 (meaning that *all participants agreed* with the statement). Remember: 26% of all participants agreed with the statement. Hence, *we set the default choice to 26%, but you should adjust this number to your best guess.*

	Among all participants that <b>like the brand</b> ,	Among all participants that <b>do not like the</b>
--	--	---

	what share agreed with the statement?	<b>brand</b> , what share agreed with the statement?
Ben & Jerry's	[Input field: default=26]	[Input field: default=26]
Chick-fil-A	[Input field: default=26]	[Input field: default=26]
Ford	[Input field: default=26]	[Input field: default=26]
Hershey's Kisses	[Input field: default=26]	[Input field: default=26]
Levi Strauss	[Input field: default=26]	[Input field: default=26]
Miller Lite	[Input field: default=26]	[Input field: default=26]
Sierra Nevada	[Input field: default=26]	[Input field: default=26]
Starbucks	[Input field: default=26]	[Input field: default=26]
Subaru	[Input field: default=26]	[Input field: default=26]
Wrangler	[Input field: default=26]	[Input field: default=26]

[NEXT]

## Demographics

What is your Prolific ID?

What is your age?

Do you identify yourself as a woman or a man? (Woman, Man, Neither man nor woman)

Please indicate your marital status (Single, Married)

Do you have children living with you? (No, Yes)

How would you describe your ethnicity/race? (European American / White, African American / Black, Hispanic / Latino, Asian / Asian American, Other)

In which state do you live? (1 Alabama, 2 Alaska, 3 Arizona, 4 Arkansas, 5 California, 6 Colorado, 7 Connecticut, 8 Delaware, 9 District of Columbia, 10 Florida, 11 Georgia, 12 Hawaii, 13 Idaho, 14 Illinois, 15 Indiana, 16 Iowa, 17 Kansas, 18 Kentucky, 19 Louisiana, 20 Maine, 21 Maryland, 22 Massachusetts, 23 Michigan, 24 Minnesota, 25 Mississippi, 26 Missouri, 27 Montana, 28 Nebraska, 29 Nevada, 30 New Hampshire, 31 New Jersey, 32 New Mexico, 33 New York, 34 North Carolina, 35 North Dakota, 36 Ohio, 37 Oklahoma, 38 Oregon, 39 Pennsylvania, 40 Rhode Island, 41 South Carolina, 42 South Dakota, 43 Tennessee, 44 Texas, 45 Utah, 46 Vermont, 47 Virginia, 48 Washington, 49 West Virginia, 50 Wisconsin, 51 Wyoming, 52 Puerto Rico)

Which category best describes your highest level of education? (Eighth Grade or less, Some High School, High School degree / GED, Some College, 2-year College Degree, 4-year College Degree, Master's Degree, Doctoral Degree, Professional Degree (JD, MD, MBA))

What is your current employment status? (Full-time employee, Part-time employee, Self-employed or small business owner, Unemployed and looking for work, Student, Not in labor force (for example: retired, or full-time parent))

What was your TOTAL household income, before taxes, last year (2021)? (\$0 - \$9,999, \$10,000 - \$14,999, \$15,000 - \$19,999, \$20,000 - \$29,999, \$30,000 - \$39,999, \$40,000 - \$49,999, \$50,000 - \$74,999, \$75,000 - \$99,999, \$100,000 - \$124,999, \$125,000 - \$149,999, \$150,000 - \$199,999, \$200,000+)

Are you a homeowner? (Yes, No)

Which of these political labels best describe you? (Democrat, Republican, Independent)

On policy matters, where do you see yourself on the liberal/conservative spectrum? (Very conservative, Conservative, Moderate, Liberal, Very liberal)

Do you agree with the following statement? “Widespread illegal voting and fraud was a major reason for the result of the 2020 presidential election.” (I agree with the statement, I do NOT agree with the statement)

Thank you for participating in this study!

## **D.2 Instructions Study 2**

### *D.2.1 Overview (on screen)*

**Welcome to today’s study.**

#### **Scientific standards**

According to the scientific standards of the Laboratory for Behavioral and Experimental Economics, we are not allowed to lie to you or mislead you at any time. All the information gathered in this experiment is kept strictly anonymous and will never be associated with your name.

#### **Rules**

Please do not talk to other participants and do not use your mobile phone throughout the study. If you violate these rules, we have to exclude you from the study and cannot pay you.

#### **Questions**

If you have questions at any time during the study, please raise your hand. We will come to your place and answer your questions individually.

#### **Payment**

You will receive a fixed payment of CHF 10 for participation. You will earn additional money during the experiment, and you will receive a real product that you will select during the experiment. Your earnings will be paid out *anonymously* and in cash at the end of the study.

[OK]

### *D.2.2 Measuring intelligence and ideology (on screen)*

This study consists of 3 parts, Part 1, Part 2 and Part 3. At the end, you will complete a questionnaire.

#### **Part 1**

Part 1 consists of two different tasks.

*Other study participants might receive some information about your choices in Part 1. However, these participants will only receive information that informs them of the likelihood that you made a particular choice, but this information will not reveal your choice with certainty. That is, other participants will not learn with certainty what choices you made.*

[OK]

### **Part 1: Intelligence test**

In this task, you will complete an established test that is regularly used to measure general intelligence.

You will *not* learn your score on the intelligence test.

You will see patterns in which one part is missing. You are then given 8 possible suggestions for how to complete the pattern. Your task is to choose the suggestion that you think best completes the pattern.

You will see a total of 14 patterns. The first two patterns are for training. For these training patterns, you have as much time as you want to make your decision.

Afterwards you will have 12 minutes to complete the remaining 12 patterns. Once you have made your decision for one pattern, you will proceed to the next pattern and will not be able to go back.

For every correctly completed pattern, you earn 0.50 CHF. Overall, you can therefore earn an additional 6.00 CHF.

As soon as you are ready to start with the first training pattern, please click the [OK] button.

[OK]

[Intelligence test is implemented]

### **Part 1: Donation**

Your decision in the second task of Part 1 will determine the amount of a donation to Zukunft CH, a non-profit conservative Christian organization.

Please read the box, “Zukunft CH,” which provides information about the organization.

### Zukunft CH

Zukunft CH is a conservative Christian organization. Their members fight “the sneaking introduction of the sharia” and marriage for same-sex couples. Furthermore, they advocate conversion therapies for homosexuals and engage in demonstrations against abortions.

On their official website, they write, for example, that every Muslim is committed to the holy war, be it through endeavor, migration, birth or terror. They also argue that same-sex marriage is against nature and the very concept of marriage.

Zukunft CH has significant political impact. For example, Zukunft CH has recently published its own teaching material for children's sex education. They criticize that "mainstream sexual education" is too explicit and makes the children vulnerable to abuse. The material contains many controversial statements, including the claim that masturbation leads to addiction. While professionals do not recommend the use of this material in schools, it cannot be banned.

In this choice situation, you receive an initial endowment of CHF 6.00. You can increase your payment by authorizing the researchers to make a donation to Zukunft CH on your behalf. The donation would be anonymous, that is, your name would not be mentioned, and the donated money would not be subtracted from your payment.

Alternatively, you can give up a part of your endowment to decrease the donation to Zukunft CH. That is, you may decrease your payment by preventing donations from other participants from being implemented.

You have to choose one of the following seven options:

Options	In addition to the CHF 6.00 endowment, you receive	Donation to Zukunft CH
Option 1	+6.00	+9.00
Option 2	+4.00	+6.00
Option 3	+2.00	+3.00
Option 4	+0.00	+0.00
Option 5	-2.00	-3.00
Option 6	-4.00	-6.00
Option 7	-6.00	-9.00

*Examples:* If you chose option 1, you receive a payment of 12.00 CHF (= CHF 6.00 + CHF 6.00) in this choice situation, and you increase the donation to Zukunft CH by CHF 9.00. If you chose option 6 instead, you receive CHF 2.00 (= CHF 6.00 - CHF 4.00), and you reduce the donation to Zukunft CH by CHF 6.00.

Please choose an option:

Options	In addition to the CHF 6.00 endowment, you receive	Your donation to Zukunft CH
<input type="radio"/>	+6.00	+9.00
<input type="radio"/>	+4.00	+6.00
<input type="radio"/>	+2.00	+3.00
<input type="radio"/>	+0.00	+0.00
<input type="radio"/>	-2.00	-3.00
<input type="radio"/>	-4.00	-6.00
<input type="radio"/>	-6.00	-9.00

[OK]

### D.2.3 Consumption choices, round 1 (on screen)

## Part 2

You are finished with Part 1 of the experiment. You will now start with Part 2.

Part 2 consists of three stages:

- Stage 1. The computer picks the participant that had *the lowest intelligence score* in today's session. This participant chooses between two products. Let us call the two products *Product A* and *Product B*. Then, you learn which product this participant with the lowest intelligence score chose.
- Stage 2. You choose between Product A and Product B.
- Stage 3. Other participants receive information about your choice, linked to your portrait picture. They are also informed which choice was made by the participant with the lowest intelligence score. Depending on your choice, they may or may not believe that this participant is you.

In the following, all three stages are explained in detail. You find a blank sheet and a pen on your table to make notes, if you wish to do so.

### Stage 1: The choice of the participant with the lowest intelligence score

Remember that in Part 1, all participants did a test to measure their intelligence. The computer will select the participant that has the lowest intelligence score among all participants. (If two or more participants have the lowest intelligence score, one is randomly drawn.) This participant chooses between Product A and Product B.

Then, you will learn which choice was made by this participant.

### Stage 2: your choice

Please read the handout "Instructions: Stage 2, your choice" on your table.

If you have any questions about the instructions for Stage 1 and Stage 2, please raise your hand to get assistance. Otherwise, please click the [OK] button and proceed with the understanding questions about Stage 1 and Stage 2.

[OK]

[Next screen]

### Understanding questions Stage 1 and Stage 2

Before you continue with the instructions for Stage 3, please answer the following understanding questions.

1) Before you choose between Product A and Product B, you will observe the choice of:

- ☐ a randomly drawn participant
- ☐ the participant with the lowest intelligence score

2) Consider the following example. *This example is purely hypothetical; it is not based on actual choices of participants.*

*Stage 1:* Suppose the participant with the lowest intelligence score chooses Product A.

*Stage 2:* You learn the choice of the participant with the lowest intelligence score. Suppose that you make the following choices:

Case	Which product do you choose for the respective case ?	
1	<input checked="" type="radio"/> Product A + 3.00 CHF	<input type="radio"/> Product B
2	<input checked="" type="radio"/> Product A + 2.50 CHF	<input type="radio"/> Product B
3	<input checked="" type="radio"/> Product A + 2.00 CHF	<input type="radio"/> Product B
4	<input type="radio"/> Product A + 1.50 CHF	<input checked="" type="radio"/> Product B
5	<input type="radio"/> Product A + 1.00 CHF	<input checked="" type="radio"/> Product B
6	<input type="radio"/> Product A + 0.50 CHF	<input checked="" type="radio"/> Product B
7	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B
8	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 0.50 CHF
9	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 1.00 CHF
10	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 1.50 CHF
11	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 2.00 CHF
12	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 2.50 CHF
13	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 3.00 CHF

2a) Suppose that case 3 is drawn to count (*drawn case*).

Which product does the participant with the lowest intelligence score receive?

- ☐ Product A
- ☐ Product B

Which product do you receive?

☐ Product A ☐ Product B

Which “linked additional monetary payment” do you receive?

\_\_\_\_ 0.00 CHF \_\_\_\_ 0.50 CHF \_\_\_\_ 1.00 CHF \_\_\_\_ 1.50 CHF \_\_\_\_ 2.00 CHF \_\_\_\_ 2.50 CHF \_\_\_\_ 3.00 CHF

2b) Suppose that case 4 is drawn to count (*drawn case*).

Which product does the participant with the lowest intelligence score receive?

☐ Product A ☐ Product B

Which product do you receive?

☐ Product A ☐ Product B

Which “linked additional monetary payment” do you receive?

\_\_\_\_ 0.00 CHF \_\_\_\_ 0.50 CHF \_\_\_\_ 1.00 CHF \_\_\_\_ 1.50 CHF \_\_\_\_ 2.00 CHF \_\_\_\_ 2.50 CHF \_\_\_\_ 3.00 CHF

[OK]

[Next screen]

Part 2 consists of three stages. So far, we explained Stage 1 and Stage 2 to you. Now, we explain Stage 3 to you.

### Stage 3: Your choice is revealed to others

At the end of the experiment, 14 other participants, the *observers*, each see the *picture* and the *choice* of one participant in today’s session.

For each observer, the computer flips a (virtual) coin:

- With a probability of 50% heads comes up, and the observer sees the picture and the choice of the participant with the lowest intelligence score.
- With a probability of 50% tails comes up, and the observer sees your picture and your choice *for one of the 13 cases that is randomly drawn, the drawn case*.

Note that the observers only learn your choice for the *randomly drawn case*. Also, they do not learn the monetary payment that (potentially) was linked with your choice.

Importantly, the computer will not tell the observers whether heads or tails came up. However, in addition to observing a choice linked to a picture, **all observers learn which product the person with the lowest intelligence score chose**. That is, observers always observe a picture and the choice (A or B) made by the person in the picture, and they also know the choice made by the person with the lowest intelligence score.

On the next screen, you will see the observers’ instructions. Please click the [OK] button.



[OK]

[Next screen]

**NOTE: These are the observers' instructions, NOT your instructions.**

Remember that in Part 1, all participants did a test to measure their intelligence.

The participant with the lowest intelligence score and another, randomly drawn participant made a choice between two products, Product A and Product B. You will observe the product choice and portrait picture of one of these two participants. Which participant you observe is determined by a (virtual) coin flip:

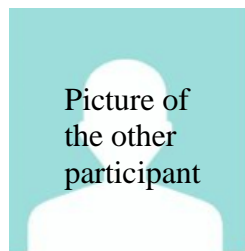
- With a probability of 50% heads comes up, and you observe the choice and the picture of the participant with the lowest intelligence score,
- With a probability of 50% tails comes up, and you observe the choice and the picture of the other randomly selected participant.

The computer will *not* tell you whether heads or tails came up. *However, you will learn which product was chosen by the participant with the lowest intelligence score.*

*Example:* Suppose that the participant with the lowest intelligence score chose Product A, the other randomly selected participant chose Product B. If tails comes up, you would see the following screen:

The participant with the **lowest intelligence** score chose **Product A**.

The following participant is drawn:



The person on the picture choose **Product B**.

**NOTE: End of observers' instructions**

[OK]

[Next screen]

### Example

The following example illustrates all three stages. *This example is purely hypothetical; it is not based on actual choices of participants.*

**Stage 1:** Suppose the participant with the lowest intelligence score chooses Product A.

**Stage 2:** You learn the choice of the participant with the lowest intelligence score. Suppose that you make the following choices:

Case	Which product do you choose for the respective case ?	
1	<input checked="" type="radio"/> Product A + 3.00 CHF	<input type="radio"/> Product B
2	<input checked="" type="radio"/> Product A + 2.50 CHF	<input type="radio"/> Product B
3	<input checked="" type="radio"/> Product A + 2.00 CHF	<input type="radio"/> Product B
4	<input type="radio"/> Product A + 1.50 CHF	<input checked="" type="radio"/> Product B
5	<input type="radio"/> Product A + 1.00 CHF	<input checked="" type="radio"/> Product B
6	<input type="radio"/> Product A + 0.50 CHF	<input checked="" type="radio"/> Product B
7	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B
8	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 0.50 CHF
9	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 1.00 CHF
10	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 1.50 CHF
11	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 2.00 CHF
12	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 2.50 CHF
13	<input type="radio"/> Product A	<input checked="" type="radio"/> Product B + 3.00 CHF

Suppose that case 11 is the randomly drawn case; therefore, you receive Product B + 2.00 CHF.

**Stage 3:** Suppose that heads comes up for an observer; that is, this observer sees the choice and picture of the participant with the lowest intelligence score. Specifically, this observer sees the following screen:

The participant with the **lowest intelligence** score chose **Product A**.

The following participant is drawn:

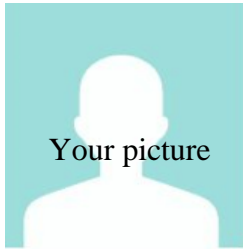
Picture of  
participant  
with lowest  
intelligence  
score

The person on the picture choose **Product A**.

Suppose that tails comes up for another observer; that is, this observer sees your choice and picture. For the randomly drawn case (case 11), you chose Product B. This observer sees the following screen:

The participant with the **lowest intelligence** score chose **Product A**.

The following participant is drawn:



The person on the picture choose **Product B**.

[OK]

[Next screen]

### Summary Part 2

Here is a summary of Part 2:

- Stage 1. The computer picks the participant that has the lowest intelligence score among all participants. This participant chooses between Product A and Product B. You learn which product he or she chose.
- Stage 2. You choose between Product A and Product B in all 13 cases. One case is then randomly drawn to be implemented, the *drawn case*.
- Stage 3. 14 observers learn the choice of the participant with the lowest intelligence score. Then, each observer either sees your choice for the drawn case and your picture, or the choice of the participant with the lowest intelligence score and his or her picture.

### Final remark: Part 2 is only implemented with a probability of 1/7

With probability 1/7, Part 2 is implemented exactly as described; that is, you receive your chosen product (and the (potentially) linked monetary payment) for the drawn case, and your choice is revealed to the observers.

With probability 6/7, however, Part 2 is not implemented. You neither receive your chosen product, nor is your choice revealed to the observers.

If you have any questions about the instructions, please raise your hand to get assistance. Otherwise, please click the [OK] button to start with Part 2.

[OK]

#### D.2.4 Consumption choices (handout)

### Instructions: Stage 2, your choice

In stage 2, you have to choose between the two products, Product A and Product B. You will see 13 cases in which you have to indicate your preferences between Product A and Product B.

In each case, one of the products might be linked with an additional monetary payment, between CHF 0.50 and CHF 3.00. If you choose this product, you will receive both the product as well as the linked amount of money. Table 1 shows you all possible combinations of products and monetary payments. The cases differ only in the amount of money.

Case	Choice
1	Product A + 3.00 CHF <i>or</i> Product B
2	Product A + 2.50 CHF <i>or</i> Product B
3	Product A + 2.00 CHF <i>or</i> Product B
4	Product A + 1.50 CHF <i>or</i> Product B
5	Product A + 1.00 CHF <i>or</i> Product B
6	Product A + 0.50 CHF <i>or</i> Product B
7	Product A <i>or</i> Product B
8	Product A <i>or</i> Product B + 0.50 CHF
9	Product A <i>or</i> Product B + 1.00 CHF
10	Product A <i>or</i> Product B + 1.50 CHF
11	Product A <i>or</i> Product B + 2.00 CHF
12	Product A <i>or</i> Product B + 2.50 CHF
13	Product A <i>or</i> Product B + 3.00 CHF

Table 1: Possible cases

For example, in case 1, you have to choose between product A plus 3.00 CHF and product B (without an additional amount of money), while case 10 you choose between product A (without an additional amount of money) and product B plus 1.50 CHF.

Look at Table 2. Table 2 illustrates how you will make your choice.

Case	Which product do you choose for the respective case ?
1	<input type="radio"/> Product A + 3.00 CHF <input type="radio"/> Product B
2	<input type="radio"/> Product A + 2.50 CHF <input type="radio"/> Product B
3	<input type="radio"/> Product A + 2.00 CHF <input type="radio"/> Product B
4	<input type="radio"/> Product A + 1.50 CHF <input type="radio"/> Product B
5	<input type="radio"/> Product A + 1.00 CHF <input type="radio"/> Product B

6	<input type="radio"/> Product A + 0.50 CHF	<input type="radio"/> Product B
7	<input type="radio"/> Product A	<input type="radio"/> Product B
8	<input type="radio"/> Product A	<input type="radio"/> Product B + 0.50 CHF
9	<input type="radio"/> Product A	<input type="radio"/> Product B + 1.00 CHF
10	<input type="radio"/> Product A	<input type="radio"/> Product B + 1.50 CHF
11	<input type="radio"/> Product A	<input type="radio"/> Product B + 2.00 CHF
12	<input type="radio"/> Product A	<input type="radio"/> Product B + 2.50 CHF
13	<input type="radio"/> Product A	<input type="radio"/> Product B + 3.00 CHF

Table 2: Your choice

Each row in the table is one case. You must specify for each of the cases which option you choose. For example, in the first case, you have to specify whether you prefer product A plus 3 CHF or product B (without an extra amount of money). If you prefer the former option, select “Product A + 3.00 CHF.” If you prefer the latter option, select “Product B.”

For each choice situation, one of the thirteen cases will be randomly drawn to be implemented, the *drawn case*. Every case is drawn with the same probability. At the time of your decision, however, you do not know yet which of the thirteen cases will ultimately be drawn. Therefore, you must specify which option you choose for each case.

#### D.2.5 Consumption choices, round 2 (on screen)

### Part 3

You are finished with Part 2 of the experiment. You will now start with Part 3.

Part 3 is similar to Part 2. However, there are two important differences:

- **You observe another participant:** In Part 1, all participants could increase or decrease a donation to Zukunft CH, a conservative Christian organization. You (and the observers) will learn the choice of the participant that made the *highest donation to Zukunft CH*.
- **Different products:** You, and the participant that made the highest donation to Zukunft CH, choose between two new, different, products. Let us call these two products *Product C* and *Product D*.

Otherwise, Part 3 is exactly the same as Part 2 and consists of the following stages:

- Stage 1.      The computer picks the participant that made the highest donation to Zukunft CH among all participants. (If two or more participants made the highest donation, one is randomly drawn.) This participant chooses between Product C and Product D. You learn which product he or she chose.
- Stage 2.      You choose between Product C and Product D in all 13 cases (as described in the handout “Instructions: Stage 2, your choice”). One case is then randomly drawn to be implemented, the *drawn case*.

Stage 3. 14 observers learn the choice of the participant that made the highest donation to Zukunft CH. Then, each observer either sees your choice for the drawn case and your picture (with a probability of 50%), or the choice of the participant that made the highest donation to Zukunft CH and his or her picture (with a probability of 50%).

Again, Part 3 is only implemented with a probability of 1/7.

If you have any questions about the instructions, please raise your hand to get assistance. Otherwise, please click the [OK] button to start with Part 3.

[OK]

#### *D.2.6 Choices are revealed to observers (on screen)*

Remember that in Part 1, all participants did a test to measure their intelligence.

The participant with the highest intelligence score and another, randomly drawn participant made a choice between two products, Camille Bloch chocolate and Munz chocolate. You will observe the product choice and portrait picture of one of these two participants. Which participant you observe is determined by a (virtual) coin flip:

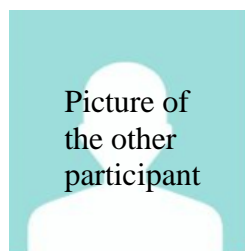
- With a probability of 50% heads comes up, and you observe the choice and the picture of the participant with the highest intelligence score,
- With a probability of 50% tails comes up, and you observe the choice and the picture of the other randomly selected participant.

The computer will *not* tell you whether heads or tails came up. *However, you will learn which product was chosen by the participant with the highest intelligence score.*

*Example:* Suppose that the participant with the highest intelligence score chose the Camille Bloch chocolate, the other randomly selected participant chose **Munz chocolate**. If tails comes up, you would see the following screen:

The participant with the **highest intelligence** score chose **the Camille Bloch chocolate**.





The following participant is drawn:



The person on the picture choose **the Munz chocolate**.





## D.2.7 Questionnaire

### Perception 1

	<p>What do you think a package of Camille Bloch Torino chocolate bars typically costs? If you correctly estimate the price, plus/minus 50 Rappen, you will receive an additional 1 CHF.</p>
	<p>What do you think a package of Munz chocolate bars typically costs? If you correctly estimate the price, plus/minus 50 Rappen, you will receive an additional 1 CHF.</p>
	<p>What do you think the cup on the picture typically costs? If you correctly estimate the price, plus/minus 50 Rappen, you will receive an additional 1 CHF.</p>
	<p>What do you think the 4GB USB stick on the picture typically costs? If you correctly estimate the price, plus/minus 50 Rappen, you will receive an additional 1 CHF.</p>

### Perception 2





Evaluate the four products on the following dimensions:

	<p>The cup on this picture</p> 	<p>The 4GB USB stick on this picture</p> 	<p>Package Camille Bloch Torino chocolate bars, 5x23g</p> 	<p>Package Munz chocolate bars, 5 x 23g</p> 
<p>How good is the quality of the raw materials used? (1 = "very low quality"; 5 = "very high quality")</p>				
<p>How well is the product processed? (1 = "very low quality"; 5 = "very high quality")</p>				
<p>When you think about using/eating the product, are you disgusted? (1 = "very disgusted"; 5 = "not disgusted at all")</p>				

Does the producer of the good promote conservative Christian values (e.g, fighting abortions and marriage for same-sex couples)? (1 = "yes, strongly "; 5 = "no, not at all")				
How popular is the product among conservative Christians? (1 = "not popular at all"; 5 = "very popular")				
How popular is the product among Atheists? (1 = "not popular at all"; 5 = "very popular")				
How popular is the product among intelligent people? (1 = "not popular at all"; 5 = "very popular")				
How popular is the product among unintelligent people? (1 = "not popular at all"; 5 = "very popular")				

### Willingness to pay to receive products in private

In the first part of the questionnaire, you can make offers to buy the products from Part 2 and Part 3. Your task is to specify the maximum price (*maximum price*) you are willing to pay for each of the following products:

<p>The cup on this picture</p> 	<p>The 4GB USB stick on this picture</p> 	<p>Package Camille Bloch Torino chocolate bars, 5x23g</p> 	<p>Package Munz chocolate bars, 5 x 23g</p> 
--	--	--	---

If you do not receive a product in Part 2 and in Part 3, one of your offers might be implemented: with a probability of 1/7, one of the four products is randomly drawn. In this case, the computer will randomly draw a price between 0 CHF and 10 CHF for this product (*drawn price*).

- If the drawn price is lower than the maximum price you have specified for this product (drawn price  $\leq$  maximum price), you will receive the product at the end of the study and the **drawn price** will be deducted from your payout.
- If the drawn price is higher than the maximum price you have specified for this product (drawn price  $>$  maximum price), you do not buy the product, that is, you will not receive the product and no money will be deducted from your payout.

This procedure ensures that **it is in your best interest to specify exactly the price that you maximally want to pay for the product.**

When specifying the prices, keep in mind that:

- your earnings will be paid out anonymously at the end of the study. Therefore, no other participant will observe what product you bought in this part.
- your choice can only be implemented if you do not receive a product in Part 2 and in Part 3. Therefore, you should specify how much you are maximally willing to pay for



getting a *first* product, not how much you are maximally willing to pay for getting a second product.

What is the maximum price (*maximum price*) that you are willing to pay for the products:

Cup \_\_\_\_\_

4GB USB stick \_\_\_\_\_

Package Camille Bloch Torino chocolate bars \_\_\_\_\_

Package Munz chocolate bars \_\_\_\_\_

### **Importance of intelligence and ideology**

- How important is it for you that other people do *not* think that you are unintelligent?
- How important is it for you that other people think that you are intelligent?
- How important is it for your self-esteem to be intelligent?
- How important is it for you that other people do *not* think that you hold conservative Christian values?
- How important is it for you that other people think that you are tolerant towards homosexuality?
- How important is it for your self-esteem to be tolerant towards homosexuality?

Five-level Likert scale (1 = "not important at all"; 7 = "very important")

### **Demographics**

- Gender (male, female)
- Age (input field)
- At which Institution do you study? (University of Zurich (UZH), ETH, Other University, University of Applied Science, No university)
- Field of study (input field)
- Nationality (or, nationalities) (input field)
- Religion (Christianity, Judaism, Islam, Hindu, Buddhism, Bahai, no religion, atheism, other)
- Political position (Left-wing, Centre-left, Center, Center-right, right-wing)

### D.3 Instructions Study 3

All instructions from Study 3 are translated from German.

#### D.3.1 Instructions (Handout)

**Welcome to today's study.**

#### **Scientific standards**

According to the scientific standards of the Laboratory for Behavioral and Experimental Economics, we are not allowed to lie to you or mislead you at any time. All the information gathered in this experiment is kept strictly anonymous and will never be associated with your name.

In the study you have to choose between two products. Note that this study part of an independent research project; it is not conducted in collaboration with the manufacturers of the products

#### **Rules**

Please do not talk to other participants and do not use your mobile phone throughout the study. If you violate these rules, we have to exclude you from the study and cannot pay you.

#### **Questions**

If you have questions at any time during the study, please raise your hand. We will come to your place and answer your questions individually.

#### **Payment**

You will receive a fixed payment of CHF 15 for participation. You will earn additional money during the experiment, and you will receive a real product that you will select during the experiment. Your earnings will be paid out *anonymously* and in cash at the end of the study.

#### **Anonymity: your ID number**

At the end of the study, you will be paid out based on your ID number (in the envelope). During the study, you will be asked to open the envelope and enter the ID number in the computer terminal. At the end of the study, the experimenter will place each participant's payment (including the selected product) in an envelope labeled only with the participant's anonymous ID number and will close the envelope. The "monitor" (a randomly drawn participant) will then distribute the envelopes to the consumers based on their ID numbers. Since the experimenter does not know which participant has which ID number, he can not associate payments with specific participants. Since the monitor does not know the contents of the envelopes, he/she can not associate the participants with a specific payment.

The monitor was randomly drawn at the beginning of the experiment to ensure anonymity. He/she does not participate in the study. *Note that this procedure ensures that the experimenter can not link your choice to your identity.*

## Overview

The study takes 60 minutes and consists of 4 parts:

- Part 1. You participate in a test that measures implicit associations (the implicit association test).
- Part 2. In a small, previous study, a total of 10 participants had to choose between two products, *product A* and *product B*. In Part 2, we will inform you about the demographics and choices of these participants.
- Part 3. You choose between *product A* and *product B*.
- Part 4. You answer a questionnaire.

In the following, Parts 1 and 3 are explained in detail.

## **Part 1 : The Implicit Association Test (IAT)**

In the first part of this study, your implicit attitudes regarding racism are measured with the implicit association test (IAT).

The following description of the IAT is largely based on that of the “Project Implicit” of the Harvard University. Project Implicit is a non-profit organization that aims to educate the public about hidden, implicit prejudices.

### **What is the implicit association test?**

The implicit association test (IAT) is a method of measuring implicit attitudes, such as implicit racism (against people with another skin color, as well as people with a migration background). Developed in 1998 by the social psychologists Greenwald, McGhee and Schwartz<sup>47</sup>, it is nowadays widely used in the social sciences (in psychology, economics, political science, and sociology). Gawronsky and Conrey (2004)<sup>48</sup> write: “In the history of psychology, probably no other procedure has received as much attention in such a short time as the implicit association test.”

### **What are implicit attitudes regarding racism?**

People often fail to correctly indicate their attitudes towards certain groups of people, such as people with a dark skin color, because they are unaware of their true attitudes. For example, individuals with racial prejudice tend to hide their true attitudes from themselves (self-deception) in order to maintain a good self-image.

These true, hidden attitudes are called “implicit associations.” The IAT is a method for measuring these implicit attitudes.

### **How does the IAT measure implicit settings?**

In the IAT that is used in today’s study, participant have to repeatedly associate images of people with light or dark skin color with positive (e.g., happy, peace, love) or negative attributes (e.g., failure, evil, cruel). This task has to be done under time pressure.

For a person with negative implicit attitudes toward dark-skinned people it is difficult to associate a dark skin tone with positive attributes. This is reflected in response times: the person requires more time to connect a picture of a person with dark skin with positive attributes than with negative attributes. However, if a person does not associate the dark skin tone with negative attributes, there will be no difference in response times.

Thus, the IAT uses response time to measure implicit associations: the stronger the association, the shorter the response time.

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<sup>47</sup> Greenwald, AG, McGhee, D., and Schwartz, J. (1998) "Measuring individual differences in implicit cognition: The implicit association test," *Journal of Personality and Social Psychology*, 74: 1464-1480.

<sup>48</sup> Gawronski , B. and Conrey , FR (2004) "The Implicit Association Test as a Measure of Automatically Activated Associations," *Psychological Review*, 55 (3): 118-126.

### Significance of the IAT

Studies show that implicit associations (measured with the IAT) are associated with racist behavior. People who have negative implicit associations to a group avoid members of that group and treat them worse.<sup>49</sup> Managers with negative implicit associations discriminate people with migration background in hiring decisions<sup>50</sup> and promote them less often<sup>51</sup>. Such discriminatory behavior has also been found among doctors<sup>52</sup>, teachers<sup>53</sup> and students<sup>54</sup> with negative implicit associations.

In the first part of today's study, you participate in such an implicit association test. You will see the result of your test. However, the result will not be saved. This means that you are the only person who will know about your result. Even the experimenter will not learn your result.

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<sup>49</sup> McConnell, AR, and Leibold, JM (2001) "Relations among the implicit association test, discriminatory behavior, and explicit measures of racial attitudes," *Journal of Experimental Social Psychology*, 37: 435-442.

<sup>50</sup> Rooth, D. (2010). "Automatic associations and discrimination in hiring: Real-world evidence." *Labor Economics*, 17: 523-534.

<sup>51</sup> Glover, D., Pallais, A., and Pariente, W. (2017) "Discrimination as a Self-Fulfilling Prophecy: Evidence from French Grocery Stores," *Quarterly Journal of Economics*, 132 (3): 1219-1260.

<sup>52</sup> Green, AR, Carney, DR, Pallin, D., Iezzoni, L., and Banaji, M. (2007). "Implicit bias among physicians and its prediction of thrombolysis decisions for Black and White patients," *Journal of General Internal Medicine*: 22, 1231-1238.

<sup>53</sup> Carlan, M. (2018) "Implicit Stereotypes: Evidence from Teachers' Gender Bias," working paper.

<sup>54</sup> Rudman, LA, and Ashmore, RD (2007) "Discrimination and the Implicit Association Test," *Group Processes & Intergroup Relations*, 10 (3): 359-372.

### Part 3 : Product choice

#### Overview

In Part 3 you have to choose between two products, Product A and Product B.

#### Your decision

One of the products might be linked with an additional monetary payment, between CHF 0.50 and CHF 3.00. If you choose this product, you will receive both the product as well as the linked amount of money. Table 1 shows you all possible combinations of products and monetary payments. One of the thirteen cases will be randomly drawn to be implemented. Every case is drawn with the same probability.

Case	Choice situation
1	Product A + 3.00 CHF <i>or</i> Product B
2	Product A + 2.50 CHF <i>or</i> Product B
3	Product A + 2.00 CHF <i>or</i> Product B
4	Product A + 1.50 CHF <i>or</i> Product B
5	Product A + 1.00 CHF <i>or</i> Product B
6	Product A + 0.50 CHF <i>or</i> Product B
7	Product A <i>or</i> Product B
8	Product A <i>or</i> Product B + 0.50 CHF
9	Product A <i>or</i> Product B + 1.00 CHF
10	Product A <i>or</i> Product B + 1.50 CHF
11	Product A <i>or</i> Product B + 2.00 CHF
12	Product A <i>or</i> Product B + 2.50 CHF
13	Product A <i>or</i> Product B + 3.00 CHF

Table 1: Possible cases

The cases differ only in the amount of money. For example, if case 1 is drawn, you have to choose between product A plus 3.00 CHF and product B (without an additional amount of money). If case 10 is drawn, you choose between product A (without an additional amount of money) and product B plus 1.50 CHF.

At the time of your decision, however, you do not know yet which of the thirteen cases will ultimately be drawn. Therefore, you must specify which option you choose for each case. At the end of the study, one case will be randomly drawn to be implemented, the *drawn case*. You will receive the option you selected in this case, that is, the corresponding product and the (possibly) associated amount of money.

Look at Table 2. Table 2 illustrates how you will make your choice.

Case	Which product do you choose for the respective case ?	
1	<input type="radio"/> Product A + 3.00 CHF	<input type="radio"/> Product B
2	<input type="radio"/> Product A + 2.50 CHF	<input type="radio"/> Product B
3	<input type="radio"/> Product A + 2.00 CHF	<input type="radio"/> Product B
4	<input type="radio"/> Product A + 1.50 CHF	<input type="radio"/> Product B
5	<input type="radio"/> Product A + 1.00 CHF	<input type="radio"/> Product B
6	<input type="radio"/> Product A + 0.50 CHF	<input type="radio"/> Product B
7	<input type="radio"/> Product A	<input type="radio"/> Product B
8	<input type="radio"/> Product A	<input type="radio"/> Product B + 0.50 CHF
9	<input type="radio"/> Product A	<input type="radio"/> Product B + 1.00 CHF
10	<input type="radio"/> Product A	<input type="radio"/> Product B + 1.50 CHF
11	<input type="radio"/> Product A	<input type="radio"/> Product B + 2.00 CHF
12	<input type="radio"/> Product A	<input type="radio"/> Product B + 2.50 CHF
13	<input type="radio"/> Product A	<input type="radio"/> Product B + 3.00 CHF

Table 2: Your choice

Each row in the table is one case. You must specify for each of the cases which option you choose. For example, in the first case, you have to specify whether you prefer product A plus 3 CHF or product B (without an extra amount of money). If you prefer the former option, select “Product A + 3.00 CHF.” If you prefer the latter option, select “Product B.”

### Payment

At the end of the study, one of the thirteen cases will be randomly drawn (the drawn case) and you will receive the option you have chosen in this case.

If you have questions, please raise your hand. Otherwise, press the OK button on the screen and answer the comprehension questions on the computer. After you have answered the comprehension questions, you will be asked to enter your ID number.

#### *D.3.2 Targets’ choices are revealed (on screen)*

As announced, 10 participants from a previous study chose between two products.

These participants are **neo-Nazis**. The neo-Nazis were recruited on the right-wing extremist websites [REDACTED] and [REDACTED]. The neo-Nazis chose between products A and B. The chosen product was delivered to the participants while maintaining their anonymity.

[Neutral treatment: These participants were recruited on the internet and chose between products A and B. The chosen product was delivered to the participants.]

- 70 percent of participants are men.
- The average age is 33 years.

- Eighty percent of participants have completed at most upper secondary education.

The 10 participants chose between the following products:



Result: **9 out of 10 neo-Nazis** [Neutral treatment: **participants**] chose **Munz Praliné-Prügeli Milch**.

### D.3.3 Questionnaire (on screen)

#### Perception 1

- What do you think, how much does a pack of Camille Bloch Torino chocolate bars currently cost at Migros? If you correctly estimate the price, plus / minus 50 cents, you will receive an additional CHF 1.
- What do you think, how much does a pack of Munz Praliné-Prügeli chocolate bars currently cost at Coop? If you correctly estimate the price, plus / minus 50 cents, you will receive an additional CHF 1.

#### Perception 2

Evaluate the two products based on the following dimensions:

	Camille Bloch	Munz
“How healthy are the products?” (1 = "very unhealthy"; 5 = "very healthy")		
„How long can you store the products?“ (1 = "spoils soon "; 5 = "long storage life")		
„How good is the quality of the raw materials used?“ (1 = "very low quality"; 5 = "very high quality")		
„How sustainable are the raw materials used?“ (1 = "very sustainable"; 5 = "not sustainable at all")		
“What is the quality of the processing?“ (1 = "very low quality"; 5 = "very high quality")		
„When you think about eating the Camille Bloch (Munz) chocolate, are you disgusted?“ (1 = "very disgusted"; 5 = "not disgusted at all")		



“If you were to eat the chocolate in public, would people associate you with right-wing extremism?” (1 = "Yes, for sure"; 5 = "No, certainly not")		
“If you were to eat the chocolate in front of your family or friends, would you associate it with right-wing extremism?” (1 = "Yes, for sure"; 5 = "No, certainly not")		

### Perception 3

- What do you think, does Camille Bloch in any way promote right-wing extremism (for example, through party donations, employment of right-wing extremists, public support for right-wing extremist ideals)?
- What do you think, does Munz in any way promote right-wing extremism (for example, through party donations, employment of right-wing extremists, public support for right-wing extremist ideals)?
- “What do you think, does Camille Bloch in any way discriminate against minorities (for example, in the recruitment, payment or promotion of employees)?”
- “What do you think, does Munz in any way discriminate against minorities (for example, in the recruitment, payment or promotion of employees)?”

Five-level Likert scale (1=“Yes, very strong”; 5=“No, not at all”)

### Usage

	Camille Bloch	Munz
Do you know the chocolate well (for example, do you buy the chocolate regularly, or did you buy it regularly in the past)?	<input type="radio"/> yes <input type="radio"/> no	<input type="radio"/> yes <input type="radio"/> no
Can you eat the chocolate (or are you, for example, allergic to certain ingredients)?	<input type="radio"/> yes <input type="radio"/> no	<input type="radio"/> yes <input type="radio"/> no
If you would receive the chocolate at the end of the study, would you eat some of it yourself?	<input type="radio"/> yes <input type="radio"/> no	<input type="radio"/> yes <input type="radio"/> no
If you would receive the chocolate at the end of the study, would you give the entire pack to another person?	<input type="radio"/> yes <input type="radio"/> no	<input type="radio"/> yes <input type="radio"/> no
If you would receive the chocolate at the end of the study, would you throw it away?	<input type="radio"/> yes <input type="radio"/> no	<input type="radio"/> yes <input type="radio"/> no

### Implicit association test

- Did your results in the implicit association test unsettle you in that you might be prejudiced? (“Yes, the results unsettled me very much,” “Yes, the results unsettled me,” “Yes, the results unsettled me a little bit,” “No, the results did not unsettle me”)
- Did you know the implicit association test before participating in this study? (“Yes” or “No”)
- Have you participated in an implicit association test before participating in this study? (“Yes” or “No”)
- Have you participated in an implicit association test on racism before participating in this study? (“Yes” or “No”)

### Beliefs 1

What do you think, what proportion of other participants in today's study chose the Camille Bloch Torriorio chocolate?

The other participants were in exactly the same choice situation as you. Please estimate the proportion for each of the 13 cases. At the end of the study, one of the 13 cases will be randomly drawn. If you have correctly estimated the share for the drawn case, you will receive an additional CHF 5.

Case	Choice situation	Share that chose Camille Bloch Torriorio
1	Product A + 3.00 CHF	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
2	Product A + 2.50 CHF <i>or</i> Product B	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
3	Product A + 2.00 CHF <i>or</i> Product B	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
4	Product A + 1.50 CHF <i>or</i> Product B	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
5	Product A + 1.00 CHF <i>or</i> Product B	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
6	Product A + 0.50 CHF <i>or</i> Product B	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
7	Product A <i>or</i> Product B	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
8	Product A <i>or</i> Product B + 0.50 CHF	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
9	Product A <i>or</i> Product B + 1.00 CHF	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
10	Product A <i>or</i> Product B + 1.50 CHF	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
11	Product A <i>or</i> Product B + 2.00 CHF	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
12	Product A <i>or</i> Product B + 2.50 CHF	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%
13	Product A <i>or</i> Product B + 3.00 CHF	<input type="radio"/> 0-10% <input type="radio"/> 11-20% <input type="radio"/> 21-30% <input type="radio"/> 31-40% <input type="radio"/> 41-50% <input type="radio"/> 51-60% <input type="radio"/> 61-70% <input type="radio"/> 71-80% <input type="radio"/> 81-90% <input type="radio"/> 91-100%

## Beliefs 2

- What do you think, if 100 randomly selected students were asked if they prefer the Camille Bloch Torino chocolate bars or the Munz Praliné Prügeli, how many would choose the Camille Bloch Torino chocolate bars?
- What do you think, if 100 randomly selected managers were asked if they prefer the Camille Bloch Torino chocolate bars or the Munz Praliné Prügeli, how many would choose the Camille Bloch Torino chocolate bars?
- What do you think, if 100 randomly selected construction workers were asked if they prefer the Camille Bloch Torino chocolate bars or the Munz Praliné Prügeli, how many would choose the Camille Bloch Torino chocolate bars?
- What do you think, if 100 randomly selected left-wing extremist were asked if they prefer the Camille Bloch Torino chocolate bars or the Munz Praliné Prügeli, how many would choose the Camille Bloch Torino chocolate bars?
- What do you think, if 100 randomly selected neo-Nazis were asked if they prefer the Camille Bloch Torino chocolate bars or the Munz Praliné Prügeli, how many would choose the Camille Bloch Torino chocolate bars?

## Instructions for chocolate preferences and experimenter demand

In the next two parts of the survey, you can buy products. Your task is to specify the *maximum price* you are willing to pay for the product.

After you have specified the price, the computer will randomly draw a price between CHF 0 and CHF 6 in CHF 0.05 increments (*drawn price*).

- If the drawn price is lower than the maximum price that you have specified (drawn price  $\leq$  maximum price), you will receive the product at the end of the study and the **drawn price** will be deducted from your payout.
- If the drawn price is higher than the maximum price that you have specified (drawn price  $>$  maximum price), you do not buy the product. You will not receive the product and no amount will be deducted from your payout.

This procedure implies that it is in your best interest to specify the price that you want to pay for the product as the maximum price.

### **Chocolate preferences**

The first product is a **package (5 x 27g) "Classic Branches" chocolate from Frey Chocolat.**

What is the maximum price (maximum price) you are willing to pay for this product?

(Input field, any number in [0, 6.00] CHF)

### **Experimenter demand**

The second product is a **Kingston 16 GB USB flash drive (USB 3).**

[Experimenter demand treatment: We expect that participants who are shown these instructions will specify a lower maximum price than they normally would.]

What is the maximum price (maximum price) you are willing to pay for this product?

(Input field, any number in [0, 6.00] CHF)

### **Political position**

Please indicate your political position (Seven-level Likert scale from 1 = "very left-wing" to 7 = "very right-wing")

Please tick all parties whose party program appeals to you (you can choose several options):  
Alternative Linke (AL), Auto-Partei (AP), Bürgerlich-Demokratische Partei (BDP), Christlichdemokratische Volkspartei (CVP), Christlichsoziale Partei Obwalden (CSP), Eidgenössisch-Demokratische Union (EDU), Evangelische Volkspartei (EVP), FDP.Die Liberalen (FDP), Grüne Partei der Schweiz (GPS), Grünliberale Partei (GLP), Lega dei Ticinesi (Lega), Mouvement citoyens romands/genevois (MCR/MCG), Partei der Arbeit der Schweiz (PdA/POP), Partei National Orientierter Schweizer (PNOS), Schweizer Demokraten (SD), Schweizerische Volkspartei (SVP), Sozialdemokratische Partei der Schweiz (SP)

### **Racism**

Please rate the following statements:

- I support the integration of immigrants
- If a black family with about the same income and education as I have moved next door, I would mind it a great deal.

- It is easy to understand the anger of Turks living in Germany due to racism.
- Refugees receive more than they deserve in Switzerland.
- The media put immigrants and refugees in too positive a light.
- Discrimination against people with a migrant background is a big problem in Europe.
- Immigration is a big problem in Europe.

Seven-level Likert scale (1 = "strongly agree"; 7 = "strongly disagree")

(Notes: Items based on the Old-Fashioned and Modern Racism Scale (McConahay, 1986)<sup>55</sup>, adapted to the Swiss context)

### **Right-wing and left-wing extremism**

Please rate the following statements:

- In the national interest, a dictatorship is the better form of government under certain circumstances.
- National states should be abolished.
- Capitalism ultimately leads to fascism.
- The crimes of National Socialism have been greatly exaggerated in historiography.
- A decent life is only possible in socialism/communism.
- Jews, more than other people, use evil tricks to achieve what they want.

Seven-level Likert scale (1 = "strongly agree"; 7 = "strongly disagree")

(Items taken from Decker, Kiess, Eggers and Brähler, 2016<sup>56</sup> and Deutz-Schroeder and Schroeder, 2016<sup>57</sup>)

### **Disgust**

- I might be willing to try eating monkey meat, under some circumstance. ("Yes" or "No")
- It bothers me to see someone in a restaurant eating messy food with his fingers. ("Yes" or "No")
- You see someone put ketchup on vanilla ice cream, and eat it. How do you feel? (Five-level Likert scale from 1 = "very disgusted" to 5 = "not disgusted at all")
- You are about to drink a glass of milk when you smell that it is spoiled. How do you feel? (Five-level Likert scale from 1 = "very disgusted" to 5 = "not disgusted at all")

(Note: taken from Haidt, McCauley and Rozin, 1994<sup>58</sup>)

### **Image concerns**

The following statements concern prejudices against persons with a migration background.

Please rate the following statements:

<sup>55</sup> McConahay, J. B. (1983) „Modern racism and modern discrimination: The effects of race, racial attitudes, and context on simulated hiring decisions,“ *Personality and Social Psychology Bulletin*, 9: 551-558.

<sup>56</sup> Decker, O., Kiess, J., Eggers, E. and Brähler, E. (2016) „Die »Mitte«-Studie 2016: Methode, Ergebnisse und Langzeitverlauf“ in *Die enthemmte Mitte*, Gießen: Psychosozial-Verlag.

<sup>57</sup> Deutz-Schroeder, M. and Schroeder, K. (2016) „Linksextreme Einstellungen und Feindbilder. Befragungen, Statistiken und Analysen,“ Frankfurt am Main: Peter Lang.

<sup>58</sup> Haidt, J. McCauley, C. and Rozin, P. (1994) "Individual differences in sensitivity to disgust: A scale sampling seven domains of disgust elicitors," *Personality and Individual Differences*, 16(5): 701-713.

- In today's society it is important that one not be perceived as prejudiced in any manner.
- Being nonprejudiced is important to my self-concept
- It is important to me that other people not think I am prejudiced.
- I feel guilty when I have negative thoughts or feelings about a person with migration background
- I get angry with myself when I have thoughts that are prejudiced.
- If I have a prejudiced thought or feeling, I keep it to myself.
- When speaking to a person with a migration background, it's important to me that he/she does not think I am prejudiced.
- It is important to me to act in nonprejudiced ways

Seven-level Likert scale (1 = "strongly agree"; 7 = "strongly disagree")

(Note: items adapted from Dunton and Fazio, 1997<sup>59</sup> and Plant and Devine, 1998<sup>60</sup>)

### **Products preferences for products related to right-wing extremism**

- Do you own Lonsdale products? ("Yes" or "No")
- Do you own Fred Perry products? ("Yes" or "No")
- Do you own Dr. Martens products? ("Yes" or "No")
- Do you think there are Lonsdale cloths that you might like? (Five-level Likert scale from 1 = " Yes, for sure" to 5 = " No, certainly not")
- If there was a fashion piece from Lonsdale that appeals to you, would you buy it? The brand is easily recognizable from the outside. (Five-level Likert scale from 1 = " Yes, for sure" to 5 = " No, certainly not")
- If there was a fashion piece from Lonsdale that appeals to you, would you buy it? The brand is not recognizable from the outside. (Five-level Likert scale from 1 = " Yes, for sure" to 5 = " No, certainly not")

### **Demographics**

- What is your highest degree? (Secondary school, Bachelor, Master, PhD, Other)
- What is your field of study? (Input field)
- Citizenship(s) (Input field)
- Gender (male, female)
- Age (Input field)
- Which religion do you belong to? (Christianity, Judaism, Islam, Hindu, Buddhism, Bahai, no religion, atheism, other)

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<sup>59</sup> Dunton, B. C. and Fazio, R. H. (1997) „An Individual Difference Measure of Motivation to Control Prejudiced Reactions,“ *Personality and Social Psychology Bulletin*, 23(3): 316–326.

<sup>60</sup> Plant, E. A. and Devine, P. G. (1998) „Internal and external motivation to respond without prejudice,“ *Journal of Personality and Social Psychology*, 75(3): 811-832.