

Online Appendices

“Understanding and enhancing price fairness perceptions of value-based pricing”

Dominik Ebinger (Karlsruhe Institute of Technology)

Marc Wouters (Karlsruhe Institute of Technology; University of Amsterdam)

Appendix A: Overview of pre-studies

We conducted several pre-studies that are listed in this appendix. The intention was to refine the formulation of the scenarios by incorporating insights gained from these pre-studies as well as from discussions with scholars and practitioners. This was important, because we expected that participants would find it difficult to understand the precise mechanisms of value-based pricing. The process of iteratively refining the scenarios ensured that these, including the manipulations, were comprehensible to the participants.

Pre-Study	Associated study	Sample	Results	Pre-registration
1	Comparison task 1	58 laypersons	In line with Comparison task.	https://osf.io/9rme8/?view_only=595f4e50147f4c0ba8c779c2158e74a8
3.1	Experiment 2	207 laypersons	In line with Experiment 2.	https://osf.io/wvx5u/?view_only=c72aaefdf67446aea4c4c86972118187
3.2	Experiment 2	102 buying persons	Result in the hypothesized direction but not statistically significant. We improved the clarity of the task towards pre-study 3.3.	https://osf.io/mw29y/?view_only=a36afbd46f9b4566b7c7a4cf3925d434
3.3	Experiment 2	97 buying persons	Result in the hypothesized direction but not statistically significant. We further improved the clarity of the task towards Experiment 2.	https://osf.io/kda89/?view_only=3b8cdebced99466190935cf871447188
4	Experiment 3	104 laypersons	In line with Experiment 3.	https://osf.io/39h7b/?view_only=c326ebdccd47420b8b521baecc08e1d2

Appendix B: Screening criteria used in studies conducted with Prolific

Screener	Attribute
Fluent languages	English
Employment status	Full-Time Part-Time Due to start a new job within the next month
Employment sector	Agriculture, Food and Natural Resources Architecture and Construction Arts Business Management & Administration Finance Information Technology Legal Manufacturing Marketing & Sales Science, Technology, Engineering & Mathematics Transportation, Distribution & Logistics
Decision-making responsibilities	Accounts/finance Business strategy Customer/client Hiring Marketing/sales/advertising Operations/production People management Research/development Supply chain/logistics Other
Highest education level completed	Technical/community college* Undergraduate degree (BA/BSc/other) Graduate degree (MA/MSc/MPhil/other) Doctorate degree (PhD/other)

*In Experiment 2, we used a slightly different screening for education level and did not include Technical/community college

Appendix C: Demographic participant data

Variable	Questions	Answer	Comp. task 1	Comp. task 2	Exp. 2 ^a	Exp. 3
Gender	- ^b	Female	57	103	81	46
		Male	88	187	118	69
		Other/not specified	0	3	0	2
Highest education level completed	- ^b	Doctorate degree (PhD/other)	6	5	7	1
		Graduate degree (MA/MSc/MPhil/other)	59	82	74	34
		Undergraduate degree (BA/BSc/other)	63	158	117	59
		Technical/community college	15	45	0	20
		No data available	-	3	1	3
Employment status	- ^b	Full-time	121	215	157	94
		Part-time	24	75	39	20
		No data available	-	3	-	3
Employment sector	- ^b	Agriculture, Food and Natural Resources	5	13	5	5
		Architecture and Construction	6	17	7	2
		Arts	10	23	12	7
		Business Management & Administration	19	26	20	5
		Finance	19	33	25	16
		Information Technology	33	75	51	32
		Legal	7	6	6	1
		Manufacturing	13	20	19	8
		Marketing & Sales	8	21	10	8
		Science, Technology, Engineering & Mathematics	24	40	35	22
		Transportation, Distribution & Logistics	1	16	9	9
		No data available	-	3	-	-
		Work experience	How many years have you been working?	0	1	0
1-3	32			45	53	38
4-6	30			58	52	34
7-10	24			50	34	25
11-20	23			59	29	12
20+	35			81	30	8
Purchasing experience ^c	Considering your entire professional experience, how intensively were you involved in purchasing decisions?	[Likert scale from (1) Almost not to (7) Extensively]	$\bar{x} = 3.74$ SD = 1.56	$\bar{x} = 4.11$ SD = 1.70	$\bar{x} = 3.52$ SD = 1.80	$\bar{x} = 3.50$ SD = 1.66
'Not for profit' employee	Are you working for the government, an NGO, or another 'not for profit' organization?	Yes	17	31	19	10
		No I don't want to tell/not applicable	123	256	176	105
			35	6	4	2

^a Experiment 1 is not included, because this was conducted using Clickworker without providing demographic data.

^b These data were exported from Prolific and not asked in the questionnaire.

^c We also asked for the participant's job title in all the studies, which could be answered in an open text field.

Appendix D: Reminders about the scenarios in the experiments

Panel A. Reminders about the scenario of experiment 1

Conditions	Text of the reminder
Pricing norm: CBP Pricing approach: CBP	<ul style="list-style-type: none"> • Usual procedure for price determination: Offer price = estimated consultant days x daily rate • Procedure of ‘Miller & Partners’ for price determination: Offer price = estimated consultant days x daily rate
Pricing norm: CBP Pricing approach: VBP	<ul style="list-style-type: none"> • Usual procedure for price determination: Offer price = estimated consultant days x daily rate • Procedure of ‘Miller & Partners’ for price determination: Offer price = estimated cost savings x percentage
Pricing norm: VBP Pricing approach: CBP	<ul style="list-style-type: none"> • Usual procedure for price determination: Offer price = estimated cost savings x percentage • Procedure of ‘Miller & Partners’ for price determination: Offer price = estimated consultant days x daily rate
Pricing norm: VBP Pricing approach: VBP	<ul style="list-style-type: none"> • Usual procedure for price determination: Offer price = estimated cost savings x percentage • Procedure of ‘Miller & Partners’ for price determination: Offer price = estimated cost savings x percentage

Panel B. Reminders about the scenario of experiment 2

Conditions	Text of the reminder
Pricing norm: CBP Pricing approach: VBP Price determination: ex-ante	<ul style="list-style-type: none"> • Consulting firms’ usual procedure to determine the price: Price = consultant days x daily rate • Procedure of ‘Miller & Partners’ to determine the price: Price = estimated cost saving x percentage rate (The amount of cost savings is estimated in advance. The price is therefore fixed in advance.)
Pricing norm: CBP Pricing approach: VBP Price determination: ex-post	<ul style="list-style-type: none"> • Consulting firms’ usual procedure to determine the price: Price = consultant days x daily rate • Procedure of ‘Miller & Partners’ to determine the price: Price = actual cost saving x percentage rate (The final price will be calculated upon completion based on the actual cost saving.).

Panel C. Reminders about the scenario of experiment 3

Condition	Text of reminder
Pricing norm: CBP Pricing approach: VBP Reference price: lower Reference value-sharing distribution: not present	<ul style="list-style-type: none"> • The quoted price is € 40.000. • ‘Miller & Partners’ charged a neighboring department € 30.000 for a similar project. • Usual procedure to determine the quoted price: Quoted price = consultant days x daily rate • Procedure of ‘Miller & Partners’ to determine the quoted price: Quoted price = consultant days x daily rate
Pricing norm: CBP Pricing approach: VBP Reference price: lower Reference value-sharing distribution: present	<ul style="list-style-type: none"> • The quoted price is 40% of cost savings, making it € 40.000. • ‘Miller & Partners’ charged a neighboring department a consulting fee of 40% of the cost savings, which amounted to € 30.000 in their situation. • Usual procedure to determine the quoted price: Quoted price = consultant days x daily rate • Procedure of ‘Miller & Partners’ to determine the quoted price: Quoted price = consultant days x daily rate