

Information search and probability weighting in risky choices between different presentation formats

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I Introduction

How do people make risky choices when options represent probability information differently?

- This study investigates information search and probability weighting in risky choices between a described and an experienced option (i.e., in the **mixed paradigm**)

Information search

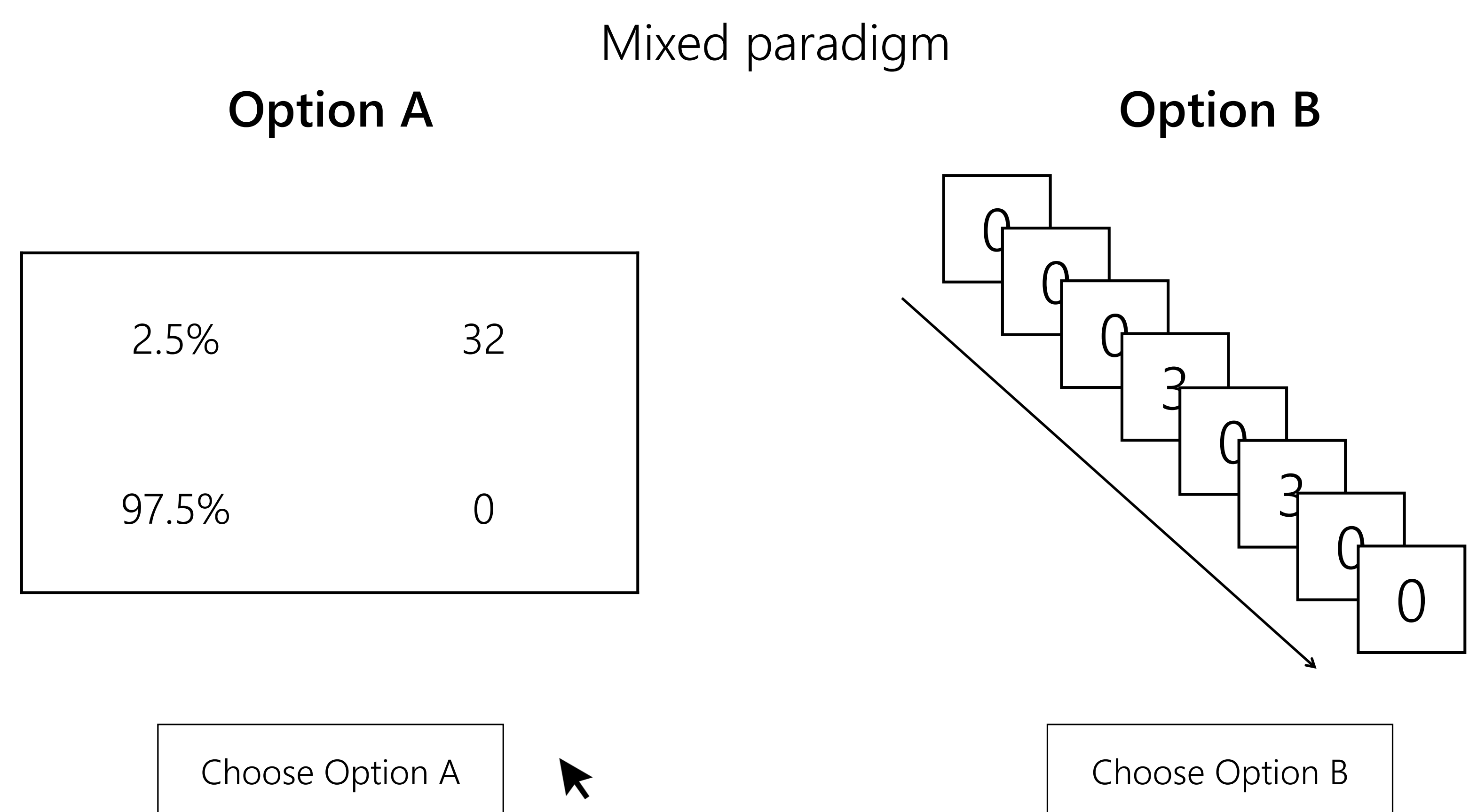
- In choices between two experienced options, sample sizes tend to be small^{1,2}
- In the mixed paradigm, people should draw larger samples of the experienced option to align the reliability of the probability information of both options
- Are sample sizes (per option) larger in the mixed paradigm than in the experience paradigm?**

Probability weighting

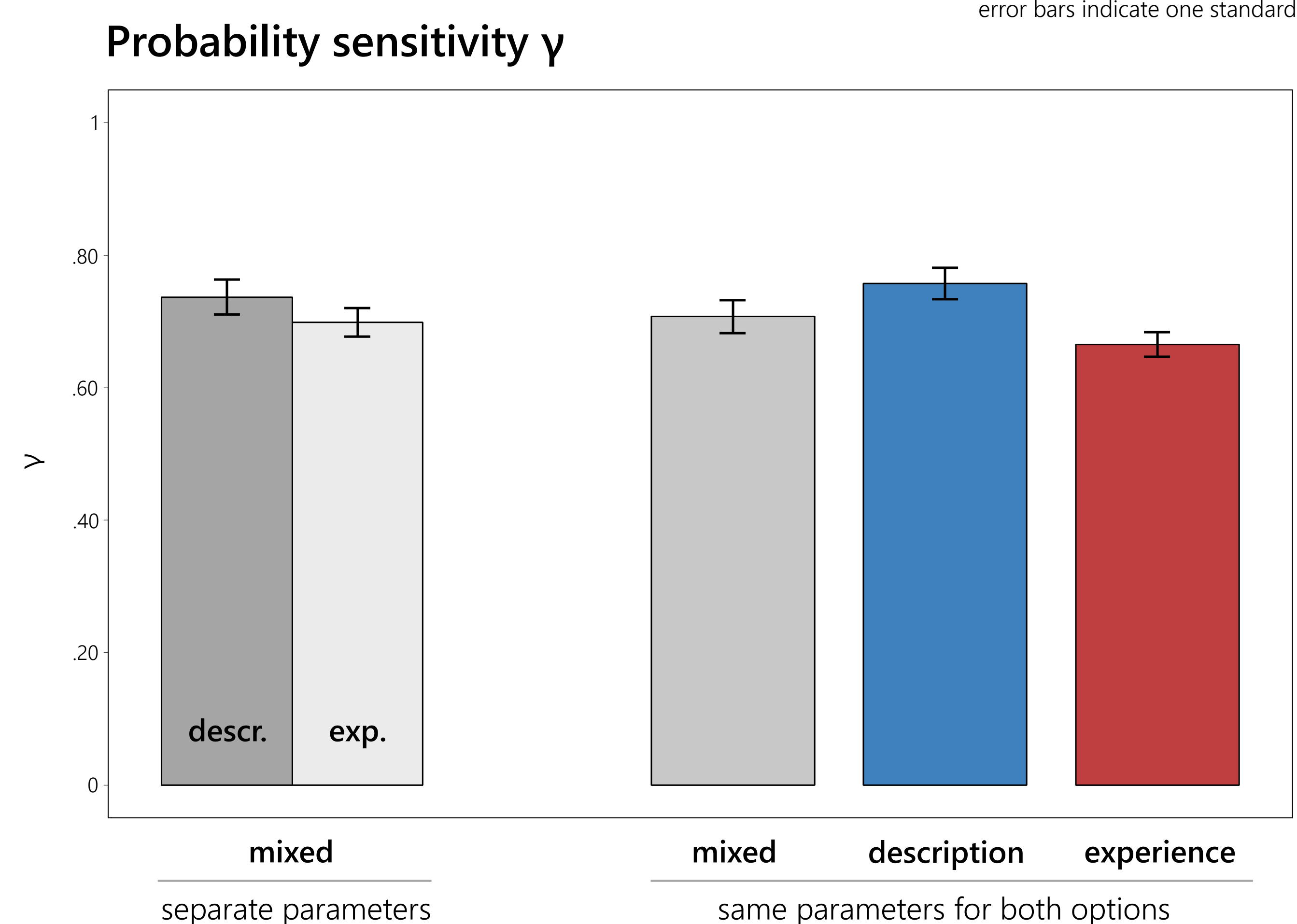
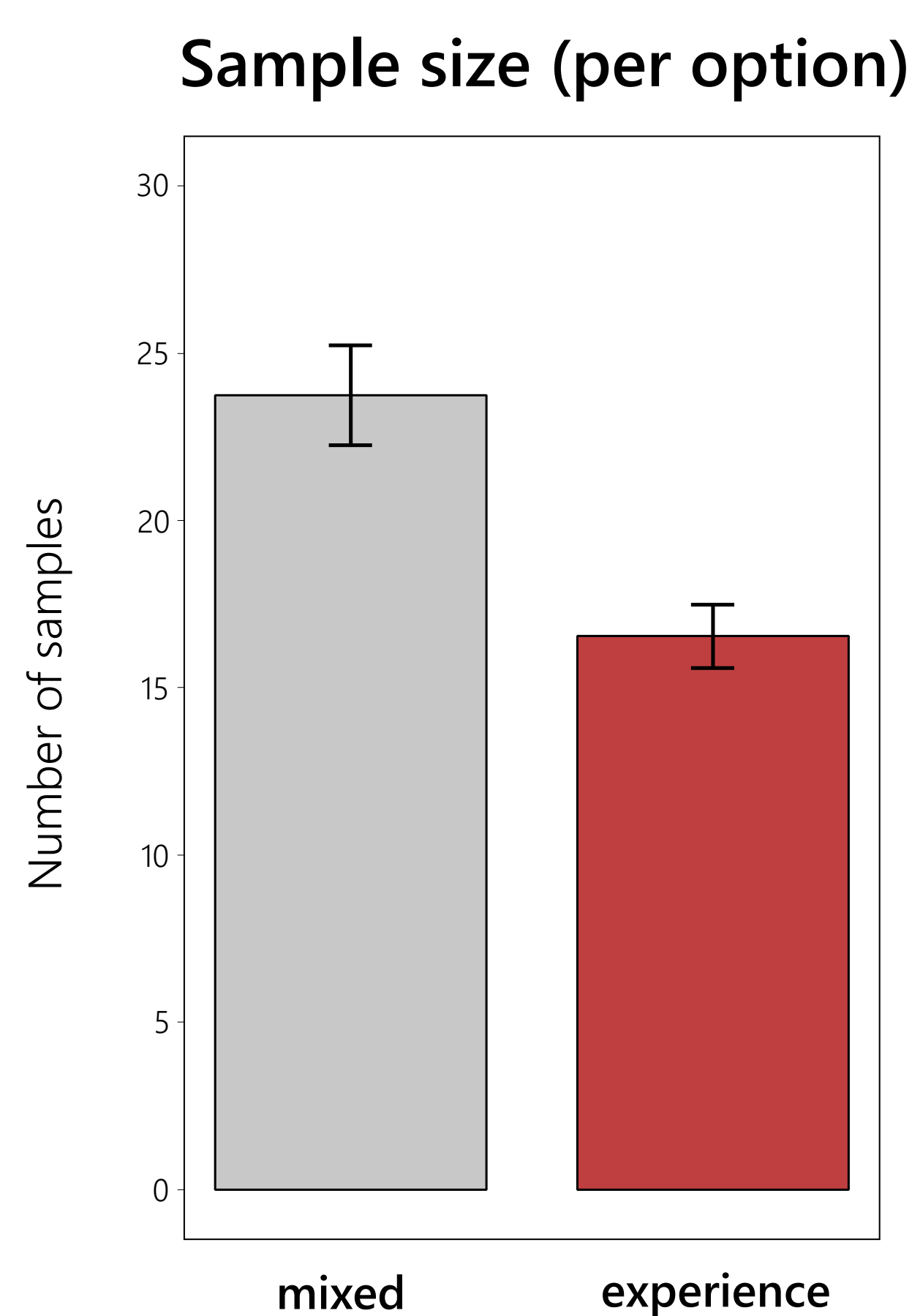
- Decision makers **weight small probabilities differently** in purely description- vs. experienced-based choices¹⁻⁴
- Does this description-experience gap occur within choices between a described and an experienced option?**
- If probabilities are weighted similarly across options in the mixed paradigm, how are they weighted?

M Method

- $N = 209$ participants made 103 **choices between two options**
- Representation format was manipulated across 3 between-subjects conditions:
 - Description (two described options)
 - Experience (two experienced options)
 - Mixed
- Estimation of CPT parameters
 - Separate parameters for each option (only mixed condition)
 - Same parameters for both options



R Results



C Conclusion

- People draw larger samples in the mixed paradigm than in the experience paradigm
- In the mixed paradigm, people weight small probabilities similarly across both options
- Probability weighting in the mixed paradigm lies between the weighting of description- and experience-based choices

References

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