

## INTRODUCTION

Information about a person we are in an exchange with (information unrelated to the exchange, for example, their political leanings) can lead us to make a moral judgment

Sometimes our judgments mean we prefer not to interact with that person at all, but what if we are still interested in the product? Do we express our disapproval in the terms of transaction?

**Is our reaction to the moral character of our counterpart in a market exchange internalized in our valuation of the product?**

## METHOD

1 & 2: We ask participants to imagine being in a transaction for an Amazon voucher with another participant in the study; we highlight a difference or similarity of opinions on morally relevant topics and measure WTP or WTA for the voucher

3: We ask participants to evaluate a transaction in which the seller is known to be either a moral or an immoral person. The seller is not aware of the market value of their product; the buyer makes an offer that is either below (harm) or at market value (benefit)

## DISCUSSION

Awareness of other people's moral character affects product valuations: the presence of moral differences may therefore result in fewer transactions taking place, affecting market efficiency

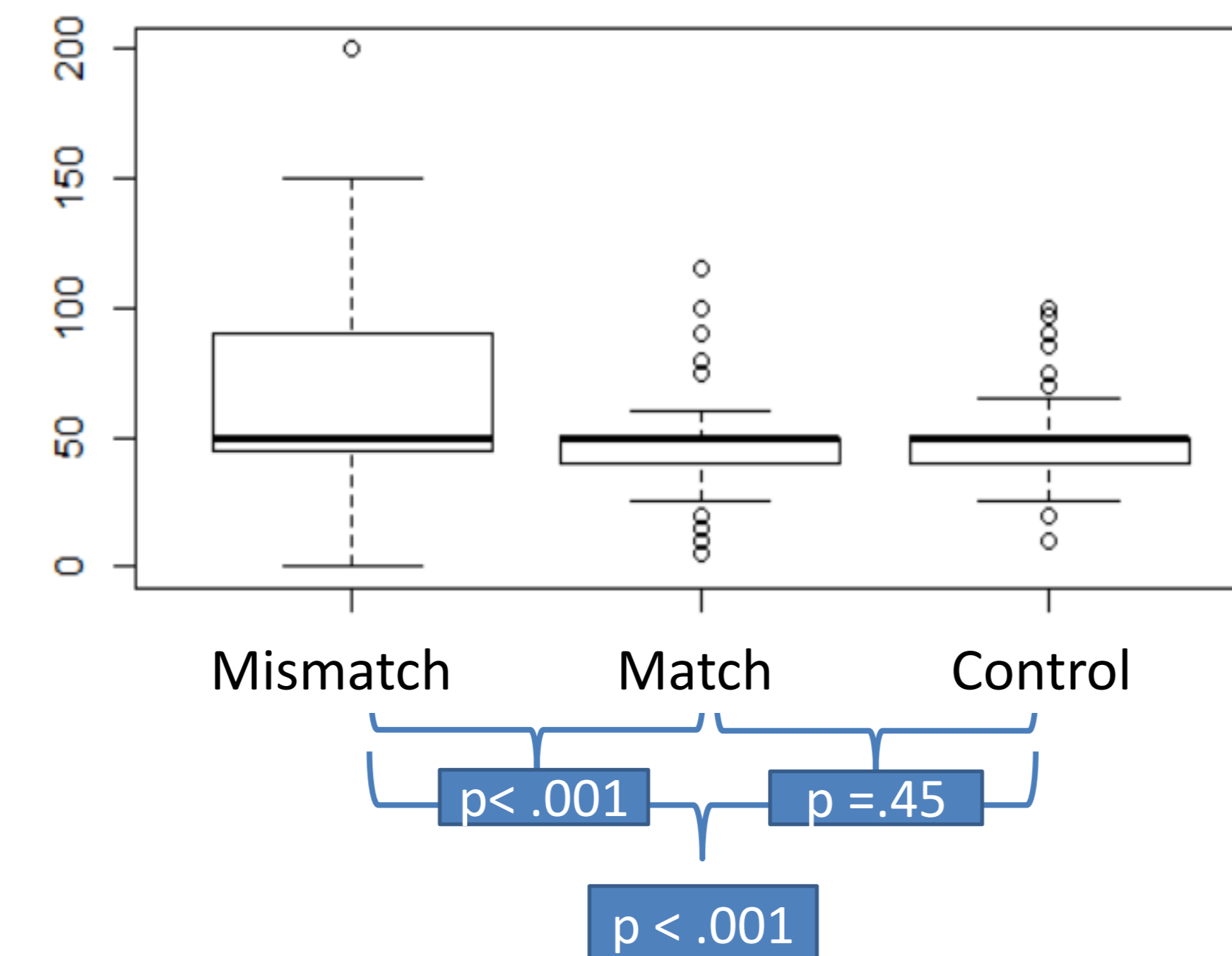
A perception that an immoral agent is harmed by an exchange is enough for people to evaluate it as more acceptable than, and as satisfying as, an exchange with a moral agent

It is still unclear whether financial harm has to occur for an exchange with an immoral other to become acceptable (a punishment account, c.f. Fehr & Gächter, 2002) or whether perceived harm (without actual knowledge of whether the immoral other is worse off) is sufficient, suggesting a self-concept maintenance account (Mazar, Amir & Ariely, 2008)

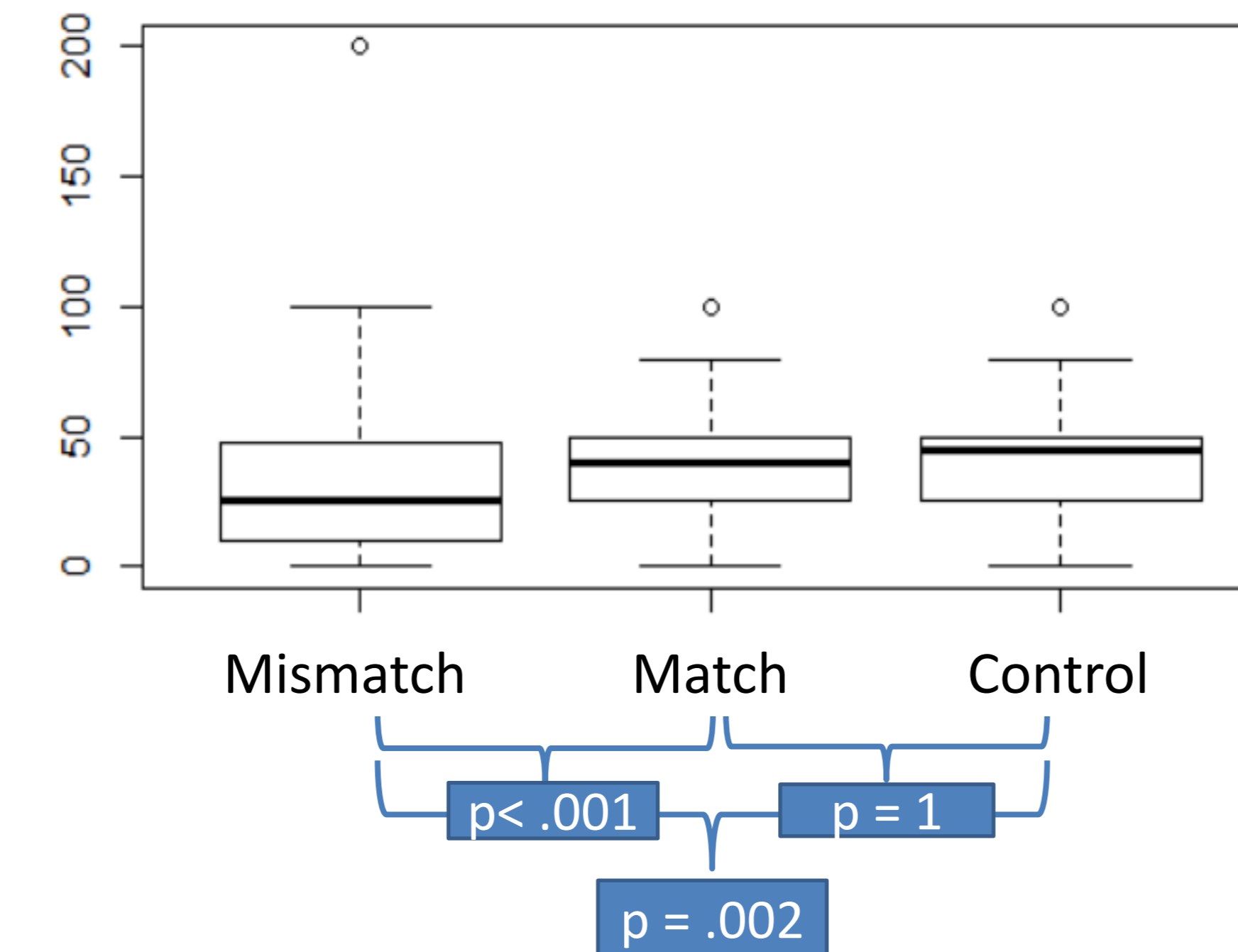
## STUDY 1 – OPINION MATCH, MISMATCH OR CONTROL (N=392)

- People consistently reduce their WTP and increase their WTA for the same good when they know their counterpart in the transaction has different opinions on morally relevant topics
- The effect in the match and mismatch conditions is also replicated in an incentive compatible study

### WTA (\$)



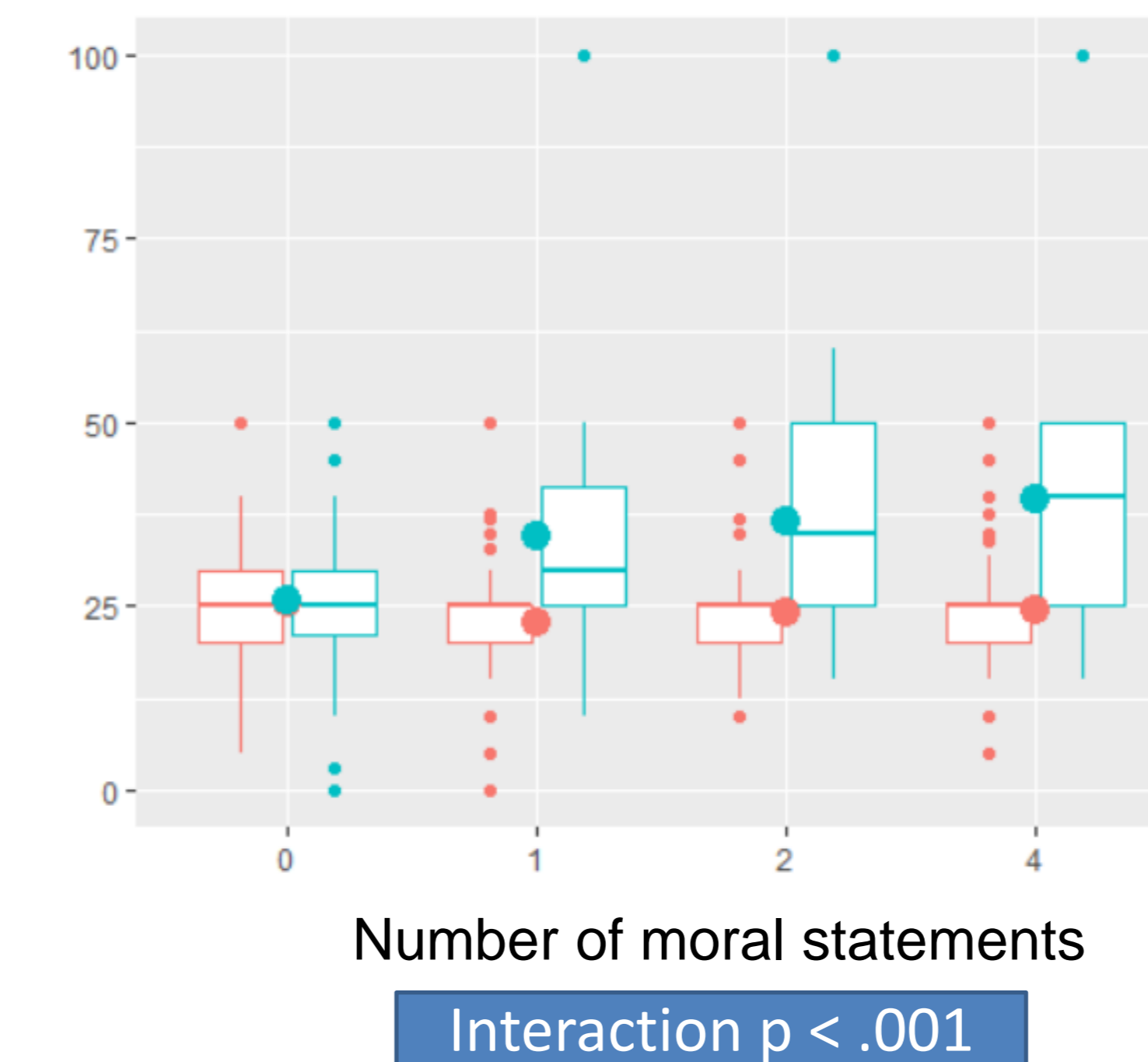
### WTP (\$)



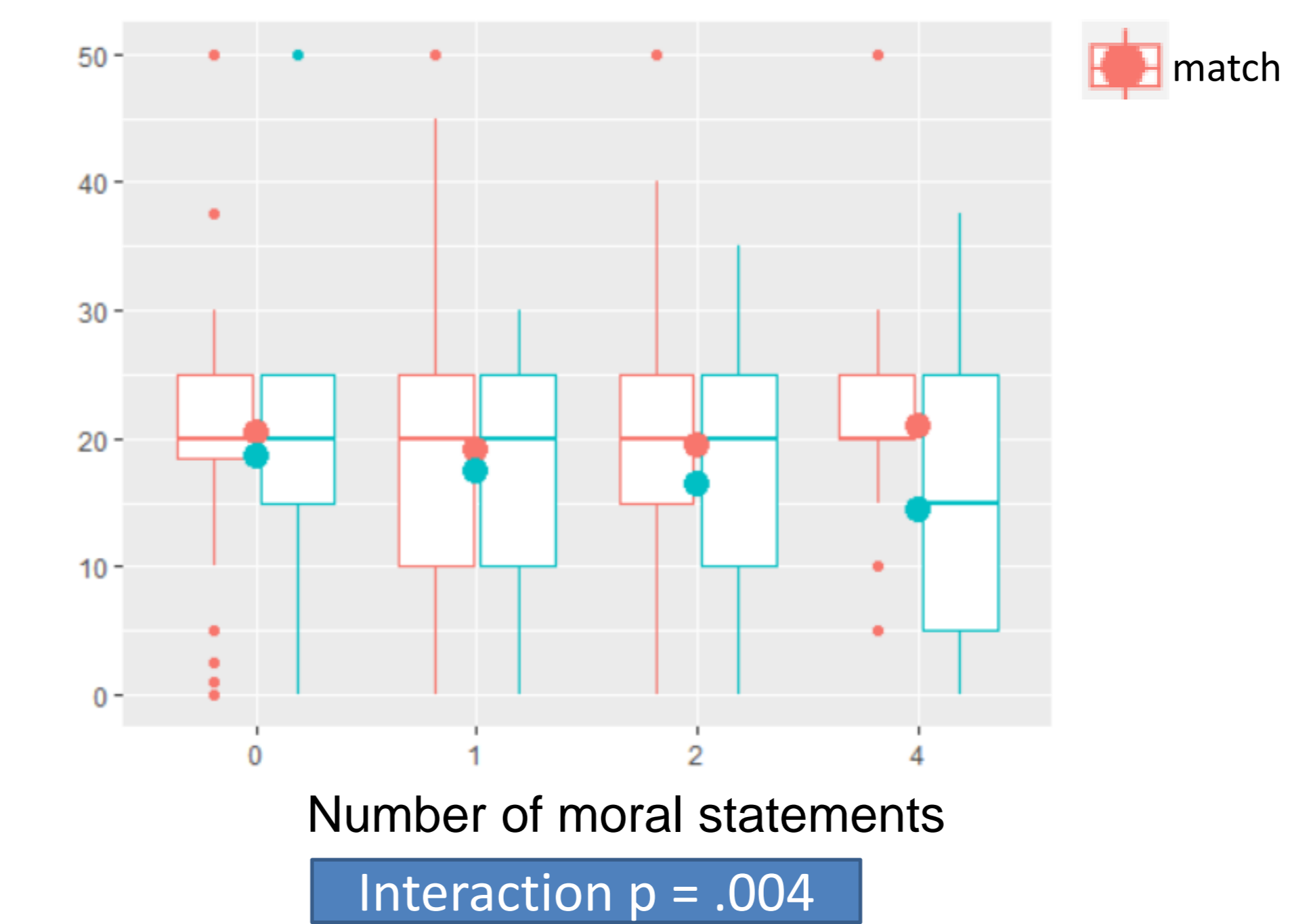
## STUDY 2 – OPINION MATCH X MORAL VS NON-MORAL STATEMENTS (N=833)

- The effect only arises when difference in opinions are in the moral domain (vs. non-moral differences such as tv-show preferences)
- Difference on one moral statement (plus 3 non-moral statements) is enough to elicit the effect on WTA; the effect on WTP arises when moral differences are very salient (4 moral statements)

### WTA (\$)

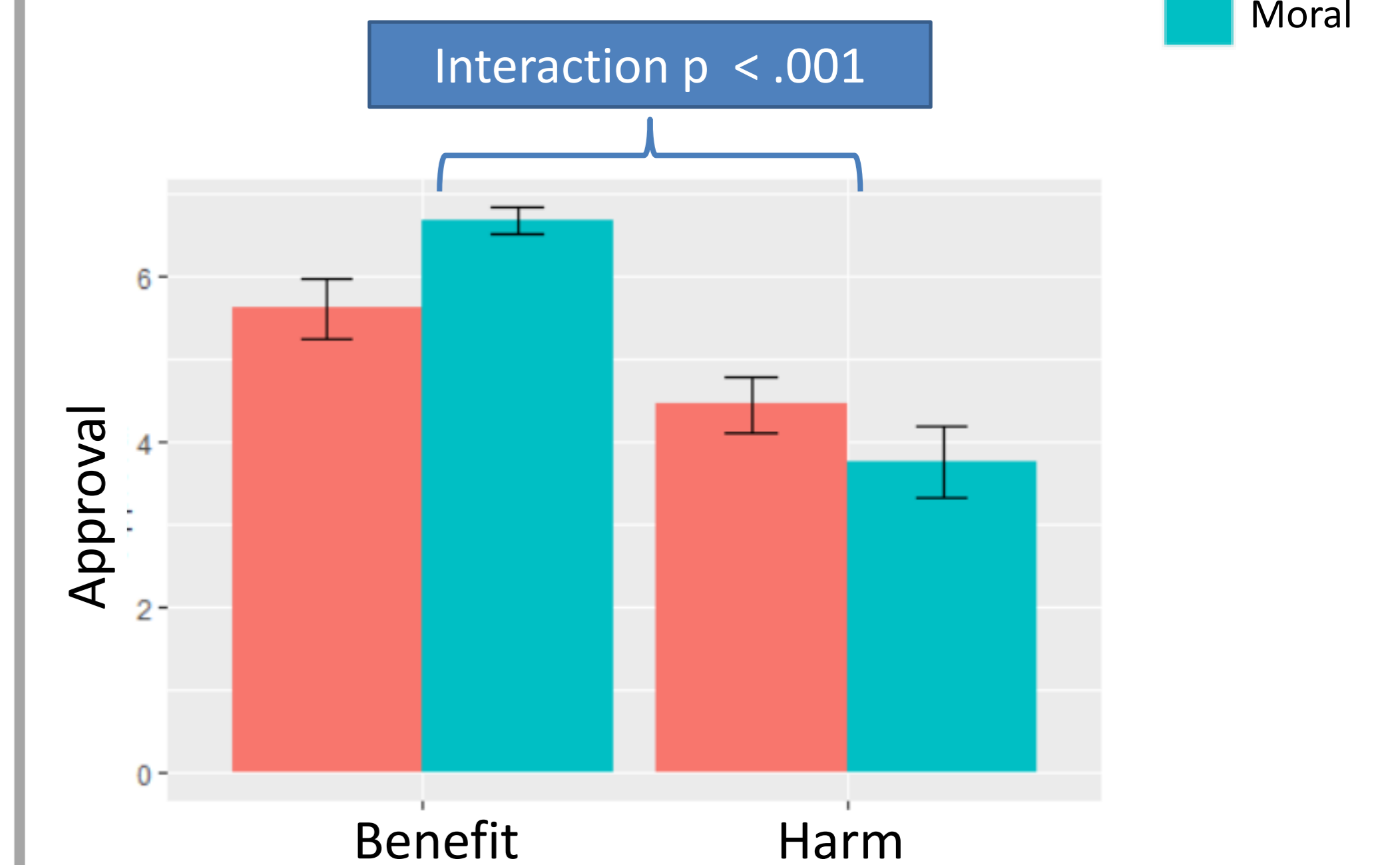
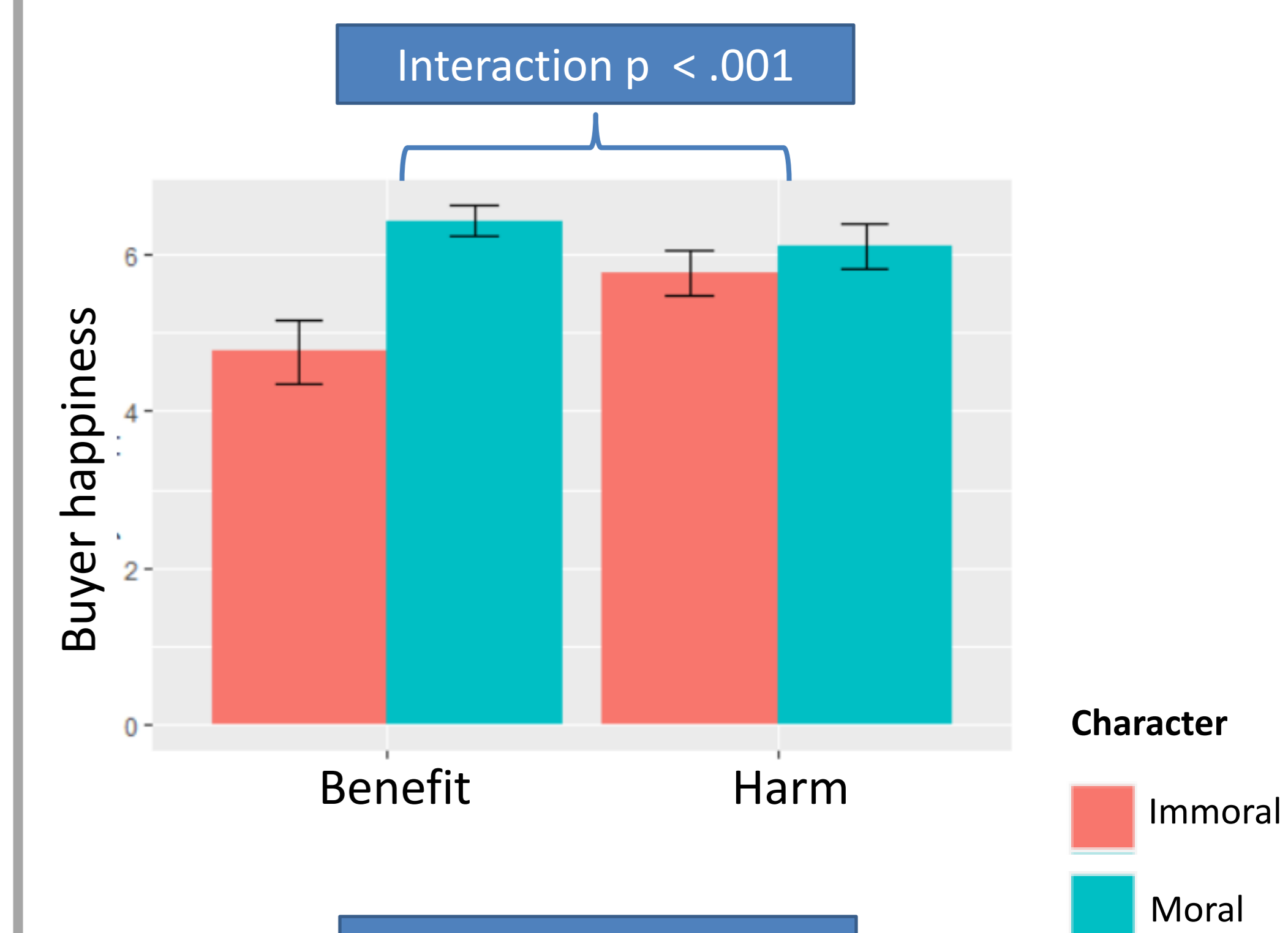


### WTP (\$)



## STUDY 3 – TRANSACTION OUTCOME X MORAL CHARACTER OF SELLER (N=345)

- When transacting with a moral seller, the buyer will be equally happy whether the seller benefits or is harmed; when transacting with an immoral seller, the buyer will only be less happy if the seller benefits
- In the benefit condition, transacting with an immoral seller is less acceptable than with a moral seller, but in the harm condition, the opposite is true



Fehr, E., & Gächter, S. (2002). Altruistic punishment in humans. *Nature*, 415(6868), 137-140.

Mazar, N., Amir, O., & Ariely, D. (2008). The dishonesty of honest people: A theory of self-concept maintenance. *Journal of marketing research*, 45(6), 633-644.