

What is an unregulated and potentially misleading label worth? The case of “natural”-labelled groceries

Appendix

Appendix A: Experiment Instructions

The training instructions and the Experiment Part 1 instructions (where the “standard” products came first) are presented here, unabridged. Other versions of the instructions are available upon request.

Introduction and Training

Welcome to the University of Tennessee Experimental Economics Laboratory. Your participation in today’s study is appreciated. If you have a question at any time, please raise your hand. Please refrain from verbally reacting to events that occur during the experiment. This is very important. Your decisions in today’s study are private to you. We ask that you do not communicate with other study participants. We also ask that, after the session, you do not discuss details with others who have registered to potentially participate in a future session of this study.

The decisions you make (including your answers to survey questions) will be linked only with your station ID, which was (randomly) chosen by you when you entered the lab. Your decisions will not be associated with your name or other identifying information. Your name will not be linked in any way to the results of the study. For accounting purposes, we will ask you to fill out a receipt at the end of the session. We do not keep the receipts; they are submitted to the UT Treasurer’s office.

In the main parts of the experiment, you will be asked to place bids to buy common grocery items. Although you will not earn money in these parts, you will have the opportunity to actually buy some of these items and take them home with you today. The purchase procedure will be new to you. We will first go through a series of training materials that will familiarize you with the purchase procedure. The good news is that you will have the opportunity to earn cash money during this training.

You will be paid in cash and in private at the end of the session. You will receive a show-up fee of \$10 for participating, an additional \$15 for completing a survey, and additional money from the training rounds. If you purchase one or more grocery items, the amount you pay for the product(s) will be subtracted from your earnings. **We will proceed through the written materials together. Please do not flip forward until instructed.**

General Procedures

In each decision “round” of this study, the moderator will offer an item for sale. In the initial training rounds, the item for sale will be an amount of money. In the other rounds, the item for sale will be a grocery product. In each round you place a bid to buy the item for sale.

We will use the following purchase procedure in all rounds:

1. You will place a bid on the item. You will not know the price prior to bidding.
2. The price of the item will be randomly drawn. A volunteer will be asked to roll dice to determine this price. The random price will be the same for all participants.
3. **If your bid is equal to or higher than the random price, you buy the item and pay the random price (not your bid!). If your bid is lower than the random price, you do not buy the item.**

Here are some possible scenarios based on the purchase procedure:

- You bid \$2. The random price is drawn to be \$1.50. Since your bid is equal to or higher than the random price, you buy the item at a price of \$1.50.
- You bid \$5. The random price is drawn to be \$5. Since your bid is equal to or higher than the random price, you buy the item at a price of \$5.
- You bid \$3. The random price is drawn to be \$3.50. Since your bid is lower than the random price, you do not buy the item.

It is important to point out some aspects of the procedure. First, different from auctions, you are not bidding against other players. The bids of other players do not impact whether you buy an item. We have large quantities of each item. If, for example, everyone bids an amount higher than the random price, each person will pay the random price and each person will receive the item. Second, different from some auctions, if you buy something, the price is not equal to your bid. Instead, you pay the randomly selected price.

Third, your bid sets the highest price for which you agree to buy the good. For example, if you bid \$6.25, this means that you agree to buy the item as long as the price is something less than or equal to \$6.25. Your bid of \$6.25 guarantees that you do not buy the item at prices above \$6.25.

Before bidding you should ask yourself “what is the highest price I am willing to pay for the item?” It is in your best interest to place a bid equal to this highest price.

“What If” Scenarios

To help you understand the procedures, we ask that you consider a number of “what if” scenarios. Here is the good news: you will be paid \$1 for each scenario you answer correctly. There is a bonus question, and you will be paid \$2 for a correct answer to this.

The item for sale in these scenarios is a \$5 bill. Remember: If your bid is equal to or higher than the random price, you buy the item and pay the random price (not your bid!). If your bid is lower than the random price, you do not buy.

1. Suppose you **bid \$2.50**. Then, a volunteer draws a **random price of \$4.00**.
Based on the procedure we described would you purchase the \$5 bill? Yes No
If you answered “Yes”, what price would you pay? \$ _____

2. Suppose you **bid \$3.12**. Then, a volunteer draws a **random price of \$6.37**.
Based on the procedure we described would you purchase the \$5 bill? Yes No
If you answered “Yes”, what price would you pay? \$ _____

3. Suppose you **bid \$5.00**. Then, a volunteer draws a **random price of \$4.25**.
Based on the procedure we described would you purchase the \$5 bill? Yes No
If you answered “Yes”, what price would you pay? \$ _____

4. Suppose you **bid \$5.00**. Then, a volunteer draws a **random price of \$6.56**.
Based on the procedure we described would you purchase the \$5 bill? Yes No
If you answered “Yes”, what price would you pay? \$ _____

5. Suppose you **bid \$7.16**. Then, a volunteer draws a **random price of \$4.12**.
Based on the procedure we described would you purchase the \$5 bill? Yes No
If you answered “Yes”, what price would you pay? \$ _____

6. Suppose you **bid \$8.00**. Then, a volunteer draws a **random price of \$6.50**.
Based on the procedure we described would you purchase the \$5 bill? Yes No
If you answered “Yes”, what price would you pay? \$ _____

Bonus question. Given the purchase procedure, how much should you bid for the \$5 bill? Keep in mind that it is in your best interest to place a bid equal to the highest price you’re willing to pay.

You should bid: \$ _____ . _____

Please raise your hand when you are ready to have your calculations checked.

Training Round 1

In this training round you will have the opportunity to earn money.

The item for sale is \$7.

Your task in this round is to place a bid to buy the \$7.

After everyone has indicated their bid, a volunteer will roll dice to determine the random price. Although you will not know the price range before you bid, know that three dice will be rolled. The first will determine the dollars and the other two will determine the cents.

If your bid is equal to or higher than the random price, you will receive the \$7 and pay the random price. You will thus earn an amount equal to: \$7 *minus* the random price. If you make a purchase at a price that is higher than \$7, you will in fact have negative earnings (lose money).

If your bid is less than the random price, you will not receive the \$7. You will not pay the random price. You will earn \$0.

For training purposes, we will play out the purchase procedure (rolling the dice and calculating earnings) several times. However, you will only bid once. **You will not be able to change your bid after the random prices are determined.**

Please determine your bid at this time and write it here: \$ _____ . _____

Trial 1

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (check the box below)

Yes. You bought the \$7.

Your earnings are equal to: $\$7 - \text{_____} = \$ \text{_____} . \text{_____}$
(random price)

No. You did not buy the \$7. Your earnings for this trial are \$0.

Record your earnings on your Record Sheet.

Training Round 1—Continued

Trial 2

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (check the box below)

- Yes.** You bought the \$7.

Your earnings are equal to: $\$7 - \underline{\hspace{2cm}} = \$ \underline{\hspace{1cm}} . \underline{\hspace{1cm}}$
(random price)

- No.** You did not buy the \$7. Your earnings for this trial are \$0.

Record your earnings on your Record Sheet.

Trial 3

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (check the box below)

- Yes.** You bought the \$7.

Your earnings are equal to: $\$7 - \underline{\hspace{2cm}} = \$ \underline{\hspace{1cm}} . \underline{\hspace{1cm}}$
(random price)

- No.** You did not buy the \$7. Your earnings for this trial are \$0.

Record your earnings on your Record Sheet.

Trial 4

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (check the box below)

- Yes.** You bought the \$7.

Your earnings are equal to: $\$7 - \underline{\hspace{2cm}} = \$ \underline{\hspace{1cm}} . \underline{\hspace{1cm}}$
(random price)

- No.** You did not buy the \$7. Your earnings for this trial are \$0.

Record your earnings on your Record Sheet.

Training Round 2

The item for sale is \$3. Your task in this round is to place a bid to buy the \$3.

After everyone has indicated their bid, a volunteer will roll dice to determine the random price. Although you will not know the price range before you bid, know that three dice will be rolled. The first will determine the dollars and the other two will determine the cents.

If your bid is equal to or higher than the random price, you will receive the \$3 and pay the random price. You will thus earn an amount equal to: \$3 *minus* the random price. If you make a purchase at a price that is higher than \$3, you will in fact have negative earnings (lose money). If your bid is less than the random price, you will not receive the \$3. You will not pay the random price. You will earn \$0.

Please determine your bid at this time and write it here: \$ _____ . _____

Trial 1

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (check the box below)

- Yes.** You bought the \$3. Your earnings are: \$3 – random price = \$ _____ . _____
 - No.** You did not buy the \$3. Your earnings for this trial are \$0.
-

Trial 2

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (check the box below)

- Yes.** You bought the \$3. Your earnings are: \$3 – random price = \$ _____ . _____
 - No.** You did not buy the \$3. Your earnings for this trial are \$0.
-

Trial 3

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (check the box below)

- Yes.** You bought the \$3. Your earnings are: \$3 – random price = \$ _____ . _____
 - No.** You did not buy the \$3. Your earnings for this trial are \$0.
-

Trial 4

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (check the box below)

- Yes.** You bought the \$3. Your earnings are: \$3 – random price = \$ _____ . _____
- No.** You did not buy the \$3. Your earnings for this trial are \$0.

Training Round 3

You will not have the ability to earn money in this round. Instead, you will have the opportunity to buy a real grocery product. If you buy something, you will pay for it out of your earnings.

As before, if your bid is equal to or higher than the random price, you will buy the item and pay the random price. Otherwise, you will not buy the item.

The previous training rounds emphasize that it is in your best interest to place a bid equal to the highest price you are willing to pay for the item. By doing so, you will only purchase the item at prices you are willing to pay. You will not purchase the item at prices you are not willing to pay.

If you instead bid lower than this highest price you are willing to pay, you risk not purchasing the item at prices favorable to you.

If you instead bid more than this highest price you are willing to pay, you risk purchasing the item at prices that are not favorable to you.

The moderator will now show you two items to choose from: a candy bar and a granola bar. Please choose which item you would like to bid on and check the appropriate box below:

Candy Bar

Granola Bar

The random price will be an amount between \$0.00 and the maximum expected bid (based on previous research). A volunteer will roll dice to determine the price, and each price within the range will be equally likely.

Please determine your bid at this time. **You will not be able to change your bid after the random price is determined.**

Your bid: \$_____ . _____

Random price: \$_____ . _____

Is your bid equal to or higher than the random price? (check the box below)

- Yes.** You will receive the item you bid on. The price will be subtracted from your earnings as a cost.
- No.** You did not buy anything. No money will be subtracted from your earnings.

Record your cost for this round on your Record Sheet.

Main Experiment – Part 1

As in the last training round, you will not have the ability to earn money in the following decision rounds. Instead, you will have the opportunity to buy real grocery products. If you buy something, you will pay for it out of your earnings.

In this Part of the experiment, you will place bids for a variety of grocery items. You will not see the actual items, but you will be provided with an information label that describes the main characteristics of the item such as the type of item, and its size, flavor, etc. The information on the labels is accurate: the actual label on the real grocery item does reflect the information that you see in information label. In this Part, you will be asked to place bids for 6 different grocery items.

We have all of the grocery items in the lab today. All of the items have been recently purchased from popular grocery stores in Knoxville.

The procedure for purchasing items is the same as before. Your bid will be compared to a random price. You will purchase the good only if your bid is equal to or higher than the price. The random price will be a randomly drawn number between \$0.00 and the maximum expected bid (based on previous research). A volunteer will roll dice to determine the price, and each price within the range will be equally likely. The range of prices will not be the same as in the last training round.

As before, it is in your best interest to place a bid equal to the highest price you are willing to pay for the item. By doing so, you will only purchase the item at prices you are willing to pay. You will not purchase the item at prices you are not willing to pay.

If you instead bid lower than the highest price you are willing to pay, you risk not purchasing the item at prices favorable to you. If you instead bid more than this highest price you are willing to pay, you risk purchasing the item at prices that are not favorable to you.

Only one round from this Part will be implemented for real. We will have a volunteer roll a six-sided die to determine which round this is. Since you will not know which round will be selected prior to making any decisions, it is in your best interest to take each decision seriously as if it will determine an actual purchase.

On the next page you will see important information that is specific to you. Please read this information, and then proceed to place your bids. You have six minutes to do so.

Please Read:

The grocery items in this section are not advertised as “Natural”, “All Natural”, or “100% Natural” on their labels.

Please proceed now to bid on the grocery items.

Part 1, Round 1

Potato Chips

Type: Kettle Cooked

Flavor: Original (Plain)

Size: 8.5 oz bag

Brand: A major brand such as Lays, Utz, Herr's, Wise, or similar

Please read the label carefully before determining your bid. Since the purchase procedure is the same as before, remember that it will be in your best interest to place a bid equal to the highest price you are willing to pay for the item.

Your bid (in dollars): \$ _____ . _____

The volunteer will now determine the random price. Please write the random price here:

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (Circle one.) Yes No

If "Yes", you bought the item (and will receive it at the end of the session)

Your cost is the random price, which is: \$ _____ . _____

If "No", you did not buy the item. Your cost is \$0.00.

On your record sheet, please indicate whether you made a purchase. If so, please record the cost of the item as well as indicate what you bought. Otherwise, simply record a cost of \$0.

Part 1, Round 2

Toothpaste

Flavor: Clean Mint

Features: Fluoride Toothpaste, Clinically Proven, Cavity Protection, Whitening, American Dental Association (ADA) Accepted

Size: approximately 4 oz tube

Brand: A major brand such as Crest, Colgate, Aquafresh, Arm and Hammer, or similar

Please read the label carefully before determining your bid. Since the purchase procedure is the same as before, remember that it will be in your best interest to place a bid equal to the highest price you are willing to pay for the item.

Your bid (in dollars): \$ _____ . _____

The volunteer will now determine the random price. Please write the random price here:

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (Circle one.) Yes No

If “Yes”, you bought the item (and will receive it at the end of the session)
Your cost is the random price, which is: \$ _____ . _____

If “No”, you did not buy the item. Your cost is \$0.00.

On your record sheet, please indicate whether you made a purchase. If so, please record the cost of the item as well as indicate what you bought. Otherwise, simply record a cost of \$0.

Part 1, Round 3

Wheat Crackers

Features: Round with small holes

Size: 8 oz box

Brand: A major brand such as Ritz, Toasteds, Carr's, Milton's,
Breton or similar

Please read the label carefully before determining your bid. Since the purchase procedure is the same as before, remember that it will be in your best interest to place a bid equal to the highest price you are willing to pay for the item.

Your bid (in dollars): \$ _____ . _____

The volunteer will now determine the random price. Please write the random price here:

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (Circle one.) Yes No

If "Yes", you bought the item (and will receive it at the end of the session)

Your cost is the random price, which is: \$ _____ . _____

If "No", you did not buy the item. Your cost is \$0.00.

On your record sheet, please indicate whether you made a purchase. If so, please record the cost of the item as well as indicate what you bought. Otherwise, simply record a cost of \$0.

Part 1, Round 4

Peanut Butter

Type: Creamy

Features: 0 grams trans fat per serving

Size: 16 oz (1 lb) jar

Brand: A major brand such as Jif, Skippy, Smucker's, Planters, or similar

Please read the label carefully before determining your bid. Since the purchase procedure is the same as before, remember that it will be in your best interest to place a bid equal to the highest price you are willing to pay for the item.

Your bid (in dollars): \$_____ . _____

The volunteer will now determine the random price. Please write the random price here:

Random price: \$_____ . _____

Is your bid equal to or higher than the random price? (Circle one.) Yes No

If "Yes", you bought the item (and will receive it at the end of the session)

Your cost is the random price, which is: \$ _____ . _____

If "No", you did not buy the item. Your cost is \$0.00.

On your record sheet, please indicate whether you made a purchase. If so, please record the cost of the item as well as indicate what you bought. Otherwise, simply record a cost of \$0.

Part 1, Round 5

Cooking Oil

Type: Canola Oil

Features: 0 grams trans fat per serving, cholesterol free, 1 gram saturated fat per serving, 0 mg sodium per serving, 0 grams sugar per serving

Size: 48 fl oz (1.5 quart) bottle

Brand: A major brand such as Crisco, Wesson, Mazola, or similar

Please read the label carefully before determining your bid. Since the purchase procedure is the same as before, remember that it will be in your best interest to place a bid equal to the highest price you are willing to pay for the item.

Your bid (in dollars): \$ _____ . _____

The volunteer will now determine the random price. Please write the random price here:

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (Circle one.) Yes No

If “Yes”, you bought the item (and will receive it at the end of the session)

Your cost is the random price, which is: \$ _____ . _____

If “No”, you did not buy the item. Your cost is \$0.00.

On your record sheet, please indicate whether you made a purchase. If so, please record the cost of the item as well as indicate what you bought. Otherwise, simply record a cost of \$0.

Part 1, Round 6

Wheat Cereal

Type: Frosted

Features: Bite-size, square-shaped cereal

Size: approximately 20 oz box

Brand: A major brand such as Kellogg's, Post, General Mills,
Nestle, or similar

Please read the label carefully before determining your bid. Since the purchase procedure is the same as before, remember that it will be in your best interest to place a bid equal to the highest price you are willing to pay for the item.

Your bid (in dollars): \$ _____ . _____

The volunteer will now determine the random price. Please write the random price here:

Random price: \$ _____ . _____

Is your bid equal to or higher than the random price? (Circle one.) Yes No

If "Yes", you bought the item (and will receive it at the end of the session)

Your cost is the random price, which is: \$ _____ . _____

If "No", you did not buy the item. Your cost is \$0.00.

On your record sheet, please indicate whether you made a purchase. If so, please record the cost of the item as well as indicate what you bought. Otherwise, simply record a cost of \$0.

Appendix B: Post-Experiment Survey

Please answer the following questions. **Please write/check clearly.** Your responses will not be connected to your name or other identifying information.

1. What is your age? _____
2. What is your gender? (Please check one.)
 - Male
 - Female
3. What is the highest level of education you have attained? (Please check one.)
 - High School Diploma
 - Associate's Degree
 - Bachelor's Degree
 - Master's Degree
 - Ph.D. Degree
 - Other Advanced Certification/Professional Studies
4. Were you a student during the 2013-2014 academic year? (Please check one.)
 - Yes, full-time
 - Yes, part-time
 - No
5. Which of the following best describes your current employment status? (Please check one.)
 - Employed, full-time
 - Employed, part-time
 - Self-employed
 - Unemployed or retired
6. What is your marital status? (Please check one.)
 - Single
 - Married
 - Widowed
 - Divorced

7. Are you the primary grocery shopper in your household? (Please check one.)
- Yes
 - No
8. In 2013, what was your annual household income, before taxes? (Please check one.)
- \$5,000 or less
 - \$5,000 - \$10,000
 - \$10,001 - \$20,000
 - \$20,001 - \$40,000
 - \$40,001 - \$60,000
 - \$60,001 - \$80,000
 - \$80,001 - \$100,000
 - \$100,001 - \$120,000
 - \$120,001 - \$140,000
 - More than \$140,000
9. How many adults live in your household? _____
10. How many children live in your household? _____
11. Do you have any children living in your household under the age of 10? (Please check one.)
- Yes
 - No
12. How much does your household typically spend each week on groceries? (Please check one.)
- \$30 or less
 - \$31 - \$50
 - \$51 - \$100
 - \$101 - \$150
 - \$151 - \$200
 - \$201 - \$250
 - \$251 - \$300
 - \$301 - \$350
 - More than \$350

13. How many trips do you typically take to buy groceries each week? (Please check one.)

- Less than 1
- 1
- 2
- 3
- 4
- 5
- More than 5

14. Where have you shopped for groceries during the last month? (Please check all that apply.)

- Kroger
- Food City
- Ingles
- Publix
- Earth Fare
- Fresh Market
- Target
- Walmart
- Sam's Club
- Costco
- CVS / Walgreens / other convenience store
- Local farmer's markets
- Amazon or other online grocery retailer
- Other: _____

15. How many meals do you typically eat out (at a restaurant or fast food establishment) per week? (Please check one.)

- 0
- 1-5
- 6-10
- 11-15
- More than 15

16. When grocery shopping, do you specifically look for products that meet certain dietary restrictions? (If yes, please check all that apply. If no, please leave blank.)

- Gluten-free
- Lactose-free
- Vegetarian
- Vegan
- Low carb
- Low fat
- No nuts
- No soy
- No fish
- Other: _____

17. How important are each of the following to you when you purchase food? (Please check one box per row.)

	Not Important	Somewhat Important	Very Important
Nutrition Information			
Ingredients			
Country where food was produced			
Brand			
Package size			
Price			
Health-related labelling such as “gluten-free”			
Environmental-related labelling such as “Rainforest Alliance Certified”			
Other:			

18. When grocery shopping, how often do you notice labels that say “**natural**” or “**all natural**”? (Please check one.)

- Almost always or always
- Frequently
- Occasionally
- Almost never or never

19. When grocery shopping and when such an option is available, how often do you purchase foods that are labelled “**natural**” or “**all natural**”? (Please check one.)

- Almost always or always
- Frequently
- Occasionally
- Almost never or never

20. What do you think the phrases “**natural**” or “**all natural**” actually mean when printed on a food label? (Please check all that apply.)

- No artificial flavors
- No artificial colors
- No artificial preservatives
- No genetically modified ingredients
- No pesticides
- No dyes
- Limited processing
- Higher quality ingredients
- Environmentally-friendly
- Organic
- Other: _____
- None of these

21. What do you think the phrases “**natural**” or “**all natural**” should mean when printed on a food label? (Please check all that apply.)

- No artificial flavors
- No artificial colors
- No artificial preservatives
- No genetically modified ingredients
- No pesticides
- No dyes
- Limited processing
- Higher quality ingredients
- Environmentally-friendly
- Organic
- Other: _____
- None of these

22. Please rate your agreement with the following statement on a scale from 1 to 5. (Circle one number.)

“Foods labelled “**natural**” or “**all natural**” are healthier than foods without a “**natural**” or “**all natural**” label.”

I completely disagree					I completely agree
1	2	3	4	5	

23. When you see a food label that says “**organic**”, do you trust that the product is truly organic? Please rate your level of trust on a scale from 1 to 5. (Circle one number.)

I do not trust the label at all					I completely trust the label
1	2	3	4	5	

24. Please rate your knowledge of **genetically modified organisms (GMOs)** on a scale from 1 to 5. (Circle one number.) If you had never heard of **GMOs** prior to this question, please circle “1”.

I know nothing about GMOs					I know a lot about GMOs
1	2	3	4	5	

25. Please rate your agreement with the following statement on a scale from 1 to 5. (Circle one number.)

“I am concerned that food products containing **genetically modified organisms (GMOs)** pose a health risk.”

I completely disagree					I completely agree
1	2	3	4	5	

26. Please rate your agreement with the following statement on a scale from 1 to 5. (Circle one number.)

“I am concerned that the production of products containing **genetically modified organisms (GMOs)** poses an environmental risk.”

I completely disagree					I completely agree
1	2	3	4	5	

27. When you see a food label that says “**Non-GMO**” or “**Non-GMO Project Verified**”, do you trust that the product is free of **genetically modified organisms (GMOs)**? Please rate your level of trust on a scale from 1 to 5. (Circle one number.)

I do not trust the label at all					I completely trust the label
1	2	3	4	5	

28. Please rate your agreement with the following statement on a scale from 1 to 5. (Circle one number.)

“I am concerned that we as a society do not fully understand the impacts of **genetically modified organisms (GMOs)**.”

I completely disagree					I completely agree
1	2	3	4	5	

29. Are you willing to pay extra for a food item that does not contain **genetically modified organisms (GMOs)**? (Please check one.)

- Yes
- No

30. Did you feel that you were well-compensated for your participation in this experiment? Please rate your satisfaction with the compensation on a scale from 1 to 5. (Circle one number.)

I was compensated very poorly					I was compensated very well
1	2	3	4	5	

31. Did you understand the instructions for the experiment today? Please rate your understanding on a scale from 1 to 5. (Circle one number.)

I understood very poorly					I understood very well
1	2	3	4	5	

Appendix C: Tobit Regressions

These regressions parallel those presented in Table 4, but use Tobit rather than linear regression. Marginal effects are presented, interpreting zero bids as corner solutions.

WTP for “natural” foods: between-subjects analysis (Part 1 data)

Variable	Model 1		Model 2		Model 3	
Intercept	2.13**	(0.61)	2.71**	(0.69)	1.49**	(0.54)
Natural	0.36**	(0.16)	-0.63*	(0.32)	1.42**	(0.42)
Belief Count			-0.12**	(0.06)		
Belief Count × Natural			0.23**	(0.07)		
<i>Beliefs over natural labels</i>						
No Artificial Flavors					1.17**	(0.42)
No Artificial Colors					-0.35	(0.36)
No Artificial Preservatives					0.45*	(0.27)
No GMOs					-0.52*	(0.31)
Organic					-0.02	(0.48)
Means Nothing					1.74**	(0.37)
No Artificial Flavors × Natural					-1.50**	(0.50)
No Artificial Colors × Natural					0.52	(0.40)
No Artificial Preservatives × Natural					-0.65*	(0.34)
No GMOs × Natural					1.24**	(0.35)
Organic × Natural					-0.02	(0.52)
Means Nothing × Natural					-2.52**	(0.47)
Additional controls? [§]	Yes		Yes		Yes	
Num. Observations	737		737		737	
Pseudo R ²	0.05		0.08		0.11	

Notes: * and ** denote coefficients that are statistically different from zero at the 10% and 5% significance levels, respectively. [§]All regressions include the first nine (demographic) variables defined in Table 2 as well as product fixed effects. Cluster-robust standard errors are in parentheses.