

Abstract

We replicate three tasks for which Gneezy, List and Wu (Q. J. Econ. 121(4):1283–1309, 2006) document the so-called uncertainty effect: People value a binary lottery over non-monetary outcomes less than other people value the lottery's worse outcome. While the authors implement verbal lottery descriptions, we use a physical lottery format and also provide subjects with complete information about the goods they are to value. We observe for all three pricing tasks that subjects' willingness to pay for the lottery is significantly higher than other subjects' willingness to pay for the lottery's worse outcome.

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