Interpersonal Sunk-Cost Effect (Airline Invest Scenario) - August 28, 2017 (#5281)

1) Have any data been collected for this study already?
No, no data have been collected for this study yet.

2) What’s the main question being asked or hypothesis being tested in this study?
Some background:
This study will present participants with a (hypothetical) sunk-cost scenario, adapted from the classic "airline investment" vignette (Exp. 3 and 8 in Arkes & Blumer, 1985). Participants will imagine being the president of an airline company with a $100 million research budget, and consider investing the last $1 million of their company’s research funds to build a fuel-efficient plane, after learning that another firm has already finished developing a plane that is faster, far more fuel-efficient, and cheaper to produce than the one their company would develop.

I hypothesize 2 things:
1) A replication of the standard (intrapersonal) sunk-cost effect: Participants will be more willing to invest the final $1 million of their company’s R&D money in the fuel-efficient plane if THEY (themselves) previously invested a lot of the R&D money into developing the plane (sunk-cost present) compared to when THEY (themselves) had not previously invested any money into the plane (sunk-cost absent).

2) Critically, I also predict a similar pattern will emerge when another person (the previous president of the company) was the one who made the prior investment decision. That is, participants will also be more willing to invest the final $1 million of their company’s R&D money in the fuel-efficient plane if SOMEONE ELSE (the previous president) previously invested a lot of the R&D money into developing the plane (interpersonal sunk-cost present) compared to when that SOMEONE ELSE (the previous president) had not previously invested any money into the plane (interpersonal sunk-cost absent).

In sum, I hypothesize both a standard intrapersonal sunk-cost effect and a novel interpersonal sunk-cost effect.

3) Describe the key dependent variable(s) specifying how they will be measured.
There are 2 dependent variables in this study (presented one at a time, in random/counterbalanced order):
1) A binary choice measure: Participants will indicate whether (or not) they would invest the final $1 million of R&D money in the fuel-efficient plane.
2) A continuous measure: Participants will indicate what % of the final $1 million of R&D money they would invest in the fuel-efficient plane.

4) How many and which conditions will participants be assigned to?
4 conditions in a fully between-subjects design:
- Participants will be assigned to sunk-cost present OR sunk-cost absent condition
- Participants will be assigned to a scenario in which either they (themselves) OR someone else (the previous company president) made the prior investment decision

5) Specify exactly which analyses you will conduct to examine the main question/hypothesis.
Binary measure - I will carry out 2 separate Chi-Square analyses (for the self/intrapersonal and other/interpersonal scenarios) testing the sunk-cost effect (i.e., comparing sunk-cost present vs. absent)

Continuous measure - I will carry out 2 separate t-test analyses (for the self/intrapersonal and other/interpersonal scenarios) testing the sunk-cost effect (i.e., comparing sunk-cost present vs. absent)

6) Any secondary analyses?
I will carry out follow-up regression analyses equivalent to the main analyses, that simultaneously control for participant age and gender.

7) How many observations will be collected or what will determine sample size? No need to justify decision, but be precise about exactly how the number will be determined.
I will collect data from a total of 600 participants (give or take a couple of participants)

8) Anything else you would like to pre-register? (e.g., data exclusions, variables collected for exploratory purposes, unusual analyses planned?)
Nope.