Referee report on the paper: "Social Norms or Low-Cost Heuristics? An experimental Investigation of Imitative Behavior"

Simona Cicognani and Luigi Mittone (2014). Social Norms or Low-Cost Heuristics? An Experimental Investigation of Imitative Behavior. Economics Discussion Papers, No 2014-2, Kiel Institute for the World Economy. http://www.economics-ejournal.org/economics/discussionpapers/2014-2

Major comments

The paper reports the results of an experiment where subjects have the possibility to overcome cognitive difficulties related to a task on the basis of two different sets of information: what the Majority of the others participants to the experiment chose in previous sessions of the experiment and the information that the Default card is "one of the best 8 cards (among 16) appearing covered on the screen ", in two different cognitive settings: a more difficult one (that they called high cost) and a simpler one (that they called low cost).

They assess that in this way they are able to understand how much cognitive costs and social norms affect individual's decisions and to analyze how this determines imitation.

I am quite skeptical about this being the main result of the paper since no actual interactive setting is implemented in the experiment (all decisions are individually taken by "participants "randomly allocated to cubicles inhibiting interaction with other participants"); moreover, in Treatment MAJORITY, information about what the majority of others participants choices refers not to the current group decisions, but to the choices made in "a previous experimental session").

There are several studies about networks structures among participants (apart the two mentioned in the paper) that better account for group effects related to the difficulty to work out optimal choices when complexity and multiplicity of equilibria are binding (see Conte et al. 2012 as an example).

 Moreover no social norm is evoked by the experimental setting (contrary to the mentioned tax compliance framing). Therefore I do not see any possible normative determinants be at work in this setting. So I am not very surprised that they do not find strong evidence for imitative behavior: in their setting it represents in fact just a way to overcome individual cognitive difficulties.

Despite the above observations, I found quite interesting the experiment and its results from several points of view and I suggest to revise the paper as illustrated below.

Its main focus in my opinion is the relationship between under-confidence and low-cost heuristics that seem to better capture the framing implemented. In particular the decision of imitating others' choices in presence of a task that requires some skill could be easily related to the lack of confidence that individuals experience when coping with tasks either too complicated or in which they think not to be talented.

The comparison between the treatment Majority and Default will allow to disentangle the confidence from the cognitive effect.

Moreover the belief elicitation could be considered as the expectation of personal success and therefore could capture the subject's ability to self-evaluate. Also the information on the difficulty that subjects declared about the task could be used to this aim.

The same analysis could be reproduced also with high or low cognitive costs to see if they affect confidence or its consciousness versus bounded rationality options. As far as the temporal pattern in the distribution of choices, I found quite interesting the role of memories that emerges from the data.

Therefore I suggest to revise the paper focusing on the different ways to cope with complexity (following the majority versus accepting the default option). Herding is in fact a way to cope with complex or ambiguous decisions. In addition, it would be interesting to have a measure of how many times their subjects decided to go for a hint in the two different settings and if this could depend on how they evaluate themselves.

In the descriptive statistics I suggest to give less relevance to the analysis of the final payoffs.

Minor comments

2.3 typo Behaioural   for behavioral

Add reference : Anna Conte & Daniela Di Cagno & Emanuela Sciubba,(2012). "*Strategies* in Social Network Formation"

Final comments to the editor

I recommend to accept the paper with revisions.