

Comments on “Is a ‘Firm’ a Firm? A Stackelberg Experiment” by Andreas Hildenbrand

The paper addresses the question in how far an IO framing in lab experiments affects the subjects' behavior – in particular with respect to the influence of social preferences. Based on a Stackelberg experiment it is argued that if the framing is closer to the underlying IO story the subjects' behavior becomes more rational.

While I find the general research approach interesting, I am not convinced by the focus on the IO literature. In fact with respect to that I personally find the results neither surprising nor particularly interesting. Is the Stackelberg game if brought to the lab really a test for IO theories or rather for individual decision making?

However, I do like the general behavioral effect showing that a more and more loaded framing (in terms of a non-social interaction) decreases the influence of social preferences. Arguably, the effect is not as strong as one might have expected – but this may also be due to the fact that, e.g., even in the team framing subjects cannot interact as members of the firm (see comments below). I would therefore suggest to scale down the IO part and to focus instead on the general importance of framing effects on the relevance of social preferences. Once embedded into the more general context I would expect the contribution of the paper to become more visible.

Specific Comments:

Regarding the presentation of the paper, my impression is that the hypotheses are often rather natural and far too prominent while the results are more hidden in the text. Strengthening the results (while emphasising rather their general relevance than their importance for the IO literature) might make it easier for readers to appreciate the contribution of the paper.

Whether individuals are “not rational, egoistic, and materialistic” as claimed on page 13 is possibly not yet decided. Eventually it might be argued that also exhibiting other regarding preferences is rational and/or egoistic?!

The size of the earnings relative to the show-up fee is rather small. Is there a literature on the potential effects of this (or are there other experiments with similar payoff structures)?

It might be worth trying to add another treatment that takes the framing even further, for example by letting teams talk to each other (or exchange 1-2 messages).

With respect to the more general comment from above I would expect more references to the (general) literature on behavioral economics and, especially, framing effects.