Appendix

A.1 Additional Analysis

Table 1 Multinomial logistic regression

Decision rule		Coefficient	Rob. Std. Error	z	p
Other		(base outcome)			
Best-reply (BR)	n	−0.101	0.130	−0.78	0.435
	treat	0.271	0.228	1.19	0.234
	cons	−2.228	0.481	−4.62	0.000
Imitation (IM)	n	−0.364	0.097	−3.72	0.000
	treat	0.179	0.150	1.19	0.233
	cons	−1.836	0.306	−6.00	0.000
Collusive response (CR)	n	−1.702	0.353	−4.83	0.000
	treat	0.528	0.601	0.88	0.380
	cons	2.871	1.017	2.82	0.005
Punishment (P)	n	0.451	0.314	1.44	0.150
	treat	−0.430	0.520	−0.83	0.409
	cons	−4.237	1.043	−4.06	0.000

Std. Err. adjusted for 60 clusters (markets). Number of obs = 18000. Pseudo $R^2 = 0.0955$, Wald chi2(8) = 40.55, log pseudolikelihood = −15207.035.

A comparison of the constant terms reveals that the decision rule CR is chosen more frequently than all other decision rules and the remaining category "others". All decision rules but CR are chosen less frequently than the remaining category as the negative signs of the constant terms and the significant p-values show. For any decision rule, there are no significant differences between treatments, i.e., the respective rules are chosen in similar percentages in both treatments. If we look at number effects, we see that the probability to choose CR and IM decreases with N whereas the probability to choose BR or P does not change significantly when N incraeses.

A.2 Translation of the Instructions to the Experiment

The Structure of the Experiment. The experiment consists of 100 periods. You will be randomly assigned to different groups. There are 2 to 4 participants in each group. The composition of each group does not change throughout the experiment. The members of a group are competitors on a market for a specific good. At the beginning of the experiment you will be informed, how many competitors you have.

The Structure of a Period. You determine your supply x, by choosing a number out of $\{0..60\}$. There are no costs, i.e., the good is produced and supplied without costs. Depending on your supply and the supply of your competitors, the total supply X on

this market is determined as follows: $X = \sum_i x_i$, where x_i denotes the single supply of the supplier i on the market. The price p depends on the total supply X as follows:

$$p = \begin{cases} 60 - X & \text{if } X \leq 60 \\ 0 & \text{if } X > 60 \end{cases}$$

Your profit G is calculated as follows: $G = p \cdot x$. Your earnings depend on your final profit.

Feedback at the end of each Period. At the end of each round, each participant is informed about his profit G and the supplies and profits of his competitors. The profits of your competitors are determined in the same way as your own profit. Depending on the profit, every participant is paid a certain amount in the fictitious currency "Thaler". The screen shows the profit of the last period and the cumulated profit (sum of all profits obtained so far).

End of the Experiment and Total Payoffs. From the beginning, the exchange rate is displayed on the computer screen. At the end of the experiment your cumulated profit will be multiplied with the exchange rate. After the experiment you will be paid this amount.

Additional instructions for the setting "TAB". You will be provided with a payoff table. The lines on this table correspond to your possible supplies out of $\{0..60\}$. The columns correspond to the competitors' supplies (i.e., sum of the supplies of your competitors). In the respective fields of the table, you will find your corresponding profit.

A.3 The Payoff Table

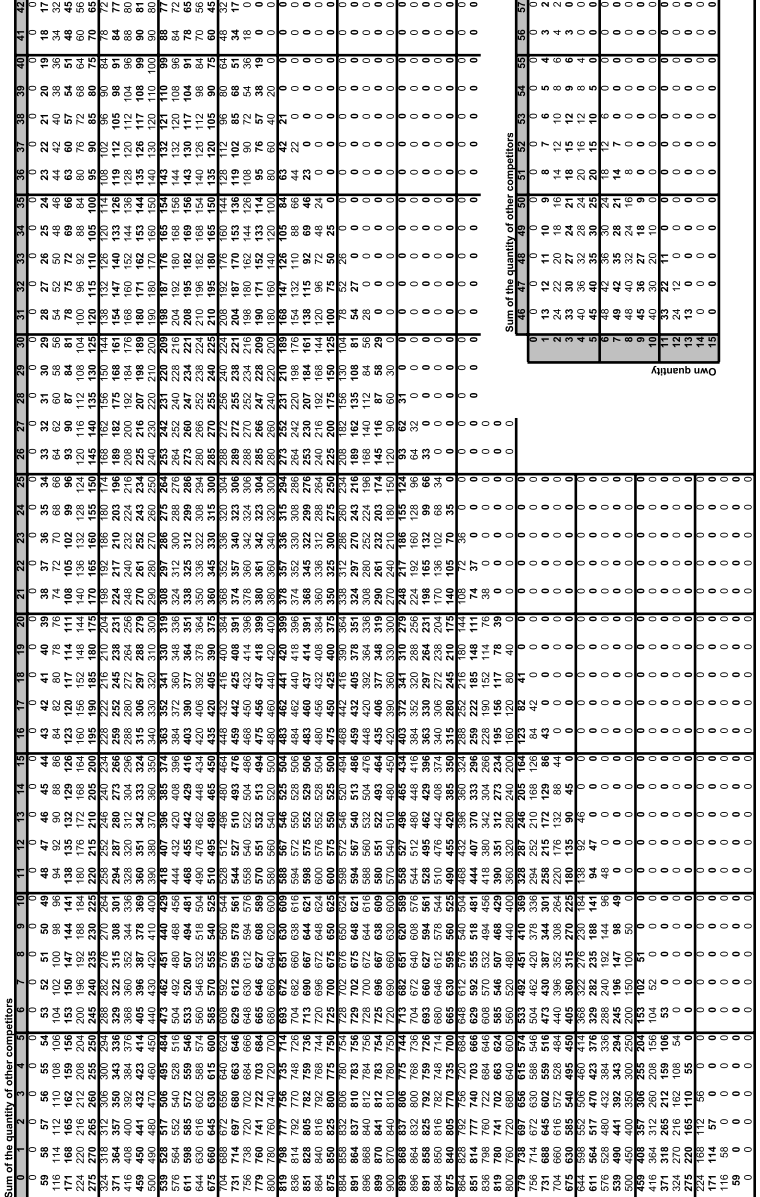

Fig. 1 The Payoff Table