

# **Expectations, Satisfaction and Utility from Experience Goods: A Field Experiment in Theaters**

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## **Abstract**

We show that, after controlling for individual characteristics, willingness to pay for an experience good depends on subjective quality relative to expectations, and not on expectations or subjective quality alone. In our experiment, we sell tickets for a theatre play using a pay-what-you-want mechanism in which the audience first watches the show, and then decides how much to pay for it. Based on before and after questionnaires, we find that among individuals declaring the same expectations or enjoyment those with a larger gap between expected and effective enjoyment pay significantly more. Once the satisfaction gap is accounted for, the level of expected enjoyment or ex post subjective enjoyment has no significant effect in predicting payments.