


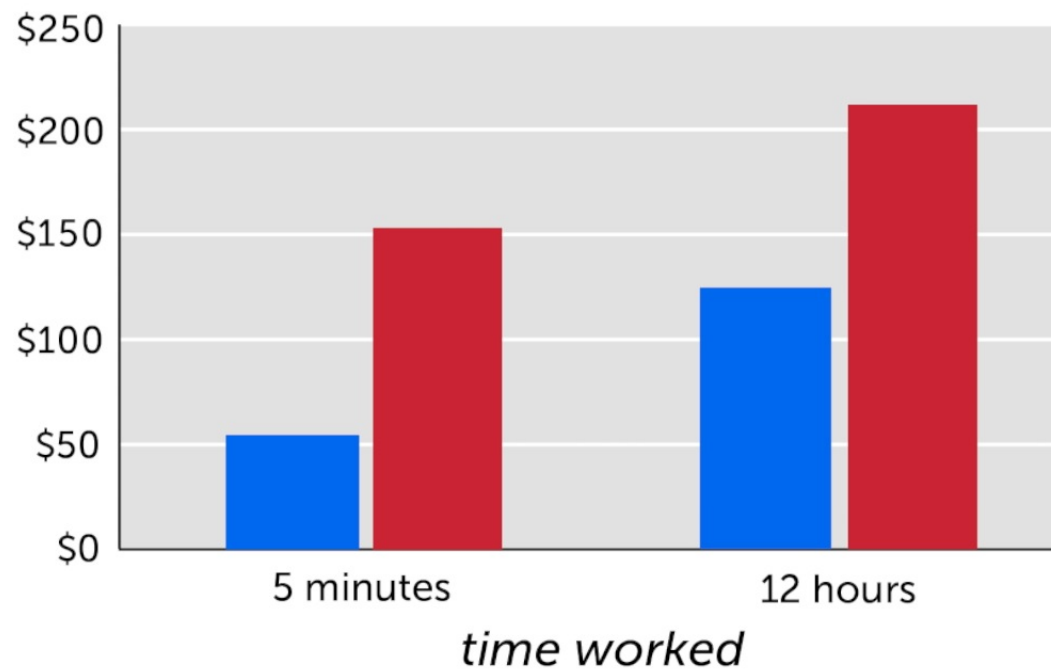
**Part 5:**  
Fairness and Reciprocity



It's easy for us to pay for something that requires conspicuous effort, but much harder to pay an expert who performs the job effortlessly.



## Data Recovery








You saw their effort and  
took some of their time.

You don't see the  
marginal cost of the service.








Our ideas about  
fairness are based on  
marginal cost rather  
than fixed cost.

Why should I  
pay more when  
it's not costing  
them more?







We are willing to pay  
more when we see  
the costs involved.






Purchasing decisions *should*  
be based on weighing pleasure  
against price, but we have trouble  
calculating these tradeoffs.

I'm going to get beer.  
What's the most you'll  
pay for one?







You are buying beer  
from either:

1) a hotel

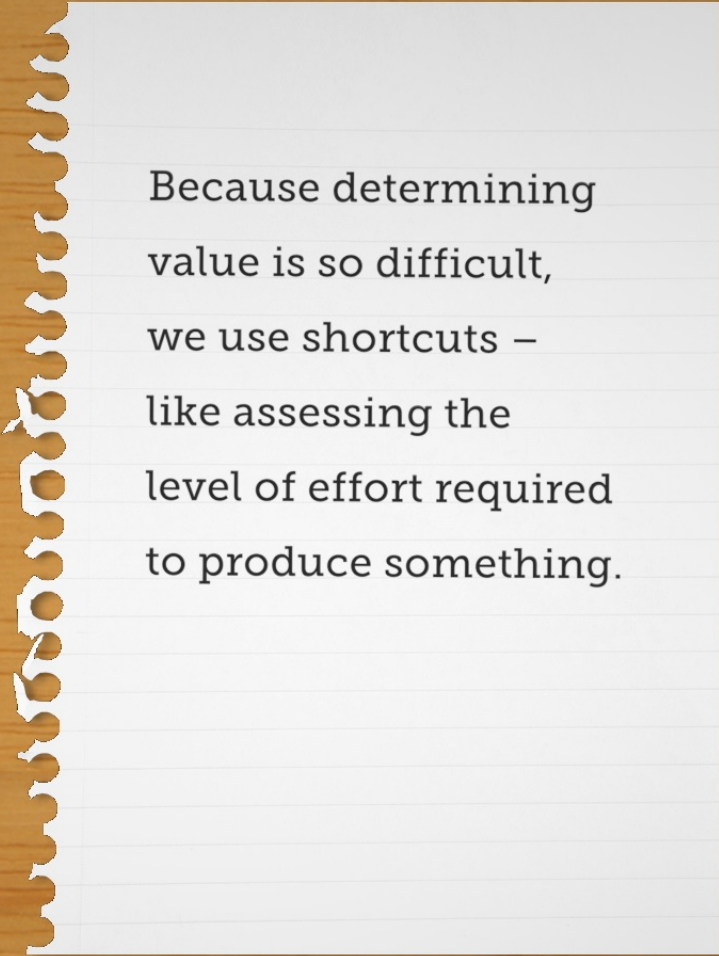
OR

2) a grocery store

Judgment of fair price depends  
on perceived costs.







Because determining  
value is so difficult,  
we use shortcuts –  
like assessing the  
level of effort required  
to produce something.