

Preregistration: Mental Models of the Stock Market

Good News that Feels Bad Study

Peter Andre, Philipp Schirmer, Johannes Wohlfart

January 29, 2026

In addition to the existing preregistration plan, we preregister the Cost Context Study.

Study parameters

- Sample size: 600 (about 300 per treatment)
- Sample type: Prolific US sample (no quotas)
- Start of data collection: January 29, 2026 (after preregistration)
- Number of treatments: 2
- Randomization method: Computerized via Qualtrics
- We plan to work only with complete responses. In the (typically very rare) case that a respondent submits multiple responses, we only count the first response.
- Respondents can only start with the survey if they pass questions screening for inattention, bots, and AI use. Moreover, they can only proceed with the survey if they pass a comprehension quiz that tests their understanding of the scenarios (multiple attempts are allowed).

Study design The control condition of the study is a shorter version of the main descriptive survey for households (see full instructions of the main survey), while the treatment condition varies the description of the scenarios the respondents see. All conditions build on the *Nike good news* scenario. The shortened version contains the following questions:

- Prediction: In which scenario is the future expected return of an investment in the stock over the next year higher?
- Open-ended explanation of prediction
- Prediction: In which scenario are the future expected earnings of Nike over the next year higher?

- Affective evaluation: Overall feelings when reading scenario 1 and when reading scenario 2.
- Background characteristics

The study involves the following experimental conditions.

Control: Standard version of the scenario, prediction and explanation screens.

Good news that feels bad: The description of scenario 2 on the scenario screen contains additional information that the cost savings for Nike come at a heavy social and economic cost to workers and their families, which the public will never be able to trace back to Nike. The additional information is also featured in the scenario heading and hence also on the screens where the respondents predict the return or earnings, where they explain their return prediction, and where they rate their overall feeling when reading the two scenarios.

The precise instructions of the key survey screens in the different conditions are attached below.

Research question Does good news that feels bad shift respondents' return predictions and reasoning?

Control condition

Two scenarios

Please think about the following two hypothetical scenarios.

Scenario 1: Nike maintains supplier partnership

Four weeks ago, on January 1, 2026, Nike Inc. announced the continuation of its partnership with major polyester supplier Toray Industries Inc., in a move aimed at retaining its current supply chain. The continuation of the partnership is expected to maintain the company's current cost structure. Industry experts were not surprised by the announcement, as continuity in supplier relationships is a common practice in the industry.

Scenario 2: Nike secures cost-saving partnership

Four weeks ago, on January 1, 2026, Nike Inc. announced a new strategic partnership with leading recycled polyester supplier Unifi Inc., aimed at reducing raw material costs by 20%. The deal is expected to have a significant impact on Nike's bottom line, making its products more price-competitive. Industry experts were pleasantly surprised by the news and dubbed it an "unexpected success" for the company. They projected the move to significantly enhance Nike's market position in the sports apparel industry.

In both scenarios, the announcement was made four weeks ago and received a lot of attention from stock market traders.

Quiz

Please select all correct statements in the following list. Do not select any incorrect statements.

- The scenarios are about a lawsuit against Nike.
- The scenarios are about Nike's supply chain partnerships.
- In both scenarios, the announcement was made four weeks ago.
- In both scenarios, the announcement was made earlier today.
- In both scenarios, the announcement did not receive a lot of attention among stock market traders.
- In both scenarios, the announcement received a lot of attention among stock market traders.
- In scenario 1, Nike maintains its current supply partnerships. In scenario 2, Nike secures a new supply partnership.
- In scenario 1, Nike secures a new supply partnership. In scenario 2, Nike maintains its current supply partnerships.

Your prediction

Review the two scenarios (*click to open detailed description*)

- **Scenario 1: Nike maintains supplier partnership**
- **Scenario 2: Nike secures cost-saving partnership**

In both scenarios, the announcement was made four weeks ago and received a lot of attention from stock market traders.

Imagine that you invest \$1,000 in Nike stocks today, **four weeks after the announcement was made in the two scenarios**. Imagine that you sell these stocks in twelve months from now.

[...]

Good news that feels bad condition

Two scenarios

Please think about the following two hypothetical scenarios.

Scenario 1: Nike maintains supplier partnership

Four weeks ago, on January 1, 2026, Nike Inc. announced the continuation of its partnership with major polyester supplier Toray Industries Inc., in a move aimed at retaining its current supply chain. The continuation of the partnership is expected to maintain the company's current cost structure. Industry experts were not surprised by the announcement, as continuity in supplier relationships is a common practice in the industry.

Scenario 2: Nike secures cost-saving partnership, many jobs lost

Four weeks ago, on January 1, 2026, Nike Inc. announced a new strategic partnership with leading recycled polyester supplier Unifi Inc., aimed at reducing raw material costs by 20%. The deal is expected to have a significant impact on Nike's bottom line, making its products more price-competitive. Industry experts were pleasantly surprised by the news and dubbed it an "unexpected success" for the company. They projected the move to significantly enhance Nike's market position in the sports apparel industry.

Behind the scenes, these cost savings come from Unifi's move to highly automated production lines that replace much of its manual workforce. While this makes production more efficient and cuts Nike's costs, it leaves thousands of textile workers without their main source of income. Families already living on the edge now face the risk of homelessness, hunger, and worsening health as people skip medical care. In some areas, children are pulled out of school to help support their families. **Though the decision clearly strengthens Nike's business prospects, it imposes heavy social and economic costs on workers and their families — costs that neither the families nor the public will ever trace back to Nike.**

In both scenarios, the announcement was made four weeks ago and received a lot of attention from stock market traders.

Quiz

Please select all correct statements in the following list. Do not select any incorrect statements.

- The scenarios are about a lawsuit against Nike.
- The scenarios are about Nike's supply chain partnerships.
- In both scenarios, the announcement was made four weeks ago.
- In both scenarios, the announcement was made earlier today.
- In both scenarios, the announcement did not receive a lot of attention among stock market traders.
- In both scenarios, the announcement received a lot of attention among stock market traders.
- In scenario 2, Nike secures a new supply partnership. The negative consequences for workers and their families **cannot** be traced back to Nike.
- In scenario 1, Nike secures a new supply partnership. The negative consequences for workers and their families **can** be traced back to Nike.

Your prediction

Review the two scenarios (*click to open detailed description*)

- **Scenario 1: Nike maintains supplier partnership**
- **Scenario 2: Nike secures cost-saving partnership, many jobs lost**

In both scenarios, the announcement was made four weeks ago and received a lot of attention from stock market traders.

Imagine that you invest \$1,000 in Nike stocks today, **four weeks after the announcement was made in the two scenarios**. Imagine that you sell these stocks in twelve months from now.

[...]