

Appendix Table 1: A Pareto Dominant Platform being Cheap Speeds its Tipping

The table below reports coefficient estimates using the choice to locate on the Pareto Dominant (PD) platform as the dependent variable. The PD platform is the second mover in each Set- entering after 5 periods of the non-PD platform enjoying a monopoly. A Set is 15 iterations of the game (i.e., SubPeriods) where a fixed group of randomly matched market participants for that Set choose to locate on one of two platforms in each SubPeriod (though in the first 5 SubPeriods, they can only choose the non PD platform). We also examine the effect on currently choosing the PD platform of having chosen the PD platform the last period and whether the current period is a best response to the last period’s participant choices- neither of these explain platform choice after accounting for whether the PD platform was cheap and time (i.e., Set and SubPeriod). Over time, all participants are rapidly drawn into the PD platform, and increasingly so.

The regression is a logistic regression with random effects. Consequently, we report the coefficients in odds ratio format- the ratio of choosing versus not choosing the PD platform. For example, a ratio of 2 means the odds are 2-to-1 the player will choose the PD platform versus not. P values are reported in the final column; as can be seen, a PD platform being the cheaper platform greatly speeds tipping to the PD platform- the coefficient Cheap is significant at the 1% level.

Dependent Variable: Choosing the Pareto Dominant Platform

Independent Variable	Coefficient	P Value
PD Platform is Cheap	6.77	0.008
Chose PD Last Period	2.31	0.172
Choose PD is Best Response	1.18	0.772
Set (1,2, or 3)	10.24	0.001
SubPeriod (6,7,8...,15)	1.49	0.003
N	1440	n/a