

Keep them guessing, keep them gaming

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Credit: University of Chicago

Marketers everywhere are looking for what will entice consumers to make a purchase—not just once but repeatedly—and new research points to a rather surprising result.

While conventional wisdom says that people don't like uncertain gains or rewards, a study from the University of Chicago Booth School of Business finds that uncertainty can play an important role in motivating repeat behaviors.

"People repeat a task more for an uncertain incentive than for a certain incentive, even when the uncertain incentive is financially worse," say Chicago Booth Professor Christopher Hsee and the Chinese University of Hong Kong's Luxi Shen, a recent Booth graduate, in the study, "The Fun and Function of Uncertainty: Uncertain Incentives Reinforce Repetition Decisions."

One reason uncertain incentives motivate behavior is the psychological boost consumers get in moving from the unpleasantness of uncertainty to the satisfaction of certainty resolution.

The popularity of WeChat Pay, one of the largest mobile payment apps in the world, is one example. After tapping to pay with WeChatPay, a mobile payment user is sometimes awarded a bonus of an uncertain size. This strategy motivates the user to pay with this specific app again.

The same is true of many consumer goods companies. Meal-kit delivery services such as Blue Apron send their subscribers a box of unknown groceries every week. Apple music pushes a list of new music to their subscribers. Birchbox mails out boxes of skincare and makeup samples, and BarkBox gives pet owners a box full of surprise dog treats and toys based on that month's theme.

"These services all share one important feature," says Hsee. "They keep the box mysterious and let their customers have fun opening the packages and discovering the products. The uncertainty keeps the customers coming back."

In the study, published in the *Journal of Consumer Research*, the researchers performed four experiments in Hong Kong and Chicago and found uncertain rewards consistently motivated consumers more than certain rewards in both lab and field settings, and in both small and large magnitudes.

In one experiment, students at a running club in Hong Kong were told they could earn points by running, jogging, or speed walking on a 400-meter outdoor track during a 15-day event.

Half of the members were randomly assigned to a group certain of its reward—after each lap, each member would receive five points. The other half were randomly assigned to a group uncertain of its reward—after each lap, each member would randomly receive either three or five points. At the end, participants could exchange their points for a gift card at a local café for the equivalent in Hong Kong dollars.

As the researchers predicted, the running club members who didn't know in advance which reward they would get logged more laps than those in the group guaranteed the five points per lap, even though the uncertain-point condition promised a worse financial outcome.

"In other words, people literally ran 'the extra mile' (precisely, 1.61 more miles) for the uncertain incentive," the study says.

This uncertain reward is particularly beneficial for marketers who want their existing customers to return. "However, for the marketers whose solo goal is to recruit one-time customers, they should be cautious and not just mindlessly add uncertainty into their product design or pricing strategy," Shen adds.

In the study, the researchers show that uncertain rewards are effective only if the uncertainty is resolved immediately, and only after, not before, one has engaged in repetitions.

Marketers have had success already in getting consumers to repeat behaviors. Grocery stores encourage shoppers to bring cloth bags and coffee shops encourage drinkers to bring their own mugs, both for the reward of a small percentage off their purchase. But the study suggests

that such efforts may be even more successful if [consumers](#) don't know the amount of the [reward](#) in advance.

"Our research reveals that human reactions to [uncertainty](#) are more complex and nuanced than commonly thought," they say.

More information: Luxi Shen et al, The Fun and Function of Uncertainty: Uncertain Incentives Reinforce Repetition Decisions, *Journal of Consumer Research* (2018). [DOI: 10.1093/jcr/ucy062](https://doi.org/10.1093/jcr/ucy062)

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