

Reflexive Positivity: When Uncertainty Can Improve Promotions

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Consumer incentives often project varying degrees of uncertainty. For example, a consumer might be told that she will receive a generous gift with purchase (e.g., “Buy today and receive a box of Godiva truffles!”), or that she will receive a gift with purchase that could be either the same generous gift or a more modest gift (e.g., “Buy today and receive *either* a box of Godiva truffles *or* two Hershey’s kisses!”). The latter incentive is more uncertain than the former with a lower expected value for the customer. However, we demonstrate that there are instances when such uncertain incentives may generate a more positive consumer response than what would be justified by an expected value consideration. We show these effects using both hypothetical scenarios and a field experiment involving actual purchases. Further, we identify reflexive positivity, or the innate, automatic tendency to interpret uncertainty in a positive manner, as the driving force behind these over-valuations.