

Uncertain reward more motivating than sure thing, study finds

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Recently, uncertainty has been getting a bad rap. Hundreds of articles have been printed over the last few years about how uncertainty brings negative effects to the markets and creates a drag on the economy at large. But a new study appearing in the February 2015 edition of the *Journal of Consumer Research* finds that uncertainty can be motivating.

In "The Motivating-Uncertainty Effect: Uncertainty Increases Resource Investment in the Process of Reward Pursuit," Professors Ayelet Fishbach and Christopher K. Hsee of the University of Chicago Booth School of Business and Luxi Shen of the University of Hong Kong compared the time, money and effort that people put into winning a certain reward versus an uncertain reward, and found that the uncertain reward was more motivating.

The researchers ran several experiments that established this motivation. For example, in one study they asked college students to drink a large amount of water in two minutes. Some were told they would receive \$2 for completing the task, while others were told they would receive either \$1 or \$2. They found that more people finished the water to receive the uncertain amount of money. The team calls this phenomenon the motivating-uncertainty effect.

Fishbach, Hsee and Shen explain this effect by positing that making the unknown known—i.e., figuring out what is in a wrapped package or finding out which reward one has earned—is a positive experience. Because people are excited to find out what they can actually get,



working for an uncertain reward makes the whole situation more like a game and less like work. They then ran two more experiments that confirmed this explanation.

In this short video, Fishbach discusses the findings.

In a final study, the researchers had two groups bidding on auctions similar to those on eBay. One group was focused on the actual bidding process while the other was focused on the outcome. They found that those who focused on the process risked more money for uncertain rewards, enjoyed the whole experience more and felt more excitement than the other bidders.

The team notes that the concept that uncertainty can be more motivating than certainty is counterintuitive. However, their findings are useful for marketers, policymakers, managers and others who design incentives to motivate people.

Provided by University of Chicago

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