

## *Academic Seminar*

### **When Preference Uncertainty Meets Outcome Uncertainty: More Uncertainty Increases Beliefs About Product Fit**

Consumers can experience two types of uncertainty when purchasing a product. Preference uncertainty refers to the uncertainty associated with one's needs or wants (e.g., "How strong do I want my coffee to be?"). Outcome uncertainty refers to the uncertainty associated with product performance (e.g., "How strong is the coffee?") or induced by marketing offerings (e.g., probabilistic selling, mystery box). Contrary to the prior finding that preference uncertainty makes people reluctant to purchase, we find the opposite occurs when outcome uncertainty is high. Specifically, when outcome uncertainty is high (e.g., a coffee pack without a clear or familiar strength indicator), people with preference uncertainty (e.g., uncertain about their preferred strength level) are more likely to expect a product will match their preference (e.g., the coffee will have the desired strength) and, thus, are more likely to purchase the product. Drawing on the sampling model of probability judgment, we show that this occurs because preference uncertainty increases the number of scenarios consumers can imagine where a possible preference matches a possible outcome (e.g., I could like moderately strong coffee the most and the coffee will be moderately strong => match, I could like strong coffee the most and the coffee will be strong => match). These findings contribute to the literature on judgment under uncertainty and have important implications for marketers and consumer well-being.



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Xiang Wang is a Ph.D. candidate in marketing at the Warrington College of Business, University of Florida. Prior to joining the program, she received her bachelor's degree in statistics from Fudan University. Xiang's research primarily focuses on consumer choice and preference in the context of uncertainty, resource scarcity, and digital marketing.

**Date:** 22 November 2022 (Tuesday)

**Time:** 09:00 – 10:30am (HK Time)

**Venue:** Zoom ( ID 966 7975 3168)

**Language:** English



**\*\*\* All are Welcome \*\*\***