

# Probably a Good Choice: How Probabilistic Decoy Goods Affect the Choice of Transparent Goods

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Cite as:

Klingemann Wiebke, Kim Ju-Young (2019), Probably a Good Choice: How Probabilistic Decoy Goods Affect the Choice of Transparent Goods. *Proceedings of the European Marketing Academy*, 48th, (9710)

Paper presented at the 48th Annual EMAC Conference, Hamburg, May 24-27, 2019.



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## **Abstract**

A probabilistic good is an offer involving a certain probability to get any item out of a set of multiple distinct alternatives. If probabilities are unequally distributed, consumers may form a chance-quality heuristic, thus considering a lower chance of allocation as a signal for quality. We therefore propose that probabilistic goods could be used as decoys to increase the attractiveness of a target item, thereby positively affecting its transparent sales. Data from two experiments support this idea of a chance-quality heuristic under the boundary condition that it works for inferior items of an assortment only, with more popular items remaining unaffected. Our findings carry important implications for both research and practice, as we develop a new area of application for probabilistic goods, and outline in detail when and how practitioners can use them to increase the desirability of specific items of an assortment.

**Keywords:** *Probabilistic Decoy Goods; Chance-Quality Heuristic; Consumer Choice*

**Track:** Retailing & Omni-Channel Management