### *"When Retailing and Las Vegas Meet: Probabilistic Free Price Promotions"*

**Abstract**: *A number of retailers offer gambling- or lottery-type price promotions with a chance to receive one's entire purchase for free. Although these retailers seem to share the intuition that probabilistic free price promotions are attractive to consumers, it is unclear how they compare to traditional sure price promotions of equal expected monetary value. We compared these two risky and sure price promotions for planned purchases across six experiments in the field and in the laboratory. Together, we found that consumers are not only more likely to purchase a product promoted with a probabilistic free discount over the same product promoted with a sure discount but that they are also likely to purchase more of it. This preference seems to be primarily due to a diminishing sensitivity to the prices. In addition, we find that the zero price effect, transaction cost, and novelty considerations are likely not implicated.*

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A behavioural scientist, Nina has been named as one of "The 40 Most Outstanding B-School Profs Under 40 In The World" by the business education website Poets&Quants in 2014. With her focus on behavioral economics, Nina investigates consumer behavior, how it deviates from standard economic assumptions, and its implications for policy. Her research topics range from irrational attraction to free products, the paradoxes of green behavior to temptations to be dishonest. Nina was nominated for the SSHRC Aurora Prize for "Outstanding New

Researcher," and she is the recipient of several teaching and research awards, including the Rotman Dean's Award for Excellence in Research and the William F. O'Dell Award of AMA's Journal of Marketing Research (for having made the most significant, long-term contribution to marketing theory, methodology, and/or practice).

Nina has published her research in leading academic journals like the Journal of Marketing Research, Psychological Sciences, Review of Economic Studies, and the Proceedings of the National Academy of Sciences. Popular accounts of her work have appeared among others on NPR, BBC, in the New York Times, Financial Times, Wired, Harvard Business Review, and in the Documentary Feature Movie "(Dis)honesty - The Truth About Lies". Nina is also a sought-after public speaker and consultant, and she serves as advisor to a number of governments and organizations around the world. Speaking engagements include the Canada Revenue Agency, European Commission, Google Venture, OECD, and Toyota.