The Unpredictable Positive Effects of Sports Gambling: Gamblers Think Losing Feels Worse Than it Actually Feels

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Implications statement

Gamblers underestimate how much fun small wagers add to enjoying sports events. They think losing will feel worse than it really does. Simple reminder can correct this misprediction.

Abstract

When considering whether to gamble on a sporting event, people may ask themselves how winning or losing will affect their experience. In a series of four experiments, we find that people under-appreciate the positive effect of gambling on watching sporting events, in a way that causes them to under-value the opportunity to place a small stakes gamble. While participants predict that a gamble will enhance or diminish an experience depending on the outcome, we find that a small bet has an asymmetric hedonic effect, making sports events more enjoyable for people who wager and win, and not any less enjoyable for people who wager and lose. We demonstrate that people do not predict this asymmetry because that they fail to spontaneously consider the ongoing enjoyment experienced while watching an event, and that when asked to consider their experience during the game, they predict gambling will be more enjoyable. Extending our results into other types of gambles, we find that the hedonic benefit of gambling (and people’s hedonic mispredictions of it) occur even for other types of wagers, such as a betting on a series of coin flips.

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