

## Consequences of Regret Aversion in Lottery Play

Marcel Zeelenberg *Tilburg University*

The Dutch postcode lottery owes its name to the process by which the winner is selected: namely by randomly drawn postal codes. There are a variety of prizes to be won in this lottery. For example, for the Street Prize a postcode is drawn and everyone who bought a ticket and has this postcode receives a prize (in December 2000 the winners received up to 7,200,000 Dutch Guilders). If you were an inhabitant of the Netherlands would you buy a ticket or not? Before answering this question you might want to consider the following situation: Imagine that your postcode has been selected, but you did not buy a ticket. However, your neighbor, with whom you share your postcode, did buy a ticket and won the 7,200,000 Dutch Guilders. How would you feel? Probably you would kick yourself and feel intense regret. If you consider the possibility of regret before making your decision whether or not to play in the postcode lottery, it might prompt you to buy a ticket because buying a ticket protects you against the possibility of severe regret. In this presentation we report on 2 studies with real lottery players as participants. Consistent with our predictions we found that the specific structure of the postcode lottery is conducive to regret and that anticipated regret is a strong predictor of future participation in the postcode lottery, but not in the more traditional State Lottery.