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Date: 23.03.2022

**The Endowment Effect to Increase Sales**

Sales organizations may have felt that digital technologies and channels were jeopardizing their business therefore they need to figure out creative ways to pull together the best resources from across the organization (Thomas Baumgartner, Homayoun Hatami, and Maria Valdivieso, 2016). In this case, it is the endowment effect – one of the basic principles of behavioral economics – that comes to the aid of vendors. However, the question arises as to whether it is true that the endowment effect can lead to an increase in online sales.

Standard economic theory is built on the assumption that humans act rationally in their own interests, but this could not always be guaranteed (Thaler, 1994). The reason is cognitive biases that underlie behavioral economics. behavioral economicsdescribes an approach to understanding decision making and behavior that integrates behavioral science with economic principles (Camerer, Loew- enstein, & Rabin, 2004). Behavioral economists assume that people are rather myopic with respect to what is best for them no matter their age or intelligence. One of a few cognitive biases that have a powerful effect on how people feel and behave is the endowment effect. In a nutshell, the endowment effect is the tendency for people who own a good to value it more than people who do not (Carey K. Morewedge & Colleen E. Giblin, 2015).

In electronic product promotion, customers are told that they can return their products after the free trial period, and only few of them are motivated due to the endowment effect (author). This riddle of this effect actually describes Wang (2009) in her paper on Return Policy and the Endowment Effect, stating that consumers are reluctant to return goods once they have purchased them. Moreover, to put a scientific lens, she conducted a series of experiments, the results of which proved that lenient return policies significantly increased initial purchasing tendency but did not increase return rates.

Actually, free trials are pervasively used to promote a wide range of services spanning from cloud computing services such as Google Cloud Platform to entertainment services such as Netflix and Spotify. Many of these free trial promotions allow consumers to access and experience all the service’s features within the specified period, mostly a week or a month and without charge or for a nominal fee. The occurrence of the endowment effect during such freemiums is confirmed by Sebastian Danckwerts and Peter Kenning’s (2020) research. They argue that by offering a free trial for a product, users can develop a sense of ownership for this product, which in turn affects its evaluation.

However, according to Yasar Levent Kocaga (2020) such tool must be used wisely as by offering free trials, a service firm essentially gives away part of its capacity to serve demand that does not generate revenue with the expectation of generating more revenue in the future. That is why service firms should opt to simultaneously increase capacity as free trials are offered to unlock the expected benefits, and otherwise not offer free trials at all.

The endowment effect is also often magnified by touch-based interfaces. Ştir and Zaiţ(2019) suggest that virtually touching a product through tactile interfaces could be as important for consumer decisions as the content of the site and product information. Virtual touching could serve as emotional triggers, leading to feelings of ownership and endowment effects in online marketing. Maybe that's why there are more product’s pictures of 360 degrees and even virtual fittings on you.

Anyway, although it is unknown whether the endowment effect is a mistake, it is still widely used by a lot of global companies, and, if applied correctly, positively affects the company’s sales. At the same time, every business faces risks that could present threats to its success, because entrepreneurship is inseparably linked to risk-taking behavior. Therefore, risks for entrepreneurs when using the endowment effect may become one of the possible issues for further studies.