

# LUXI SHEN

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## EDUCATION

- 2009 – 2014      Ph.D. in Behavioral Science  
Booth School of Business, University of Chicago, USA
- 2012 – 2014      M.B.A.  
Booth School of Business, University of Chicago, USA
- 2004 – 2008      B.S. in Psychology  
Fudan University, China

## POSITIONS

- 2014 –              Assistant Professor of Marketing  
CUHK Business School, Chinese University of Hong Kong

## RESEARCH INTERESTS

Judgment and Decision Making  
Consumer Behavior  
Uncertainty, Risk, and Luck  
Pricing Strategy and Incentive Design

## PUBLICATIONS

*\* indicates a student collaborator*

**Shen, Luxi**, Christopher K. Hsee, and Joachim H. Talloen\* (2019), "The Fun and Function of Uncertainty: Uncertain Incentives Reinforce Repetition Decisions," *Journal of Consumer Research*, 46(1), 69–81.

**Shen, Luxi**, and Christopher K. Hsee (2017), "Numerical Nudging: Using an Accelerating Score to Enhance Performance," *Psychological Science*, 28 (8), 1077–86.

**Shen, Luxi**, Ayelet Fishbach, and Christopher K. Hsee (2015), “The Motivating-Uncertainty Effect: Uncertainty Increases Resource Investment in the Process of Reward Pursuit,” *Journal of Consumer Research*, 41, 1301–15.

- *Runner-Up, Hillel Einhorn New Investigator Award, SJDM, 2015*

Fishbach, Ayelet, and **Luxi Shen** (2014), “The Explicit and Implicit Ways of Overcoming Temptation,” in *Dual Process Theories in the Social Mind*, ed. Jeffrey Sherman, Bertram Gawronski, and Yaacov Trope, 454–67.

**Shen, Luxi**, and Oleg Urminsky (2013), “Making Sense of Nonsense: The Visual Salience of Units Determines Sensitivity to Magnitude,” *Psychological Science*, 24 (3), 297–304.

- *Student Travel Award, Judgment and Decision Making Preconference at SPSP, 2011*

Hsee, Christopher K., **Luxi Shen**, Shirley Zhang, Jingqiu Chen, and Li Zhang (2012), “Fate or Fight: Exploring the Hedonic Costs of Free Competition,” *Organizational Behavior and Human Decision Processes*, 119, 177–186.

**Shen, Luxi**, Christopher K. Hsee, Qingsheng Wu, and Claire I. Tsai (2012), “Overpredicting and Underprofiting in Pricing Decisions,” *Journal of Behavioral Decision Making*, 25, 512–21.

**Shen, Luxi**, Christopher K. Hsee, Jiao Zhang, and Xianchi Dai (2011), “The Art and Science of Guessing,” *Emotion*, 11 (6), 1462–68.

Hsee, Christopher K., Yang Yang, Naihe Li, and **Luxi Shen** (2009), “Wealth, Warmth and Well-being: Whether Happiness Is Relative or Absolute Depends on Whether It Is about Money, Acquisition, or Consumption,” *Journal of Marketing Research*, 46 (3), 396–409.

## WORKING PAPERS UNDER REVIEW, REVISION, OR IN PREPARATION

\* indicates a student collaborator

**Shen, Luxi**, “Risk Averse In Prospect, Risk Seeking In Process” (invited revision at *Management Science*)

**Shen, Luxi**, and Samuel D. Hirshman\*, “As Wages Increase, Do People Work More or Less? A Wage Frame Effect” (invited revision at *Management Science*)

Urminsky, Oleg, and **Luxi Shen**, “High Chances and Close Margins: How Equivalent Forecasts Yield Different Beliefs” (invited revision at *Management Science*)

**Shen, Luxi**, Mantian Hu, and Chu Dang\*, “The Luck Celebration Hypothesis: How Permission Lotteries Affect Permitted Purchases” (manuscript in preparation)

Luo, Xiyueyao\*, and **Luxi Shen**, “Incentive Designs with Uncertainty: Keep Hope Alive” (manuscript in preparation)

**Shen, Luxi**, Jane L. Risen, and Eugene M. Caruso, “Good Luck as a Limited Resource” (manuscript in preparation)

## SELECT WORK IN PROGRESS

*\* indicates a student collaborator*

**Shen, Luxi**, “Make AI Better by Making It Dumber: A Field Experiment Exploring How Human Errors Improve AI-Powered Online Customer Service” (field data collection in process)

Plambeck, Erica., Danqi Luo\*, Mohsen Bayati, and **Luxi Shen**, “How Uncertain Wait Time Frame Improves Patients’ Satisfaction in the Hospital Emergency Department” (field data collection in process)

**Shen, Luxi**, and Ming Hsu, “The Swings and Spikes of Uncertainty: How Outcome Skewness Affects Repetition Decisions under Uncertain Incentives” (data collection in process)

Fei, Lin\*, and **Luxi Shen**, “People See the World as Flat, Intuitively” (data collection in process)

## CONFERENCE TALKS

- 2019 Society for Judgment and Decision Making, Montréal, Canada  
“As Wages Increase, Do People Work More or Less? A Wage Frame Effect”
- 2019 Subjective Probability, Utility, and Decision Making, Amsterdam, Netherlands  
“Risk Averse In Prospect, Risk Seeking In Process”
- 2019 INFORMS Marketing Science, Rome, Italy  
“Risk Averse In Prospect, Risk Seeking In Process”
- 2018 Society for Judgment and Decision Making, New Orleans, LA  
“Risk Averse In Prospect, Risk Seeking In Process”
- 2018 Society for Judgment and Decision Making, New Orleans, LA  
“Good Luck as a Limited Resource”
- 2018 American Psychological Association, San Francisco, CA  
“The Fun and Function of Uncertainty”
- 2018 Behavioral Decision Research in Management, Harvard University  
“The Luck Celebration Hypothesis”
- 2018 Society for Personality and Social Psychology, Atlanta, GA  
“The Fun and Function of Uncertainty”
- 2017 Society for Judgment and Decision Making, Vancouver, BC, Canada  
“The Fun and Function of Uncertainty”
- 2017 Association for Consumer Research, San Diego, CA  
“Strong Uncertainty Loathing vs. Strong Uncertainty Loving”
- 2017 Association for Consumer Research, San Diego, CA (session chair)  
“The Fun and Function of Uncertainty”
- 2017 INFORMS Marketing Science, Los Angeles, CA (session chair)  
“The Fun and Function of Uncertainty”

- 2017 INFORMS Marketing Science, Los Angeles, CA  
"The Luck Celebration Hypothesis"
- 2017 Society for Consumer Psychology, San Francisco, CA  
"Strong Uncertainty Loathing vs. Strong Uncertainty Loving"
- 2016 Foundations of Utility and Risk, University of Warwick, U.K.  
"The Power of Uncertainty"
- 2016 Behavioral Decision Research in Management, University of Toronto, Canada  
"Strong Uncertainty Loathing vs. Strong Uncertainty Loving"
- 2016 Association for Psychological Science, Chicago, IL (session chair)  
"Strong Uncertainty Loathing vs. Strong Uncertainty Loving"
- 2015 Association for Consumer Research, New Orleans, LA  
"The Power of Uncertainty"
- 2015 Society for Consumer Psychology International, Vienna, Austria  
"The Power of Uncertainty"
- 2015 Society for Consumer Psychology International, Vienna, Austria  
"The Uniqueness Heuristic"
- 2014 Society for Judgment and Decision Making, Long Beach, CA  
"The Power of Uncertainty"
- 2014 Association for Consumer Research, Baltimore, MD  
"The Motivating-Uncertainty Effect"
- 2014 Behavioral Decision Research in Management, London Business School, U.K.  
"The Power of Uncertainty"
- 2013 Society for Consumer Psychology, San Antonio, TX (session chair)  
"The Uniqueness Heuristic"
- 2012 Association for Consumer Research, Vancouver, BC, Canada (session chair)  
"The Uniqueness Heuristic"
- 2012 Society for Consumer Psychology International, Florence, Italy  
"The X Number"
- 2012 Society for Consumer Psychology, Las Vegas, NV  
"The X Number"
- 2011 Society for Judgment and Decision Making, Seattle, WA  
"The Uniqueness Heuristic"
- 2011 Association for Consumer Research, St. Louis, MO  
"Making Sense of Nonsense"
- 2011 Society for Consumer Psychology, Atlanta, GA  
"Making Sense of Nonsense"
- 2010 Association for Consumer Research, Jacksonville, FL  
"Belittling Guesses Can Be Flattering"
- 2009 Society for Judgment and Decision Making, Boston, MA  
"Belittling Guesses Can Be Flattering"

## SEMINAR TALKS

Carnegie Mellon University, Center for Behavioral Decision Research, 2018  
 Chinese University of Hong Kong, Marketing Group, 2013  
 Chinese University of Hong Kong, Business Administration Faculty, 2016, 2019  
 Cornell University, Marketing Group, 2013  
 Erasmus University, Rotterdam School of Management and Erasmus School of Economics, 2018  
 Hong Kong Polytechnic University, Marketing Group, 2016  
 INSEAD, Marketing Group, 2019  
 McGill University, Desautels Faculty of Management, 2018  
 Stanford University, Marketing Group, 2017  
 Tilburg University, Marketing Group, 2018  
 University of California - Riverside, Marketing Group, 2013  
 University of California - San Diego, Marketing Group, 2017  
 University of Chicago, Booth Alumni Insight, 2017  
 University of Iowa, Marketing Group, 2013  
 University of Oregon, Marketing Group, 2013  
 University of Toronto, Marketing Group, 2013

## RESEARCH GRANTS

<b>General Research Fund</b> , Hong Kong Research Grants Council	
Principal Investigator, GRF 14501317, 2017-2020	HK\$ 1,216,088
Principal Investigator, ESC 24501215, 2015-2018	HK\$ 952,073
<b>Startup and Direct Research Grants</b> , CUHK Business School and CUHK	
Direct Research Grants, 2014-	HK\$ 325,000 in total
Startup Grant, 2014-2017	HK\$ 220,000

## TEACHING EXPERIENCE

**Strategic Marketing** (undergraduate advanced, lecturer), CUHK Business School, 2019–

- Course offered in English

**Marketing Management** (undergraduate core, lecturer), CUHK Business School, 2015–2019

- Course offered in English
- Faculty Teaching Merit Award, CUHK Business School, 2015/16, 2016/17, 2017/18
- Dean’s Nomination for University Education Award, CUHK Business School, 2016

**Marketing Management** (EMBA, teaching assistant), Chicago Booth, 2014

**Marketing Research** (MBA, teaching assistant), Chicago Booth, 2012

**Managerial Decision Making** (MBA and EMBA, teaching assistant), Chicago Booth, 2010–2014

- Dean’s Performance Award for Exceptional Service to the Executive MBA Program, Chicago Booth, 2010, 2011, 2012

**Negotiations** (executive program, teaching assistant), Chicago Booth, 2010–2013

## AWARDS AND HONORS

- **MSI’s Young Scholar**, Marketing Science Institute, 2019
- **Faculty Teaching Merit Award**, CUHK Business School, 2015/16, 2016/17, 2017/18
- **Dean’s Nomination of University Education Award**, CUHK Business School, 2016
- **Hillel Einhorn New Investigator Award Runner-Up**, Society for Judgement and Decision Making, 2015
- **Katherine Dusak Miller Fellowship**, University of Chicago, 2012–2014
- **Hillel Einhorn Research Award**, University of Chicago, 2011
- **Dean’s Performance Award for Exceptional Service to the Executive MBA Program**, Chicago Booth, 2010, 2011, 2012
- **Student Travel Award**, Judgment and Decision Making Preconference at Society for Personality and Social Psychology, 2011
- **Oscar Mayer Fellowship**, University of Chicago, 2010

## PROFESSIONAL SERVICE

### Journal Editorial Boards

#### *Ad Hoc Reviewer*

Journal of Behavioral Decision Making  
Journal of Consumer Psychology  
Journal of Consumer Research  
Journal of Experimental Psychology: General  
Journal of Marketing Research  
Journal of Personality and Social Psychology  
Journal of Public Policy and Marketing  
Management Science  
Personality and Social Psychology Bulletin

### Conference Committees

#### *Committee Member*

Behavioral Decision Research in Management (BDRM), 2016

#### *Program Reviewer*

Association for Consumer Research (ACR), 2010–  
Society for Judgment and Decision Making (SJDM), 2018–

### Award and Grant Committees

#### *Chair*

Jane Beattie Award, Society for Judgment and Decision Making (SJDM), 2019

#### *Committee Member*

Jane Beattie Award, Society for Judgment and Decision Making (SJDM), 2018–2020

#### *Ad Hoc Reviewer*

Alden G. Clayton Doctoral Dissertation Proposal Award, Marketing Science Institute (MSI)  
Graduate Student Travel Awards, Society for Personality and Social Psychology (SPSP)

### Dissertation and Thesis Committees

#### *Committee Member*

Feifei Huang, Ph.D., CUHK Business School, 2018  
Xiyueyao Luo, M.Phil., CUHK Business School, 2016–2018

## APPENDIX: ABSTRACTS OF THE UNCERTAINTY PAPER SERIES

### Risk Averse In Prospect, Risk Seeking In Process

Luxi Shen

*invited revision at Management Science*

Judgment and decision-making research has documented a wide spectrum of risk preferences, ranging from extreme risk aversion to extreme risk seeking. How can people display both risk aversion *and* risk seeking? The present research offers an answer to this puzzle. To do so, it distinguishes two types of decisions: decisions in prospect (decisions made at one time point prior to task initiation) and decisions in process (decisions made continuously throughout an ongoing task). Three incentive-compatible experiments find that the opposite risk preferences do exist but, crucially, not in the same circumstances: people display risk aversion in prospect and risk seeking in process. For example, when workers were asked to decide in prospect whether to work for a specific payment scheme, fewer chose to work for an uncertain payment than for a certain payment. Also, the workers under the uncertain payment scheme estimated that they would quit earlier, but once engaged in the activity and hence in process, they worked longer for the uncertain payment even when it was strictly financially worse than the certain payment. In other words, uncertain incentives are not attractive in prospect but are motivating in process. This research aims to make three contributions: (a) to identify an important distinction – in prospect versus in process – for the decision-making literature; (b) to reconcile the two opposing risk preferences, risk aversion and risk seeking, with this distinction; and (c) to reveal the hidden value of uncertain incentives for managerial decision making.

### The Motivating-Uncertainty Effect: Uncertainty Increases Resource Investment in the Process of Reward Pursuit

Luxi Shen, Ayelet Fishbach, and Christopher K. Hsee

*Journal of Consumer Research*, 2015

Can a reward of an uncertain magnitude be more motivating than a reward of a certain magnitude? This research documents the motivating-uncertainty effect and specifies when this effect occurs. People invest more effort, time, and money to qualify for an uncertain reward (e.g., a 50% chance at \$2 and a 50% chance at \$1) than a certain reward of a higher expected value (e.g., a 100% chance at \$2). This effect arises only when people focus on the process of pursuing a reward, not when they focus on the outcome (the reward itself). When the focus is on the process of reward pursuit, uncertainty generates positive experience such as excitement and hence increases motivation. Four studies involving real rewards lend support to the motivating-uncertainty effect. This research carries theoretical implications for research on risk preference and motivation and practical implications for how to devise cost-efficient consumer incentive systems.

### The Fun and Function of Uncertainty: Uncertain Incentives Reinforce Repetition Decisions

Luxi Shen, Christopher K. Hsee, and Joachim H. Tolloen

*Journal of Consumer Research*, 2019

This research studies repetition decisions, namely, whether to repeat a behavior (e.g., a purchase) after receiving an incentive (e.g., a discount). Can uncertainty drive repetition? Four experiments, all involving real consequences to each individual participant, document a counterintuitive reinforcing-uncertainty effect: individuals repeat a behavior more if its incentive is uncertain than if it is certain, even when the certain incentive is financially better. This effect is robust; it holds in both lab and field settings and at both small and large magnitudes. Furthermore, the experiments identify two theory-driven boundary conditions for the reinforcing-uncertainty effect: the effect arises (a) only if the uncertainty is resolved immediately and not if the resolution of uncertainty is delayed, and (b) only after, not before, one has engaged in repetitions. These results support a resolution-as-reward account and cast doubt on other explanations such as reference-dependent preferences. This research reveals the hidden value of uncertain incentives and sheds light on the delicate relationship between incentive uncertainty and repetition decisions.