An implicit assumption among both managers and researchers is that aesthetics influences choice similarly to other product attributes. We reveal systematic differences between how consumers treat design, in terms of how a product looks, versus functional attributes, in terms of how a product performs. We propose that, just as good looks bestow an unconscious “beauty premium” on people, high aesthetics bestows an unrecognized benefit on consumer goods. We show that consumers are willing to pay substantial price premiums for products that look beautiful. In addition, consumers may not be aware of the effect of design on preferences. In some situations choice of high aesthetics can even boost self-esteem.