

Anxiety and the Preference for Resource Efficient Behaviors

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Anxiety is of Two Kinds

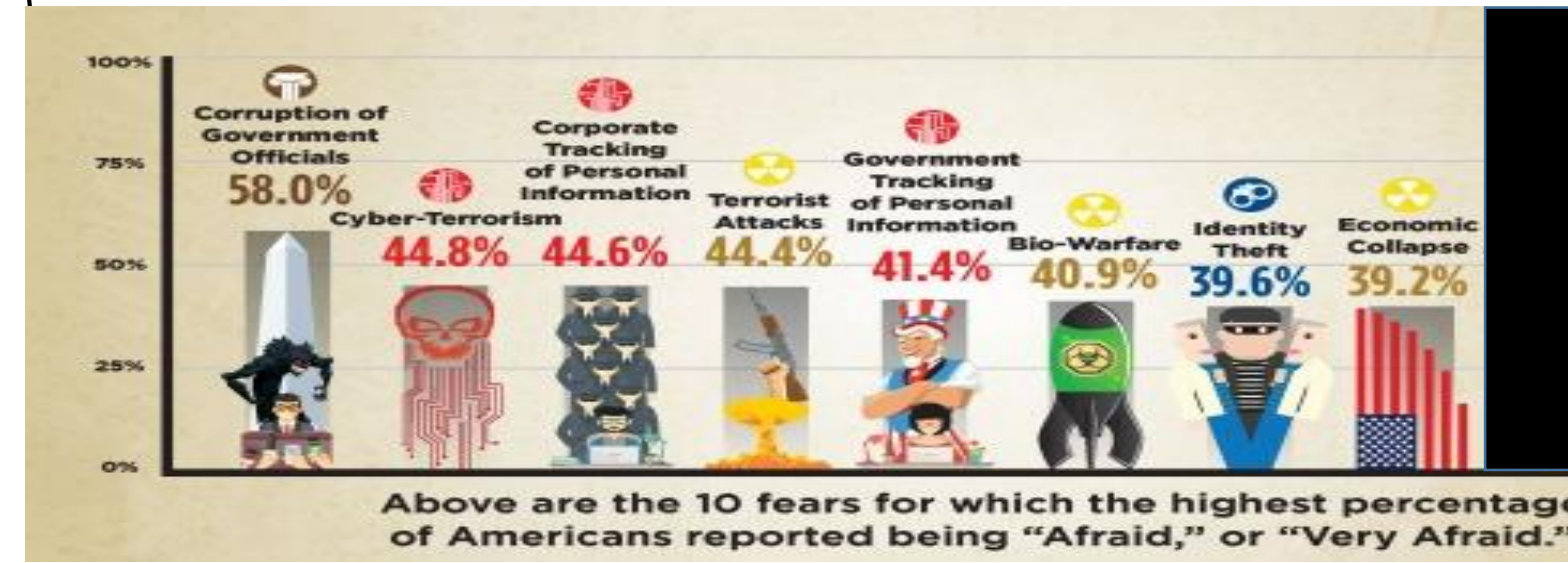
Active Anxiety

experienced when lagging on goal pursuit.

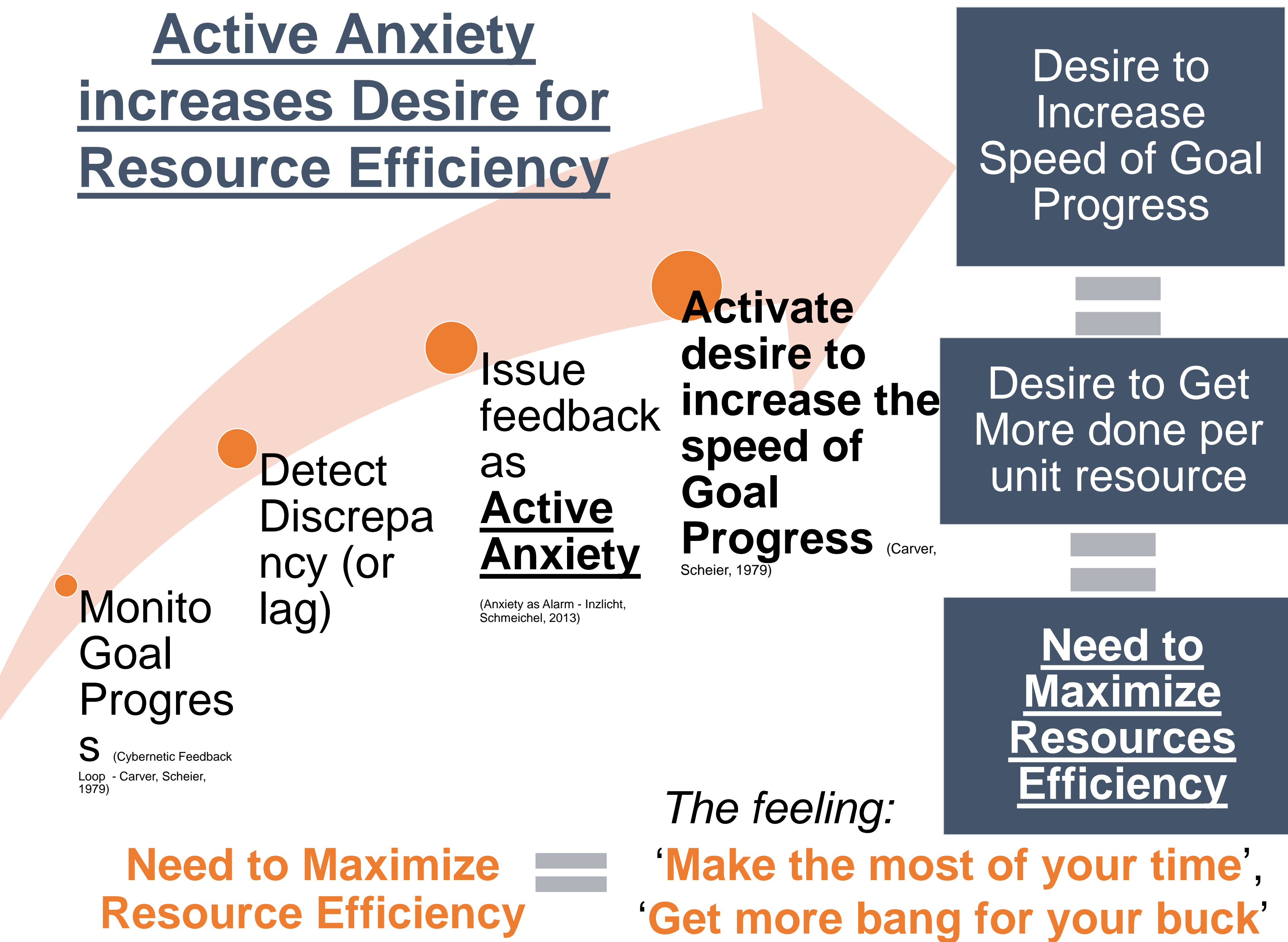


Passive Anxiety

experienced due to uncontrollable threats.



Active Anxiety increases Desire for Resource Efficiency



Need to Maximize Resource Efficiency increases

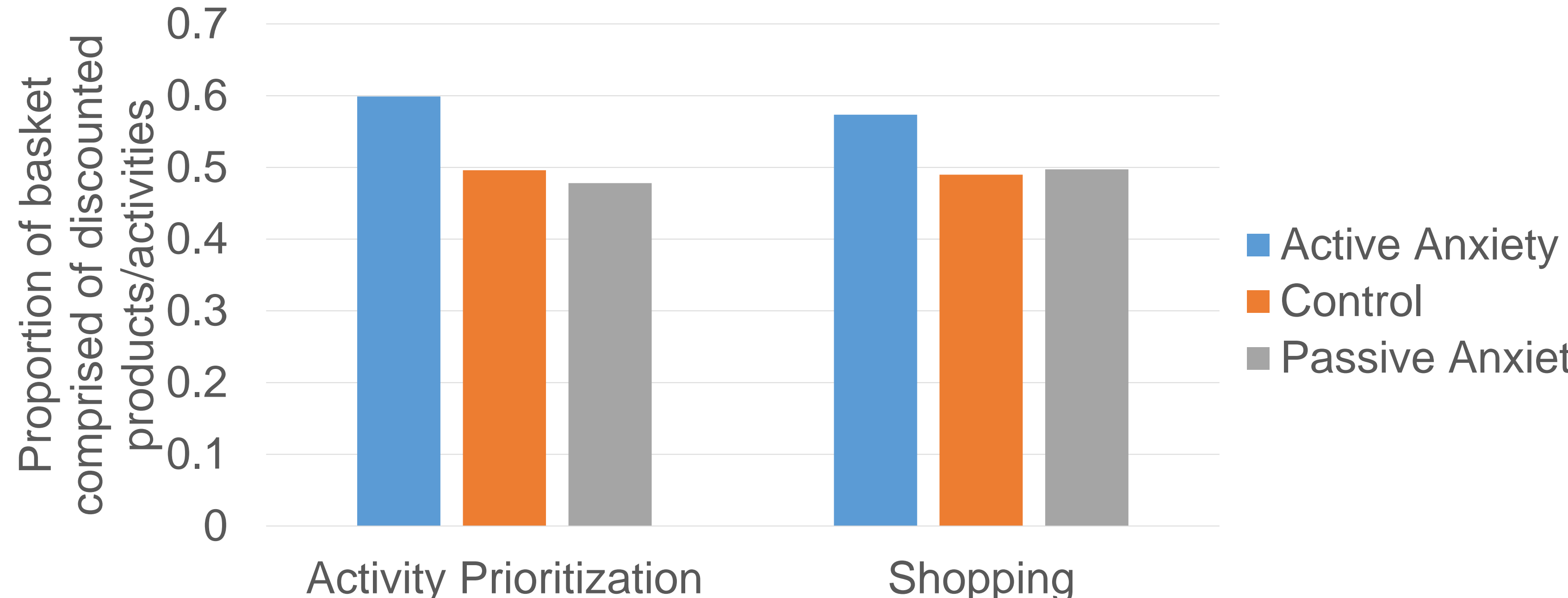
1) Choice for Discounted Products & Activities

2) Sunk Cost Effect

Why change now? We've already wasted so much money.

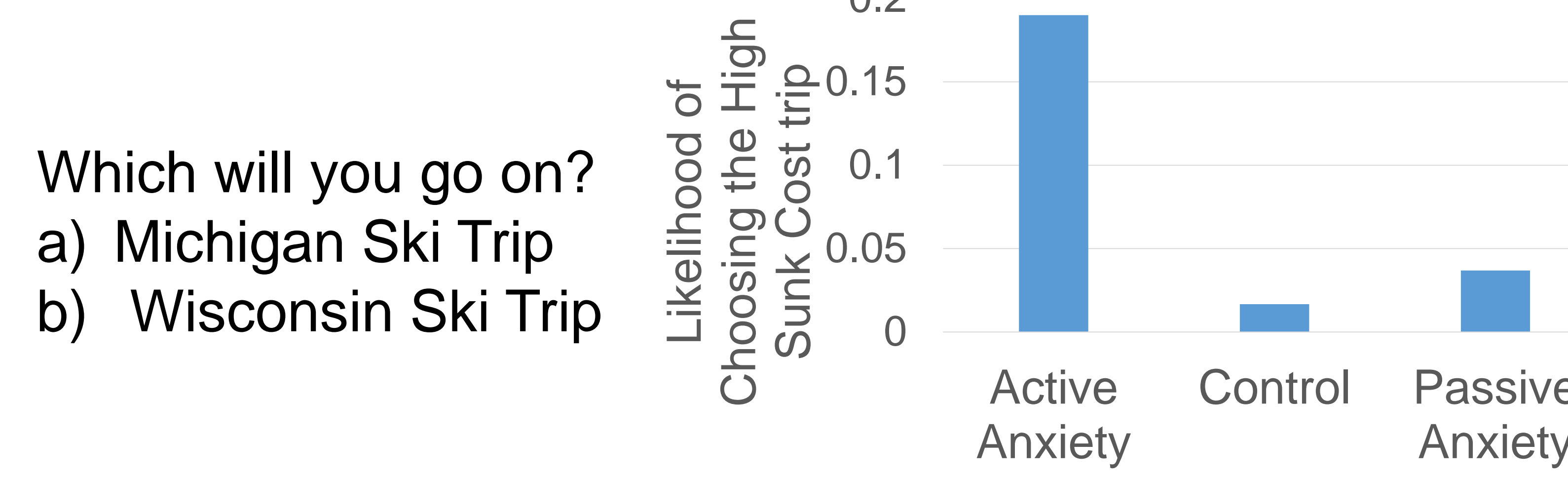
Study 1: Preference for Discounts

After emotion manipulation, participants asked to choose a hypothetical basket of either products (in a shopping task), or activities (activities prioritization task) from a list. Half the products and activities on the list discounted (counterbalanced).



Study 2: Sunk Cost Effect

You have spent \$200 on a ticket for a weekend ski trip to Michigan. Several weeks later you buy a \$100 ticket for a weekend ski trip to Wisconsin. You think you will enjoy the Wisconsin ski trip more than the Michigan ski trip. You must use one ticket and not the other.

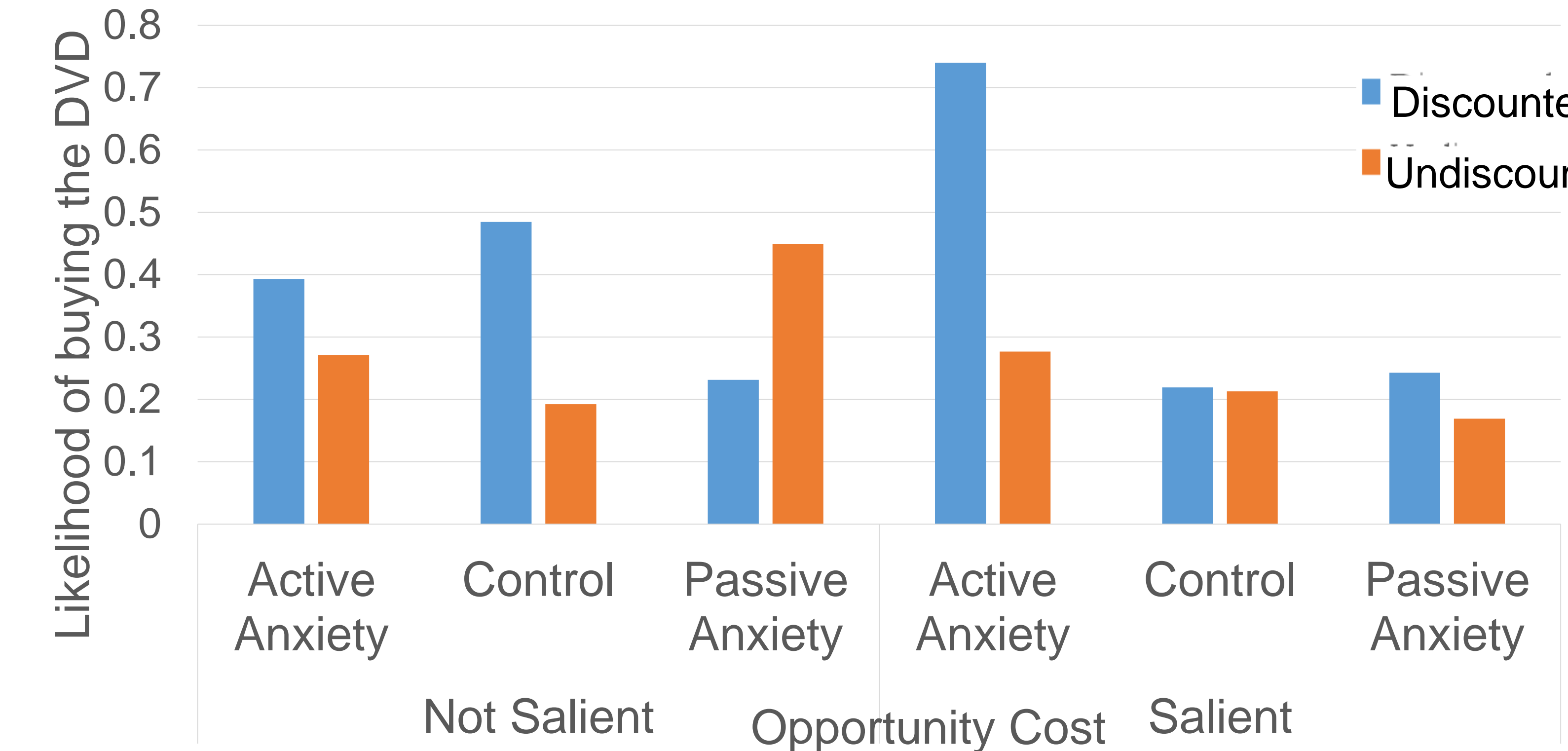


Which will you go on?
 a) Michigan Ski Trip
 b) Wisconsin Ski Trip

Study 3: Ruling out Opportunity Cost Consideration.

Is preference for discount about 'Getting more bang for your buck' or 'Saving money for Future Opportunities'?

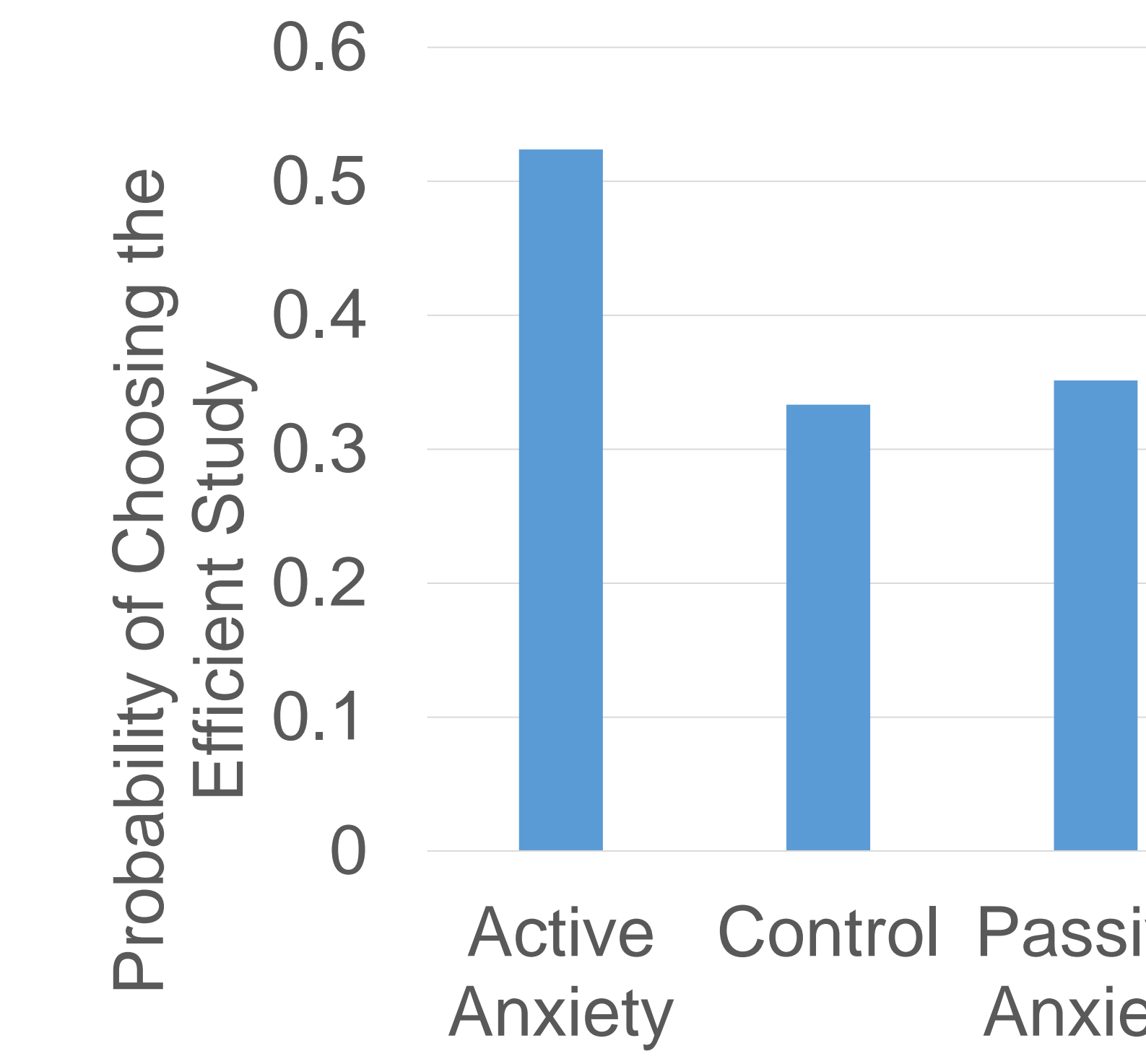
Participants given a hypothetical choice to buy a DVD or not. DVDs were either discounted or not (price kept same). Half the participants were reminded that the money saved by not buying DVD can be kept for other purposes (Opportunity cost: salient).



Actively anxious participants' preference for discounted DVDs is not diminished even when the opportunity cost is made salient (while control participants' preference is). This rules out opportunity cost consideration.

Study 4: Real Behavior

Participants recruited on MTURK asked to do a second study for a bonus. They could do either:
 a) A 3 minute long study for a \$.30 bonus (efficient, but lower absolute payout)
 b) A 10 minute long study for a \$.50 bonus (inefficient, but higher absolute payout)



Conclusions

- Anxiety can be of two kinds depending on whether agency is retained or not.
- Active anxiety (agency retained) increases efficient choices
- Efficient choices can both help (e.g. buying in bulk to save), and hurt (sunk-cost bias, buying excess to avail discount).