

What Is Happening Outside of COVID-19: Spillover Effects of Emotions on Consumer Decisions for Insurance Products Across Domains

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Abstract

Threats coming from the environment often trigger anxiety. The current research examines how anxiety influences individuals' risk perceptions and willingness-to-pay (WTP) for insurance products across multiple domains. Three studies reveal that incidental and integral emotions play different roles in decisions for insurance products with different insured

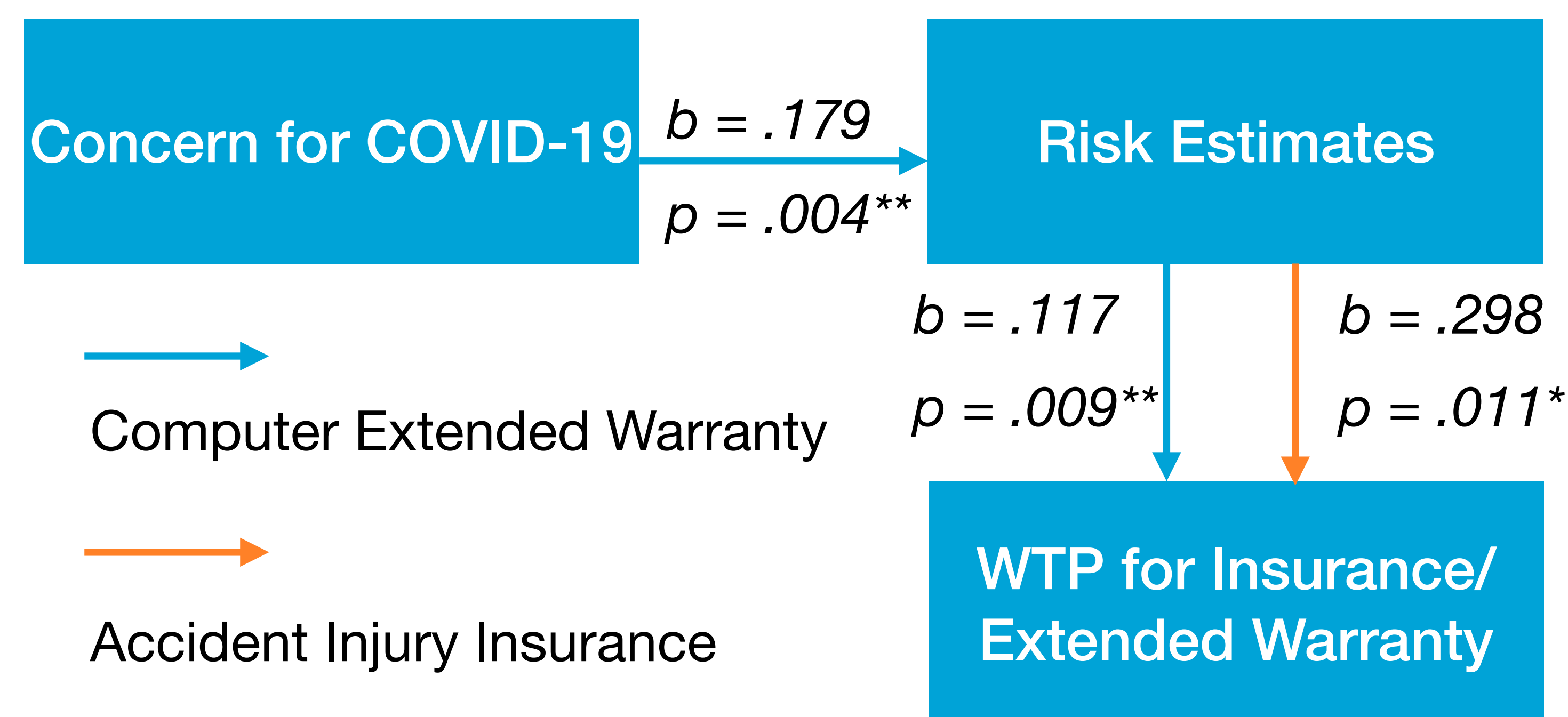
Research Question

- Literature in emotions and decision making has uncovered that incidental emotions (i.e., those not stemming from the decision itself) affect influence people's risk perceptions and risk-taking decisions. Anxiety induces more pessimistic risk estimates. (Johnson and Tversky 1983; Lee and Andrade 2011; Lerner and Keltner 2001)
- Prior studies in risk-relevant products (e.g. insurances, extended warranties) demonstrate that relevant affection and emotions are important determinants for insurance products
- What is the role of incidental emotions in insurance product decisions? Do they influence the risk perceptions for the insured objects?

Pilot Study

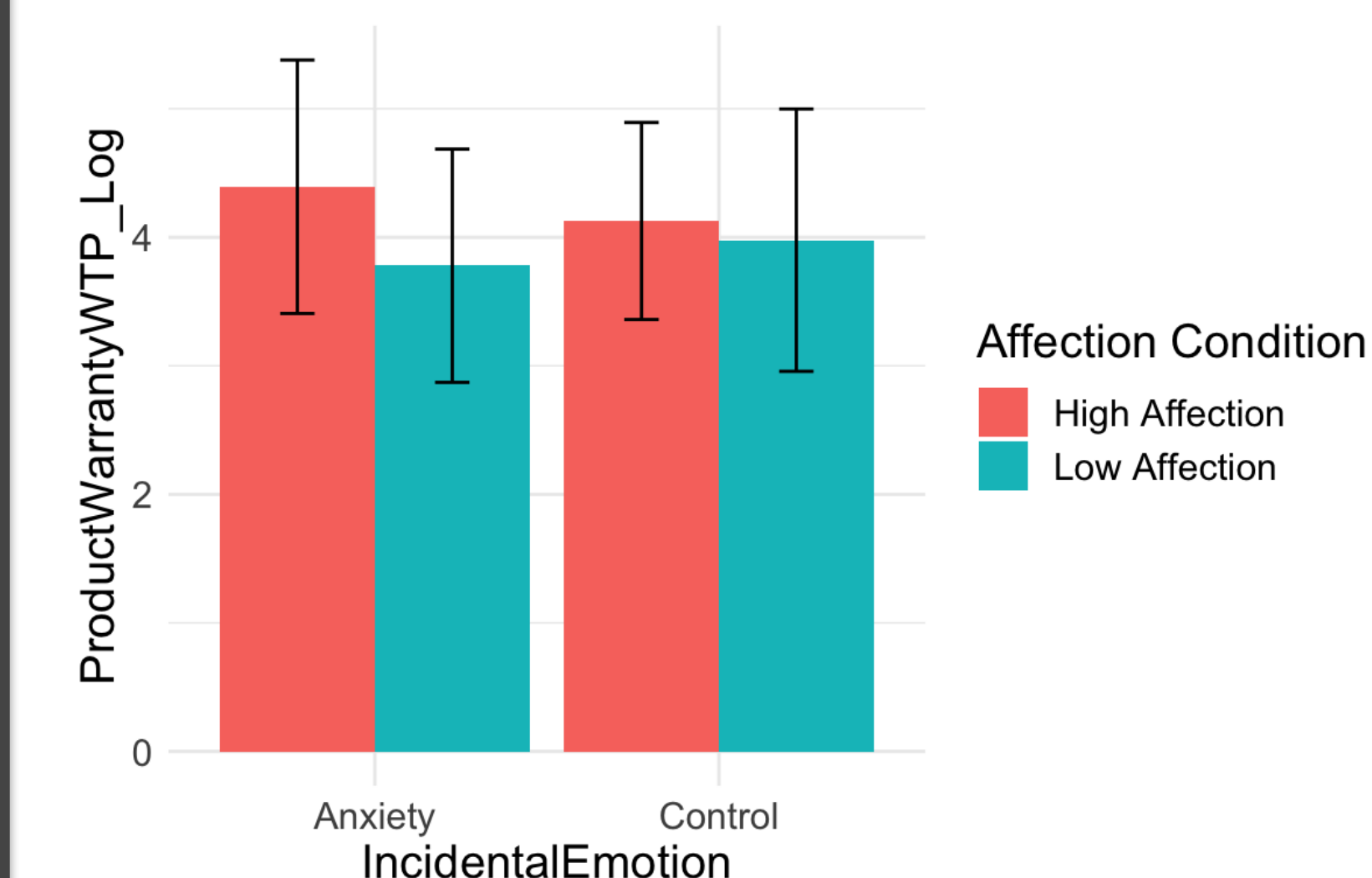
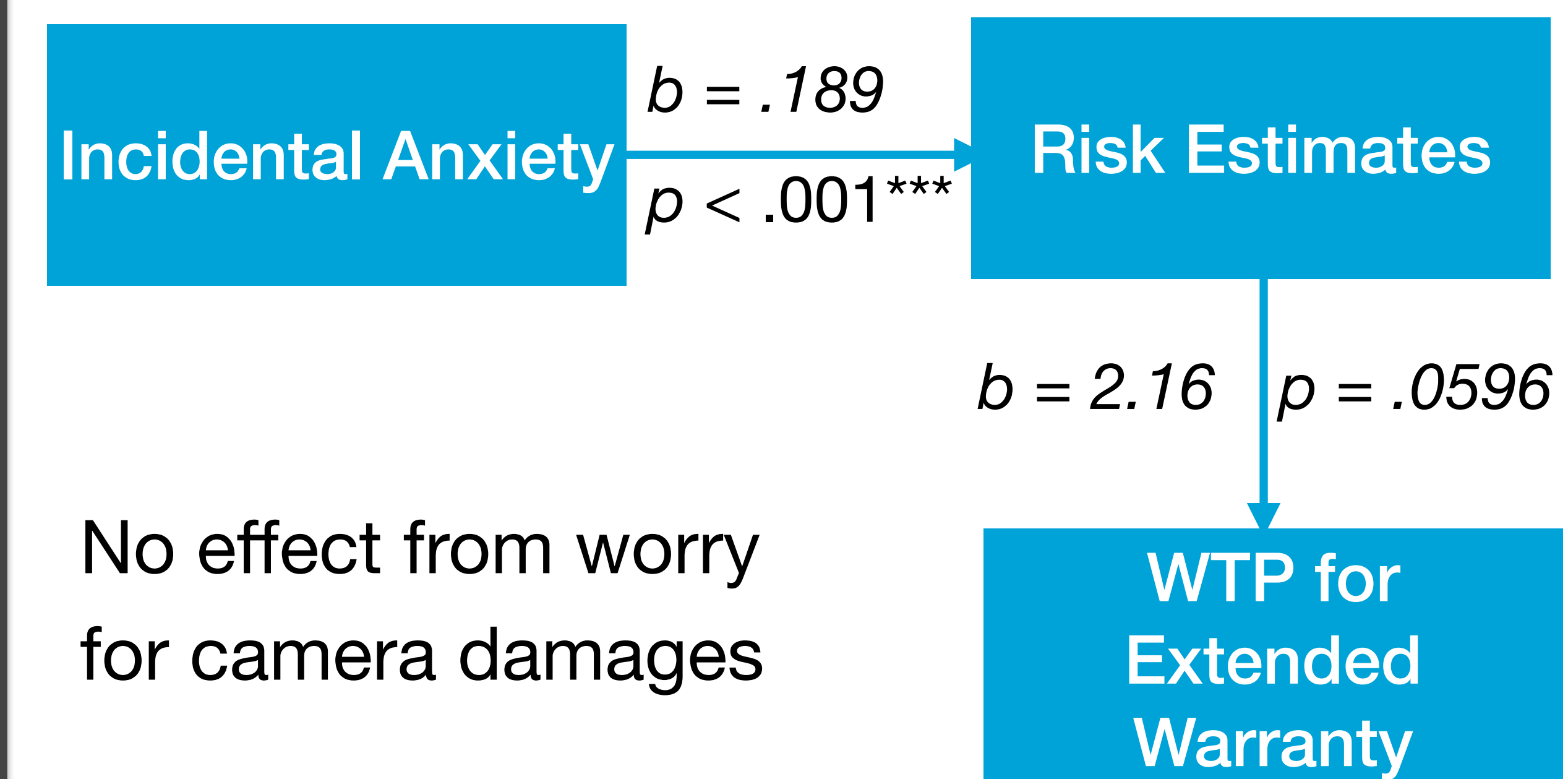


Key measures: the concern for coronavirus and worry; probability estimations for accidents/risks and WTP for relevant insurances/warranties



Study 1b

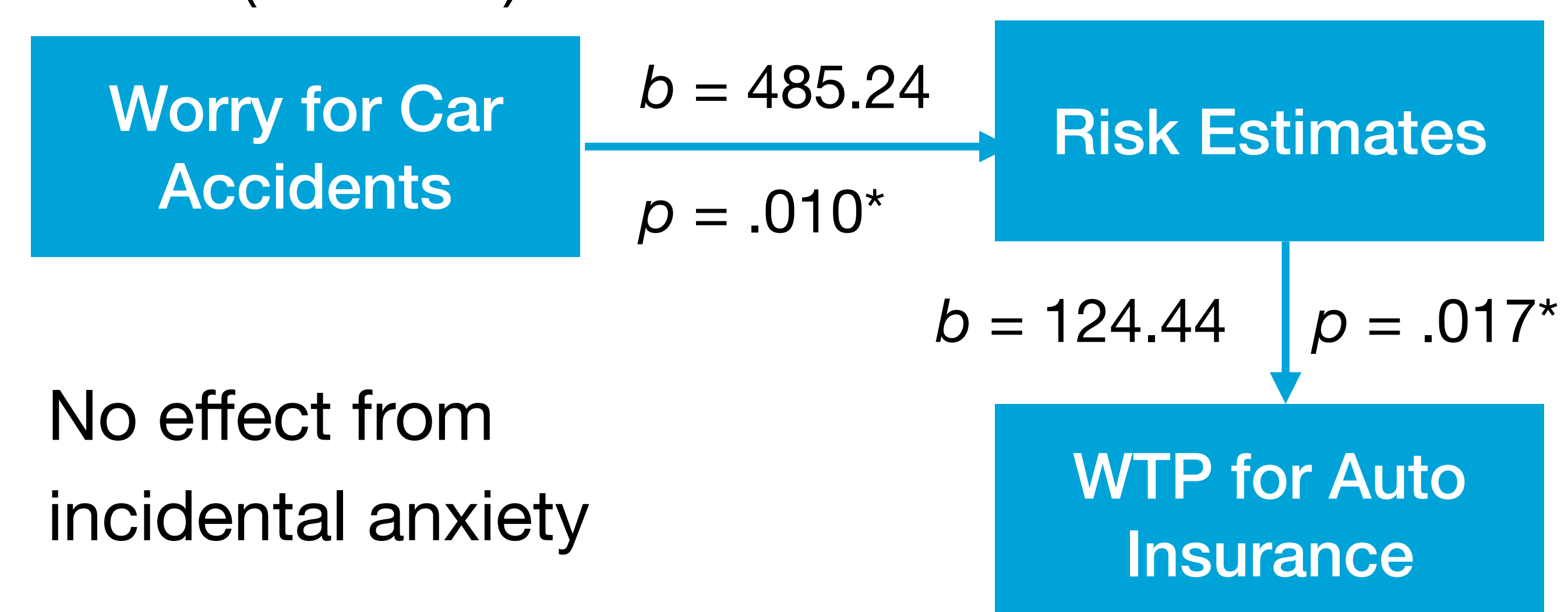
- 2 (anxiety manipulation vs. control) X 2 (high affection vs. low affection for the insured object) between-subject design (N = 129)
- DV: extended warranty for a camera



Affection for the camera plays a role in the WTP

Study 1a

Use writing tasks to manipulate the incidental emotion (i.e. anxiety) to test its influence on WTP for auto insurance (N = 330)



Future Directions

- Boundary condition for the effect of incidental anxiety. Is it certain product categories? Is it expensiveness/importance of the product?
- The role of affection vs. worry