

'Lady Luck': Does anthropomorphized luck drive risky financial behavior?

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A new study published in the *Journal of the Association for Consumer Research* posits that increased accessibility to anthropomorphized luck (i.e., "Lady Luck") can lead consumers to be more likely to pursue

higher-risk financial behavior. In "Lady Luck: Anthropomorphized Luck Creates Perceptions of Risk-Sharing and Drives Pursuit of Risky Alternatives," authors Katina Kulow, Thomas Kramer, and Kara Bentley propose that preferences for higher-risk options (like lottery tickets with worse odds or investment opportunities with a low chance of return) are driven by shared risk perceptions that might engender feelings of security provided by the idea of "Lady Luck." This behavior, the authors note, "bodes ill for consumer welfare, given that many financial maladaptive activities arise from repeated behaviors."

In four experiments, the authors conducted regression and spotlight analyses on data from studies involving MTurk panelists and [undergraduate students](#) who completed online studies that involved financial risk decisions like a lottery or startup investments and various risk perceptions. While the authors find increased preferences for higher-risk alternatives when consumers anthropomorphize [luck](#) for financial decisions, when given the opportunity to gamble on social versus financial capital, participants indicated that consumers might perceive that they have more control over outcomes and feel less in need of the security provided by an anthropomorphized entity.

The results hold public policy implications, such as whether marketers may be required to qualify references to anthropomorphized luck, particularly when consumers may be vulnerable to taking undue financial risks, such as in gambling establishments. For example, the research suggests that a sign in a casino insinuating that "Lady Luck is on Your Side" could lead gamblers to engage in higher-risk behaviors than a sign that merely suggests that "Luck is on Your Side" or "Good Luck." Limiting the use of "Lady Luck" on lottery scratch-off tickets could prevent devastating financial losses among lower socioeconomic status [consumers](#).

More information: Katina Kulow et al, Lady Luck:

Anthropomorphized Luck Creates Perceptions of Risk-Sharing and Drives Pursuit of Risky Alternatives, *Journal of the Association for Consumer Research* (2021). [DOI: 10.1086/714502](https://doi.org/10.1086/714502)

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