

The effect of risk attitude on product choices

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Abstract: Some people prefer to make risky decisions in their lives, such as for avocation or even everyday decision making. Since Bauer first presented the conception of perceived risk in the decision making of consumer behavior, the role of perceived risk in product choice has attracted much attention and decisions such as choosing unknown objects have been known to be risky. Here in this study, we focused on how such risky decisions in product choices differ according to risk attitude and the faced situation under a virtual market situation. As a result, risk-takers consistently made risky choices while situation dependent behavior of risk-avoiders was observed. That is, the more unknown objects were presented, the less risky choices risk-avoiders selected. This result suggests that, in order to increase sales of a new product (unknown object), it is effective to lay it out with well known objects, not with other new products.