

Live Healthy and Get Rewarded – The Impact of Reward Type and Timing in
Pay-As-You-Live Pricing

Franziska Unger

Friedrich-Alexander-Universität Erlangen-Nürnberg

Martina Steul-Fischer

Friedrich-Alexander-Universität Erlangen-Nürnberg

Cite as:

Unger Franziska, Steul-Fischer Martina (2022), Live Healthy and Get Rewarded – The Impact of Reward Type and Timing in Pay-As-You-Live Pricing. *Proceedings of the European Marketing Academy*, 51st, (107046)

Paper from the 51st Annual EMAC Conference, Budapest, May 24-27, 2022



Live Healthy and Get Rewarded – The Impact of Reward Type and Timing in Pay-As-You-Live Pricing

Abstract

Pay-as-you-live (PAYL) pricing as a new and promising service pricing mechanism has emerged in health insurance in order to increase competitive advantage among insurance companies and healthy lifestyles among consumers. PAYL tariffs reward consumers health-promoting behavior with a discount on the insurance premium or a monetary or nonmonetary reward accordingly. We conducted an experimental study to investigate the impact of reward type (monetary vs. nonmonetary) and reward timing (monthly vs. yearly) on consumers' purchase intention of PAYL tariffs and health behavior intention. The results show that reward evaluation mediates the influence of reward type on consumers' purchase intention of a PAYL tariff. We observe a higher reward evaluation for monetary compared to nonmonetary rewards. Monthly rewards lead to significantly higher health behavior intentions than yearly rewards. The higher the purchase intention of a PAYL tariff, the higher the health behavior intention.

Keywords: *reward type; reward timing; pay-as-you-live service pricing*

Track: Services Marketing