

# INPLASY

## A Scoping Review of Prospect' Theory Validation: Applications Across Time and Geography

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### ADMINISTRATIVE INFORMATION

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**Review Stage at time of this submission** - Other - Not specified.

**Conflicts of interest** - None declared.

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**Amendments** - This protocol was registered with the International Platform of Registered Systematic Review and Meta-Analysis Protocols (INPLASY) on 15 March 2024 and was last updated on 15 March 2024.

### INTRODUCTION

**Review question / Objective** To fill a gap in research on prospect theory by describing the cultural contexts and main areas of application covered by empirical papers that seek to validate prospect theory.

**Background** Prospect theory was formalized in 1979 by Kahneman and Tversky to explain individual responses to financial risk that were not satisfactorily explained by expected utility theory. Since then, prospect theory has been applied to analyses of decisions made under risk in a growing number of fields beyond finance. Additionally, prospect theory has been applied in an increasingly global set of cultural contexts. These factors create an opportunity to review and explore the extent to which tenets of prospect theory do or do not generalize to applications and cultural contexts other than those in which it was generated, in addition to gaining a deeper understanding of the current state of prospect theory research.

**Rationale** Prospect theory was initially applied to financial decisions made under risk, but since its inception in 1979, the theory has been applied to risky decisions made in an increasing number of fields. The current scoping review seeks to describe the trends in areas of application for empirical studies using prospect theory, as well as to describe trends in geographic region where prospect theory is being applied. Both of these aims serve the larger purpose of concisely representing the current state of prospect theory research for the benefit of current and future researchers.

### METHODS

**Strategy of data synthesis** This scoping review analyzed papers sought from the following seven databases: Academic Search Premier, Business Source Complete, EBSCO, PsychInfo, Science Direct, Scopus, and ThomsonONE. The search terms used were as follows: analy\*, apprais\*, assess, confir\*, corroborat\*, estimat\*, evaluat\*, exam\*, experiment, inspec\*, investigat\*, proof,

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prove\*, prospect theory, research, stud\*\*, substantiat\*, test\*, validat\*, verif\*.

Author 2 - Rebecca Levin.  
Author 3 - Yiyun Wang.

**Eligibility criteria** This review utilized the PRISMA-Scr model to determine which papers were eligible to be included in the analysis. Records were identified from selected databases using the search terms outlined previously, at which point duplicates and papers lacking an English title and abstract were removed. After that, full texts of the remaining documents were sought for retrieval; those that were available were then assessed for eligibility. Documents were excluded at this stage for any of the following reasons: the papers were not empirical studies (reviews or purely theoretical papers), the records were not available, or other reasons (duplicate files, full text not included in the file, body of the article was written in a language other than English, or the paper did not contain content related to prospect theory). After this tiered exclusion process, the articles that were eligible were then coded for qualitative analysis. Categories included cultural context of the empirical data collection, validation of prospect theory, area of application, and year of publication.

**Source of evidence screening and selection** An initial screening of the full-text articles took place before the qualitative analysis, wherein the data coding categories and format were reviewed by a panel of experts from relevant fields; namely, management, finance, and psychology. Inter-rater reliability was tested before and after this review with a random sample of 100 papers and quantified using Kappa scores.

**Data management** All articles selected for inclusion were stored in Mendeley (a piece of reference software) and checked for duplicates and languages other than English. The papers were later copied to Dedoose, a web-based application, for mixed-method analysis by applying codes to the files.

#### **ccd**

**Language restriction** Only published papers with an English version of the full text were included, as those were the ones that were able to be coded accurately.

**Country(ies) involved** People's Republic of China, Mexico, and the United States of America.

**Keywords** risk perception; biases; scoping review; prospect theory.

#### **Contributions of each author**

Author 1 - Thomas Huggins.