

The illusion of choice:

16.5 psychological mistakes that explain what we buy

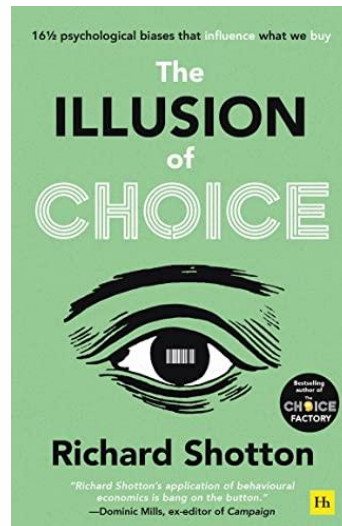
Reading time 9,7 minutes

Brand consultant Richard Shotton is back with another masterclass in behavioural economics. In *The Illusion of Choice: 16½ Psychological Biases That Influence What We Buy*, he repeats the formula that worked so well in his previous book, *The Choice Factory*. In each of the eighteen entertaining chapters, an irrational tendency in our behaviour is highlighted in a real-life context. Each chapter consists of three parts: 1) the origin of a bias. 2) An experiment or proof showing that the bias is applicable to marketing. 3) Details of how you can apply it. Richard makes this last part the most entertaining of all. He says quite frankly that some current marketing theories have a tenuous foundation. They are often based on intuition and gut feeling. That is no basis for multi-million euro decisions.

Have you been paying attention? Then you must have noticed that there are 16.5 biases but 18 chapters. Very good! That is the application of his insights. The half bias symbolises the insight that precise numbers are more credible than round numbers and the 18th chapter is a bonus chapter that illustrates the effect of base value neglect.

The book is a clear recommendation to read. Of course, you already know one or two biases, but it is always worthwhile to be aware of these behavioural tendencies. I like the fact that his examples come mainly from the English-speaking world. Because you don't usually know them so well, the level of entertainment is higher.

Buy the book. To get you in the mood, here are a few appetisers that are particularly significant and can be applied immediately in daily marketing practice.



Bildnachweis: Amazon

Richard makes a strong case for conducting experiments as regularly as possible. We must remember that experiments - testing new ideas - are as important to research as they are to behavioural science. *The Illusion of Choice* shows that experiments don't have to cost a lot or take forever to run. Or, as Richard calls it, "short, sharp experiments that don't require large capital costs". Here he cites the monadic testing with experiments that we also prefer. I'll just quickly add to that for good measure: surveys are not experiments. Surveys are everything but behavioural science.

Here we go:

1. Precision is powerful. If someone knows a subject, one usually speaks precisely; if not, one speaks in generalities. The sister's age? "37". The nephew's age? "Mid-30s". Anyone who watches German talk shows knows the effect. Activists use crude but emotional images, while real experts argue issues in detail.



Back to marketing. Consumers assume higher mark-ups for round prices than for precise prices. Even though the round price is in fact a rounding off. That's why we at K&A have not rounded our prices for some time now, but take the price calculated by the calculation tool. Even with prices in the six-digit range, we no longer round off.

2. Frictions. If you want to change behaviour, eliminate friction. If you want to increase the appreciation of your product, add friction. It's worth eliminating even the smallest frictions from processes if you want to increase usage. We have become accustomed to Netflix automatically starting the next episode. Continuing to watch is easier than cancelling. Usage time increases. Ikea, on the other hand, deliberately adds friction by making you really look at everything on the way to the checkout - and thus better appreciate the overall offer. And by no means leave the house without the essential tea lights.
3. The memorability of advertising messages depends strongly on whether the terms are concrete or abstract. If we can imagine a term, it becomes memorable. If not, it is quickly forgotten. My explanation for this is that our visual centre is the biggest resource in the brain. When we hear something, it has a more intense effect if we can imagine the thing pictorially. This extra activation of large brain regions leads to this 'picture' being better stored. The effects are indeed phenomenal. While most biases have an effect strength of 10-20%, concrete images can be up to 10 times stronger than abstract concepts. An example from the early days of MP3 players: most vendors

focused on the size of the expensive memory brick. "Great 256 MB of space!" (Yes, that used to be a lot) Apple made it concrete: 1000 songs in your pocket. What's to tell us against that: "Findy your happy"? Or "Inspire the next"?



Bildnachweis: Orla, istock.com

Many experts have a preference for abstract terms because they believe they signal intelligence. However, the opposite is the case. Test subjects attest more intelligence to experts if they can convey their thoughts in simple, figurative language. A sentence falsely attributed to Einstein illustrates the principle: "If you can't explain it to a six-year-old, you haven't understood it yourself." For example, if you are thinking of communicating trust or quality, think carefully about how you can translate this into concrete, simple and figurative language. Champagne connoisseurs used to say that quality is shown in the smaller bubbles. Whoever communicated that must have understood the principle perfectly.

4. The larger number wins: We pay attention to the numerator and not the denominator when it comes to prices. I've just been abstract, so now concrete: at a price of € 70, 30% discount is experienced as more interesting than € 21 discount. Leave the calculator alone: the discount is identical. Therefore, for prices below €100, talk about the percentage value of the discount and for prices above €100, better talk about the absolute discount. This rule is so often disregarded that people in our stingy Germany rub their eyes in amazement.



5. The power of rhymed slogans. People were twice as likely to remember rhymed slogans than unrhymed slogans. Rhymed, they increase credibility AND memorability. Why are they still rarely used? Probably because rhymed slogans are personally embarrassing to marketers. This is not in keeping with the times, when purpose and attitude are supposed to be indispensable quality signals of righteous marketing work today. From a marketing perspective, it is better to make sure that what we do corresponds to what helps our customers.

6. B2B is different!? Not from the point of view of the behavioural sciences. Managers are only human and live with the same biases. They just have even greater problems admitting it. We experience this regularly when we work with doctors. These hard-working professionals actually behave at least as spontaneously efficient as others. However, many pharmaceutical companies argue at high levels of abstraction in order to appeal to their own intelligence as well as that of the doctors. Well-chosen image-generating language, however, is infinitely better suited to convey the important information about new therapies in a way that is *worthy* of notice.

There are 12 more exciting insights and even more application examples to discover in the book, for example the exciting experiment of a restaurant that sometimes lets guests roll the dice, or the secret of red sneakers. So it's best to order and read it now. Have fun.



Book recommendation

By Ralph Ohnemus, Uwe H. Lebok, Florian Klaus:

Context marketing

The key to consumer behaviour to [order](#).



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