

“It was your decision! I hold you responsible for your actions!” This is a typical statement from a judge, coach or supervisor.

Yes! We must be held responsible for our decisions and actions. The classical dogma is to evaluate the situation, consider all options and make decisions, understanding full well the consequences of our actions.

But is it that simple? How about the world of marketing and advertising? Do they not influence our decisions?

If you think you are in total control of your decisions, think again! There are those who impose constraints on what options are available to you; others modify the environment to shape your decisions; while some others actually manipulate your thought process with well-designed techniques.

PRIMING TECHNIQUE

Psychologist John Bargh conducted an experiment to demonstrate how our minds can be primed. In one experiment, half the subjects were asked to read a document containing words such as ‘bold’, ‘rude’, ‘aggressive’, ‘disturb’; while the other half read a paper with words like ‘considerate’, ‘yield’, ‘polite’ and ‘courteous’.



MEDIA SERVICES ILLUSTRATIONS (DR. ERROL WIRASINGHE)



ARE YOU IN CONTROL?

To what extent does the world of marketing and advertising manipulate our decision-making process? **Dr. Errol Wirasinghe** has some answers.

After the test, they were asked to meet up with a professor – interrupting the professor who was engaged in a conversation. Amazingly, 82 per cent of those who were primed to be polite did not interrupt the professor, while those who were primed to be rude, interrupted the professor within five minutes.

This confirms the view that people can be primed (i.e. manipulated) to act in a desired manner!

TOO MANY CHOICES In her famous Jam Study conducted at a supermarket, Dr. Sheena Iyengar proved that too many options lead to mental paralysis rather than liberation. This is known as the ‘paradox of choice’.

When six varieties of jam were displayed on a table, 30 per cent of the supermarket’s customers purchased jam; yet, when 24 varieties were displayed, only three per cent made a purchase.

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MEDIA SERVICES PHOTOFILE (SAMIAYA DE SILVA)

FINDING THE PERFECT JEANS



- Colour
- Rise – front and back
- Cut – flare/bell/straight
- Wash – hard/soft/acid
- Button/Zipper
- Yoke/Dart
- Block – jobber/carrot
- Fit –baggy/block
- Waistband – single/double
- Pockets – high/low
- Leg – tight/fit/relaxed
- Whiskering
- Abrasion

Dr. Dan Schwartz confirmed this theory with a study on purchasing a pair of jeans. Sure, if you can tell the salesman exactly what you want, he will find the perfect pair of jeans for you. But you probably won’t enjoy the experience of having to provide so much information!

Data from Vanguard Mutual Funds further substantiate this paradox. Companies offering dollar-for-dollar matching contributions found that when they added more mutual funds to the list of available choices, there was less participation.

In fact, for every 10 additional offerings, there was a drop of approximately two per cent in participation – even though employees were aware that by not making a decision, they were losing about US\$ 5,000 each year in matching payments from the company.

Many retailers have increased sales by offering less choice to

Based in Houston, Texas, the writer has published papers on topics relating to management, engineering and economics. His email address is errolw@xpertus.com

consumers. In 2010, Wal-Mart (the world's largest retailer) trimmed its offerings by 15 per cent.

GHOST OFFERINGS Dr. Dan Ariely provided evidence that we can be deceived by both visual and cognitive illusions. In a very revealing experiment, Ariely confirmed the impact of a ghost (meaningless) option, by recreating the annual subscription rates for The Economist magazine.

SUBSCRIPTION RATES THE ECONOMIST

The Economist

The redistribution of hope
Barack Hussein Obama
The rights and wrongs of back-twin
Island's lessons for Europe
Richard Helms: diplomatic hurricane

The joy of growing old
(or why life begins at 46)

FROM: Illuminating a dark age • A Chinese Grand Tour of Europe • Baroque culture
Living in an Indian village • Mexican Oases • Rise of the image men • Ascension Island
PlayStation 3: Popper restaurants • A design for the pub • www.economist.com

Web only: US\$ 59
 Print only: US\$ 125 (Ghost)
 Print and web: US\$ 125

When three options were offered, 16, zero and 84 per cent of the participants opted for Options 1, 2 and 3, respectively. Since nobody chose Option 2, he removed it and offered only Options 1 and 3 to another group. Surprisingly, in this second study, 68 per cent opted for Option 1. This is a clear demonstration that the ghost option had a marked influence on decision-making.

Ghost offerings, the right-hand rule, eye-level placements, price matches, etc. are well-known marketing ruses that are designed to shape our decisions.

DEFAULT OPTION In a study related to organ donations, scientists found an interesting pattern. When the question was phrased as 'please tick, if you wish to donate your organs', less than 20 per cent chose to donate organs. However, when the question was rephrased to 'please tick, if you do not wish to donate your organs', almost 80 per cent were willing donors.

This was not a case of people suddenly having a change of

heart. In both cases, people – not knowing how to respond – simply didn't tick the box. However, since the default was different in each case, it was possible to achieve the desired outcome.

AVOIDING COMPLEXITY

In another study, Ariely interviewed surgeons who had recommended hip surgery for their patients on the basis of case studies. One group of surgeons was told that they had forgotten to try a dose of Ibuprofen. Another group was told that they had not tried two medications – Ibuprofen and Puroxicam. Both groups were asked if they would reconsider their decision.

Amazingly, those in the first group were happy to recall the patients and try Ibuprofen. However, the surgeons in the second group now faced another dilemma – should they try Ibuprofen or Puroxicam first? In the face of this added complexity, they opted to proceed with surgery.

Here, we see how humans gravitate to the least-complex decision, rather than what is optimal.

There are many in management who say: 'We really don't have the luxury of adopting a structured approach' – and they simply go with intuition, even when it comes to decisions that have serious implications.

DECEIVED BY PERCEPTIONS

New York Plastic Surgeon Dr. Darrick Antell inspected the jaw lines of CEOs of a large number of Fortune 500 companies. He was surprised to find that about 90 per cent of the top CEOs had prominent chins, when only 40 per cent of the general population have protruding chins.

Another study revealed that while only 14.2 per cent of American males are taller than six feet, 58.7 per cent of CEOs in Fortune 500 companies (US) are six-footers. Here again, there seems to be the perception that taller males are better leaders.

SWAYED BY COMPARISONS

Laboratory and field experiments confirm that our decisions can be shaped by subtle placements and dubious comparisons.

In a study at MIT, when pic-

tures of two handsome men John and Harry were presented to a group of female students, the choices were evenly split. In a variation of this study, when a modified picture of an ugly Harry was included (John, Harry and ugly Harry), a large majority opted for Harry. When this was repeated with an ugly John, a large majority opted for John. Now the decision-makers suddenly ignored the presence of John (in the first case) and Harry (in the second case), and focused only on the pretty and ugly pictures of the same person.

In a field study at a kitchen-equipment store, when a bread machine priced at US\$ 85 was placed on a shelf, it did not sell all that well. Rather than remove the machine, a 135-dollar bread machine was placed next to it. Suddenly, those who weren't even looking for a bread machine thought that the US\$ 85 machine was a bargain... and they snapped it up!

SHIFTING COMPARISONS

When you purchase a stereo system at a store, you are comparing the products on the shelves with each other. Yet, when you listen to music in the comfort of your home, you have a different basis to evaluate the quality of the equipment you have purchased.

This is true for almost anything you purchase...

If you are buying a bottle of wine, you compare and contrast the offerings on the shelf. Yet, when you are drinking the wine at home several months later, you have no earthly idea of what was on the shelf. You are simply comparing the taste of the wine, to your mood at the time. This is known as 'shifting comparisons'.

When Pepsi conducted a blind sipping test against Coke, it came out as the preferred choice. As a result, Coke went on to create New Coke, which turned out to be a disaster – because Coke consumers rejected New Coke, since it tasted like Pepsi.

But why?

Because Pepsi tastes better when taking a sip. However, when drinking a can, the initial 'sugar buzz' fades away and Coke tastes better. Here again, shifting comparisons lead us astray.

CLASSICAL IEEO TECHNIQUE

We have all seen and heard special offers on TV. Yet, few realise that these ads are designed on the basis of the IEEO principle – Interrupt (a celebrity starts the pitch for the product, to *interrupt* the viewer who is not paying much attention); Engage (within seconds, the product is presented in a manner that *engages* the person); Educate (this is followed by an ultra-short *education* message); and Offer (and finally, an irresistible *offer* to buy now and receive gifts, two for the price of one, etc.)

Unfortunately, a gullible public rushes to order these products!

DECISION TIME! More often than not, we don't know our preferences too well; therefore, we are susceptible to other influences. Field and laboratory research confirm that we simply have an illusion that we are in control of our decisions.

What is clear is that the environment in which the decision is made has a very significant influence in shaping our decisions: real-world decisions are multidimensional in nature (multiple criteria, multiple candidates and multiple decision-makers); given the same information, different people will reach different decisions; we recognise that education, circumstances, human emotions, resource limitations, time constraints and so on influence our decisions.

So how can we make better decisions in the face of so many environmental pitfalls and attempts by savvy marketers to shape our decision-making process?

Assuming we have a clear objective, the first step is to identify the relevant criteria. Then conduct a criteria-segregation exercise. This is vital, because too many criteria can be counter-productive.

Thereafter, make a decision using a reliable process such as the Analytic Hierarchy Process (AHP). Finally, it is imperative that a sensitivity (N-1) criteria analysis is undertaken.

Over to you, then – it's decision time!

More information on how to make optimum decisions is available at www.xpertus.com