

# THE BUSINESS OF CHOICE

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# THE BUSINESS OF CHOICE

How Human Instinct Influences  
Everyone's Decision

By

Matthew Willcox  
*Revised and Updated Edition*



United Kingdom – North America – Japan  
India – Malaysia – China

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INVESTOR IN PEOPLE

*To Patrizia, who using a cognitive process yet to be revealed  
by science, chose me*

Praise for *The Business of Choice*, 1<sup>st</sup> edition:

‘The insights that Matthew brings about how we really make choices are interesting and relevant to anyone working in marketing or selling, but are even more astonishing and invaluable to anyone with the curiosity about the human condition.’

**Alan Jope**, CEO, Unilever

‘Understanding how it is that human beings make choices—the complexity of inputs, the evolutionary success factors, and the cognitive processes—makes for fascinating subject matter. Matthew’s experience in advertising and his understanding of the science of decision making come together here to make for an insightful and incredibly useful tool.’

**Jennifer Sey**, CMO Global Brands at Levi’s,  
and one of Forbes’ “World’s Most Influential  
CMOs 2019”

‘Matthew Willcox bridges the practical and academic worlds of marketing better than anyone I know. In *The Business of Choice*, he lucidly explains what marketing practitioners can learn from marketing academics—and vice-versa and makes an excellent case for strengthening the ties between the two disciplines. The result is a fascinating and charming read.’

**Adam Alter**, Associate Professor of Marketing,  
NYU Stern School of Business, and *New York Times* best-selling author of  
*Drunk Tank Pink: And Other Unexpected Forces That Shape How We Think,  
Feel, and Behave* and *Irresistible: The Rise of Addictive Technology and the  
Business of Keeping Us Hooked*

‘*The Business of Choice* shines a light on the deep human truths that have driven behavior for millions of years. Incorporate these into your marketing, and the chances are you will be tapping into something truly fundamental for your brand.’

**James Hallatt**, Senior Vice President,  
Vemedia Consumer Health Group

*'The Business of Choice* is revolutionary. Informed by psychology and neuroscience, and infused with wit, it challenges the very foundations of rationality on which modern marketing is built and invites us to see people as they are – complex, emotional, irrational, human.'

**Kofi Amoo-Gottfried,**  
VP of Marketing, DoorDash

*'The Business of Choice* is a brilliant tour of human behaviour that is of interest way beyond marketing. It has helped me as a Physician - with patients and colleagues alike - particularly in my role driving the behaviour change needed for transition to models of digital health.'

**Nicholas Peters,** Professor of Cardiology at  
Imperial College and head of DASH  
(Devices, Apps, Sensors in Health)

'I found *The Business of Choice* to be a fresh illuminating and entertaining read that helped me reframe how I think about solving my business objectives. As a marketer, the more I understand how and why people make the choices they do, the better chance I have of creating offers or communications that respect people's natural tendencies and desires. Matthew's book is insightful, humorous and actionable.'

**Rebecca Van Dyck,** Chief Marketing Officer,  
AR/VR at Facebook

'There are many great reasons to choose this book, all of which you'll understand better by the time you get to the end of it.'

**Mark Barden,** Partner, eatbigfish,  
and author of *A Beautiful Constraint*

'How we human beings make decisions is complex and fascinating, and nobody brings that to life quite like Matthew Willcox. His deep knowledge and practical insights are invaluable, not just for marketers, but for anyone in the business of understanding and influencing decisions. And that's everyone in business.'

**Matt Williams,** Managing Partner at Brand Federation,  
Visiting Clinical Professor at William &  
Mary Raymond A. Mason School of Business

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## PREFACE

The decision to revise a book is a bit like the decision to remodel your home. If bringing your home up to date requires a lot of work, then you might think of moving, or rebuilding it completely. If all the home requires is a lick of paint, then you might forgive yourself for leaving it untouched for a few more years. Likewise, if there has been a wholesale change in the area a book covers, then you'll find yourself abandoning so much of the original that you really should be writing a new book or at least a sequel. And if it is simply a question of updating a few references, then your time might be better spent on other things.

I think *The Business of Choice* is in the “Goldilocks Zone” for a revision.<sup>1</sup> The overall premise, many of the ideas (and the research that informed them) are as relevant to marketers and practitioners as they were when the original was written in 2014. That said, in the past five years, a lot has changed. The context in which people make choices has changed – for example, back in 2014 Alexa and Google Assistant didn't exist. A 2019 Edison Research<sup>2</sup> report in conjunction with National Public Radio (NPR) estimates that 60 million Americans over the age of 18 own at least one smart speaker (up from 53 million one year earlier), and that households with smart speakers own an average of 2.6. In December 2017, Edison Research estimates there were 67 million smart speakers in US households. That number two years later is now 157 million. In this revised edition, you will find a chapter that covers how artificial intelligence (AI) can affect people's choices and behavior, and how practitioners can use it to create individualized and time-sensitive programs that can lead to sustained changes in behavior.

In the past five years, much new research has been published – some of which sparks new ideas for practical application, and other new studies that build on and add specificity to research that featured in the previous

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<sup>1</sup>In astrobiology, the Goldilocks Zone refers to the habitable zone around a star where conditions for life are “just right.”

<sup>2</sup>Edison Research/National Public Media *Winter 2019 Smart Audio Report*.

edition. But scientific research isn't all about building on existing work – it is as important (some would say more important) to see if previous studies still hold water as well as it was believed they did when they were published. Often, they don't – for reasons that range from an effect being more context sensitive and less generalizable than the original researchers recognized; to errors or a lack of rigor in methodology and analysis; and even, very occasionally, to an unfortunate lack of ethics or honesty on the part of the researchers. We'll talk about this more later in the chapter, but rest assured we have removed, or added a warning flag to, any research about which the scientific community has expressed concerns.

Perhaps the biggest single area of change from 2014 to 2019 is the degree to which insights from behavioral science are being used by practitioners. An emblematic example is the Behavioural Insights Team (BIT). When I was writing the previous version of *The Business of Choice*, I referenced a government program in the United Kingdom that a group called the BIT had profoundly changed through the application of behavioral insights. At that time, the BIT was an exciting three-year-old experiment, comprised of a small team within the UK Government's Cabinet Office, that brought behavioral scientists and policymakers together. In February 2014, it was partially privatized, and by the end of 2019 had spawned seven offices, employing more than 200 people.

The BIT's growth (both in size and influence) isn't a one-off. Governments and nongovernmental organizations (NGOs) around the world have built similar units, often in consultation with the BIT. A 2019 report from the World Bank Group's Mind Behavior and Development Unit (eMBeD) by Zeina Afif<sup>3</sup> profiles the impressive rise of the application of behavioral science in public health and public policy across 10 countries that are leading the charge. Afif quotes Organisation for Economic Co-operation and Development (OECD) data suggesting, that as of November 2018, there are at least 202 public entities around the world applying behavioral insights to their policies.

In October 2017, Richard Thaler, an economist whose fingerprints are all over much of the early work in Behavioral Economics was announced as the winner of the Nobel Prize in Economics,<sup>4</sup> which followed the 2002

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<sup>3</sup>Afif, Z., Islan, W. W., Calvo-Gonzalez, O., & Dalton, A. G. (2018). *Behavioral science around the world: Profiles of 10 countries (English)*. eMBeD brief. Washington, D.C.: World Bank Group.

<sup>4</sup>The prize's formal name is The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel.

award of the same prize to Daniel Kahneman. As well as being a pioneer in experimental work, Thaler has been an untiring force in demonstrating how behavioral insights and the rigor of evidence-based approaches can help lead to positive and sustained changes at a population level. He has also provided a huge service to the field, and the population at large by hunting down and exposing examples where behavioral insights are being used to encourage people to make choices that aren't in their best interests or to discourage them from taking actions that are.

All of this activity and recognition has led to an increased interest in behavioral insights. A decade ago, the only places where findings from behavioral science experiments were really presented and discussed were academic conferences, such as those organized by the Society for Judgment and Decision Making, Society for Consumer Psychology, Psychonomic Society, and European Association for Decision Making. At these conferences, you could count the practitioners like myself on one hand. In 2013, a new society, the Behavioral Science and Policy Association, held their first conference, bridging the gap between academics and policymakers and practitioners. In the same year, Ogilvy Consulting launched Nudgestock, which has a reputation as being the most entertaining event that champions insights from behavioral science and has been growing in popularity every year since. For those more focused on market research, IIEX Behavior, debuted in 2015. Samuel Salzer's excellent *Habit Weekly*<sup>5</sup> newsletter gives a list of 48 conferences that will happen around the world in 2020 that relate to *behavioral design* (a term increasingly used to refer to applied behavioral science).

As a practitioner, I have also learned a lot since 2014. In the intervening years, I've worked on projects, run workshops, and given talks in more than 20 countries. Some areas of insight that I believed had great potential, that might even be game changers, haven't really delivered, at least as yet. At the same time, there are areas that I have come to believe are even more important than I thought when writing the first edition.

One thing that has become even more apparent to me since then is that behavioral insights are not silver bullets that will enable you to unlock the secrets of human behavior and change it at your behest. Dr Robert Cialdini, author of the excellent and justifiably best-selling book *Influence – The Psychology of Persuasion*, told me about a colleague who had spent 16 years

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<sup>5</sup>If you could subscribe to only two online newsletters that cover practical behavioral science, I would recommend *Habit Weekly* and *The Behavioral Scientist*.

trying to identify the single most effective persuasive appeal, the golden rule of persuasion, if you will. His conclusion? The golden rule is that there isn't one. You have to size up every situation from a behavioral perspective and ascertain which tendencies are most active in those circumstances.

Every situation is different, and context has a profound effect on how we make choices. A behavioral principle that works in one scenario may fall flat in another scenario that seems, on the surface, to be very similar (as we will see in Chapter 6, "Thanks for Sharing (Whether You Meant to or Not)"). So, it's best to think of *The Business of Choice* as a selection of useful starting points to consider, experiment with, and adapt to the unique circumstances of the behavior you are trying to change and the choices you are trying to influence.

Finally, as a nonscientist immersing myself in decision science, I learned two lessons about the intersection of science and marketing. The first lesson is that rather than providing certainty, science is about advancing ideas. It is tempting for marketers, from the legendary Claude Hopkins<sup>6</sup> onward, to see the potential of science as proof that one approach will work better than another. This way of thinking misses the point of science – rather than thinking about it as validation, think of science as inspiration. Most of the revelations about human choice I refer to in this book come from scientists devising and conducting highly creative experiments that dig deep into human nature. Scientists' ingenuity in looking at things in different ways, and in creating decision experiments that reveal effects of nonconscious cognitive mechanisms, has led to breakthroughs in understanding how people arrive at their decisions. Science, it turns out, is surprisingly creative, and if anyone can appreciate the effect of creativity to change the game, it should be those of us in marketing and advertising.

The second lesson I learned after immersing myself in the science of choice is that science is much more fluid than I had thought. Ideas that seemed immutable 10 or 20 years ago are now up for debate.

For example, what scientists know about the function of the amygdala – an important brain area for marketing – has changed greatly in the past two decades. The amygdala is involved in translating what we sense and perceive into emotions, and it plays an important role in recognizing emotions in

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<sup>6</sup>Claude Hopkins was a creative director at the agency Lord & Thomas; his reputation was such that he commanded a salary of \$185,000 in 1907 (which is equivalent to approximately \$5 million in 2019). He published *Scientific Advertising* in 1923, a book that influenced industry giants such as David Ogilvy.



social interactions and facial expressions. Just over 10 years ago, the amygdala was still considered to be absolutely essential for recognizing and experiencing fear. Today, its exact role is much less defined, but it is not essential for fear. The hypothesis of the amygdala being essential for recognizing and experiencing fear was based on studying a rare brain lesion patient called S.M., who has damage specific only to the amygdala. S.M. has abnormal behavioral responses to fear and also abnormal social interactions; additionally, lots of experiments with S.M. showed that she could not identify fearful-looking human faces.<sup>7</sup> But the same researchers who first uncovered S.M.'s inability to recognize fearful faces realized something fascinating 10 years after the first experiments: When S.M. viewed faces, she did not look at the eyes. Viewing the eyes is necessary to discriminate emotions from facial expressions, and when specifically instructed to look at the eyes, it turns out that S.M. could indeed recognize fear just like people with intact amygdala regions.<sup>8</sup> The function of the amygdala has since been refined to include being an important influence on the visual system. Recognizing fear involves more brain areas than just the amygdala, but one specific role the amygdala may play is in directing our eyes to where we will see signs of fear – such as people's eyes.

I want to make two points here. The first is that we are still learning, especially when it comes to understanding the human brain. To use a cliché, science is not a destination, but a journey. Marketers might do well to remember this cliché when being presented with research (I elaborate on this caution in Chapter 15, “Think Differently about Market Research”). Research based on the “latest from science” probably won't remain the latest for very long. And, as the amygdala story demonstrates, science self-corrects, so research might not even be considered science for very long. Or, as Christian Jarrett says in his book *Great Myths of the Brain*:

*Anyone who spends time researching brain myths soon discovers today's myths were yesterday's facts.*

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<sup>7</sup>Adolphs, R., Tranel, D., Damasio, H., & Damasio, A. (1994). Impaired recognition of emotion in facial expressions following bilateral damage to the human amygdala. *Nature*, 372, 669–672.

<sup>8</sup>Adolphs, R., Gosselin, F., Buchanan, T. W., Tranel, D., Schyns, P., & Damasio, A. (2005). A mechanism for impaired fear recognition after amygdala damage. *Nature*, 433, 68–72.

In experimental psychology and other disciplines, this self-correcting is increasingly helped along by other scientists attempting to replicate the original research. But experiments don't always replicate,<sup>9</sup> and the reasons why are numerous. The most common reason is simple statistics; the world is noisy. For example, if you sample a group of 20 males and 20 females, sometimes the group of females will be taller than the men, but this result will not hold up with repetition. Another reason why an experiment might not replicate is context (something I cover extensively in Chapter 12, "If Content Is King, Context Is Queen"). Sometimes, as I mentioned earlier, the effects shown in a particular study are exquisitely sensitive to the specific context of the experiment. One example of this is a famous study from Sheena Iyengar and Mark Lepper, published in 2000.<sup>10</sup> The researchers presented shoppers at Draeger's Grocery Store in Menlo Park, California, with different displays at which they could sample a range of Wilkin & Sons jams. One display had 6 different jams, the other had 24, and these displays were rotated hourly. The researchers tracked how many people stopped at each display. All shoppers who stopped at either display were given a \$1 coupon off the purchase of any Wilkin & Sons preserve. The finding that made this study so famous was that while the 24-item display had more stopping power with shoppers than the 6-item display (60% stopping for the larger selection; 40% at the smaller selection), only 3% of those who stopped at the larger selection redeemed their coupon to buy jam. In a staggering contrast, 30% of the shoppers who stopped at the smaller display went on to use their coupons to buy jam.

While classical economics suggests that more choice is better, we have all experienced *choice overload* (described in detail in Barry Schwartz's 2004 book *The Paradox of Choice Why More Is Less*) at some time or other. Iyengar and Lepper's study created a mini media storm and the findings were widely reported (I call findings like these *plausibly counterintuitive* which are the attributes I believe make them news and conversation worthy). Companies

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<sup>9</sup>The exact number of experiments that do not replicate is unknown, in large part because it requires publishing a null result. Just as with apps, there is pretty much a journal for everything – and there is one dedicated to null results: *The Journal of Articles in Support of the Null Hypothesis* ([www.jasnh.com](http://www.jasnh.com)).

<sup>10</sup>Iyengar, S. S., & Lepper, M. R. (2000). When choice is demotivating: Can one desire too much of a good thing? *Journal of Personality and Social Psychology*, 79(6), 995–1006. <https://doi.org/10.1037/0022-3514.79.6.995>.

went about reducing their range of brands and varieties,<sup>11</sup> and I know that I advised at least two clients to reduce the options they offered shoppers.

However, my advice may not have been as solid as I thought it was at the time. Many attempts have since been made to replicate Iyengar and Lepper's study, and none, as far as I know, have shown such a dramatic effect. A meta-analysis of experiments reviewing 63 conditions from 50 experiments<sup>12</sup> – a number of which attempted to replicate Iyengar and Lepper's study with goods such as jam, jellybeans, and chocolate – showed a mean effect size across studies as “virtually zero” with “considerable variance between studies.” Personally, I don't think the meta-analysis shows Iyengar and Lepper's experiment to be flawed – the issue for me is the conclusion (as much, if not more, by those reading about the research than by the researchers themselves) that the study is widely generalizable beyond the specific conditions of the experiment. There is a huge lesson for practitioners in this. Before Iyengar and Lepper's experiment was published, the consensus was that offering more choices led to happier choosers. After the plausibly counterintuitive findings of Iyengar and Lepper's study were published, expert opinion shifted to believing that smaller selections had a more positive effect on choice. The meta-analysis suggests that it is not an either or. In some cases, less is better, and in other cases more is better. This depends on what is being chosen, who is choosing it, their goals at the time, and the conditions under which the choice is being made. Before adding to, or trimming their range of offerings, marketers should consider the effect of all of these things on the choice they want people to make and ideally conduct experiments using different sized choice sets. What they shouldn't do is assume that a finding from research has external validity, that is that the effects will transfer from the specific context and conditions of the research design, to the decision or behaviors they would like people to make.

Another, much less common, reason why experiments might not replicate is scientific fraud. Uri Simonsohn, from the Wharton School of the University of

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<sup>11</sup>In 2014, P&G CEO A. G. Laffley ended the company's decade old practice of giving its shoppers more and more choice with plans to divest or discontinue up to 100 of its brands. Laffley told analysts “There is a lot of evidence in a number of our business categories that the shopper and the consumer really don't want more assortment and more choice.”

<sup>12</sup>Scheibehenne, B., Greifeneder, R., Todd, P. M. (2010, October). Can there ever be too many options? A meta-analytic review of choice overload. *Journal of Consumer Research*, 37(3), 409–425, <https://doi.org/10.1086/651235>.

Pennsylvania, has a reputation as a “data vigilante,”<sup>13</sup> which he acquired by identifying practices that generate results that seem too good to be true. Simonsohn showed that continuing to collect data only until a sought-after result is confirmed is not good practice. In science, this is called “*p*-hacking”<sup>14</sup> (for collecting data until the desired statistic, or *p*-value, is reached), but it happens outside of the laboratory, too. It’s human nature and something I discuss in Chapter 14, “The Power of Affirmation,” under the scaffold of the confirmation bias.

One of the themes of this book is that marketers don’t embrace the findings of behavioral science and neuroscience as much as they could and should. At the same time, I also urge that marketers be cautious against basing a strategy or an idea on the latest scientific study to be written up yesterday in the popular press – be it a blog or a respected newspaper.

The second point I want to make about the fluidity of decision science is somewhat of an understatement: The brain is complex. Neuroscience experiments might single out individual brain areas – and elegantly relate regional responses to a specific behavior – but brain areas work together. Remember that two decades ago, neuroscience was convinced that the amygdala specially processed fear. But today, the amygdala is just one part, albeit an important one, of a fear-processing network.

Neuroscience has also provided the evidence to demolish some popular myths about the brain.<sup>15</sup> One is the belief that “we only use 10% of our brains,” the premise of the 2014 movie *Lucy*, starring Scarlett Johansson and Morgan Freeman, and directed by Luc Besson. Neuroimaging shows that this clearly isn’t the case. Another myth is that there are “left brain” people and “right brain” people. Certain functions are reliant on one side of the brain – speech is generally centered in the left hemisphere for right-handed people. But creative

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<sup>13</sup>Simonsohn’s investigations have led to scientists resigning from their posts and to a number of papers being retracted. An article by Christopher Shea in the December 2012 edition of *The Atlantic* covers Simonsohn’s efforts in more detail.

<sup>14</sup>A November 2019 article in *Wired* “We’re All ‘P-Hacking’ Now: An insiders’ term for scientific malpractice has worked its way into pop culture. Is that a good thing?” tells how the term “*p*-hacking” has featured on TV shows and gets a nod in a recent edition *Cards Against Humanity*, <https://www.wired.com/story/were-all-p-hacking-now/>.

<sup>15</sup>Christian Jarrett covers these two examples and more in *Great Myths of the Brain*. Jarrett is also author of *The Rough Guide to Psychology*, an excellent introduction to the subject.

or (their supposed opposite) analytical tasks, nor the people who excel in either of these areas are more dependent on one side of the brain than the other.

In an interview with LiveScience,<sup>16</sup> Dr Jeff Anderson, Director of the fMRI Neurosurgical Mapping Service at the University of Utah, said:

*It is not the case that the left hemisphere is associated with logic or reasoning more than the right. Also, creativity is no more processed in the right hemisphere than the left.*

So, we will just have to find some other language to describe our colleagues who seem either more creative or more analytical.

I also want to address some of the language and terms that you will come across in this book. The broad academic field from which I have drawn most of the material included in the book is judgment and decision making (JDM). I am aware that the term *decision making* often leads people to think of planned decisions, of the carefully considered steps that people may go through to make a choice. “To make a decision” does, after all, sound active and rather deliberative. One of the pioneers in JDM, the late Hillel Einhorn, was described as someone who specialized in studying how people *reach* decisions. Although a subtle distinction, the difference between *making* and *reaching* is, to me, a significant one. It suggests the importance of nonconscious factors of which the decisionmaker (or reacher) is unaware. When you read the term *decision making* in this book, think of people reaching or arriving at their decisions as much as, or more than, deliberately making them.

Research on how humans reach decisions shows that many of the processes leading to decisions are outside the realm of conscious awareness. Sometimes people (including myself until some friendly academics suggested I use an alternative) refer to these processes as being in the “subconscious.” With all respect to Freud and Jung, that word now connotes a mysterious and vaguely sinister approach to studying cognition, like a black box that needs to be “unlocked.” Psychology and neuroscience abandoned the term *subconscious* in favor of the terms *unconscious*, *nonconscious*, and *preconscious*.<sup>17</sup>

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<sup>16</sup>Wanek, C. (2013, September 3). Left brain vs. right: It’s a myth, research finds. Retrieved from <http://www.livescience.com/39373-left-brain-right-brain-myth.html>.

<sup>17</sup>Although the people who advise me on such matters tell me that the new favored word among psychologists and neuroscientists for reactions that are not conscious is *reflexive*. This creates a nice pairing with *reflective*, a term that can be used for conscious thinking.

Although these three terms can mean different things in spite of often being used interchangeably, I tend to use the last two. The term *unconscious* makes me think of people who are not just unaware of their cognitive processes, but pretty much unaware of anything. When it comes to how people reach decisions, *nonconscious* and *preconscious* seem to describe better what actually happens, so those are the words I use in this book.

I would also like to suggest that we in marketing are more careful with our own language, particularly with words that describe people to whom we market. In a March 2013 interview,<sup>18</sup> Keith Weed, who was Unilever's Global Chief Marketing Officer for over a decade, described how the marketing lexicon is problematic:

*Marketers need to ... engage with consumers as people, not as consumers. I think the term "consumers" doesn't help. Once you start looking at people's lives, they are not a pair of armpits in search of deodorant or a head of hair in search of hair benefits. They are people with full lives and a lot of challenges in a rapidly changing world.*

Weed's concern is the practice of defining people through the lens of consumption in an age when all of us (from governments, companies, to individuals) need to focus on sustainability. This has gained some traction. An excellent 2015 article by Neil Parker, Chief Strategy Officer of Co:Collective gives five good reasons to abandon the word "consumer," explaining that at his agency they prefer the word "participant."<sup>19</sup> My particular beef with the word *consumer* is more about how we marketers label the people we want to *choose* our products. For example, we talk about them as "targets." In most aspects of life beyond marketing, things don't turn out so well for actual targets.

Another example. I've often heard marketers say that a marketing tactic "should drive the consumer to retail."

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<sup>18</sup>Unilever logic. Keith Weed wants Unilever to be the trust mark of sustainable living. *Hub Magazine*, March/April 2013.

<sup>19</sup>Five Reasons to kill the word 'consumer' right now, *Forbes*, December 2015. <https://www.forbes.com/sites/onmarketing/2015/12/08/five-reasons-to-kill-the-word-consumer-right-now/#58d7e54a41f5>. The word "participant" is now used as description for someone taking part in psychology experiments. Ten years ago the less human term "subject" was prevalent.

Unfortunately, the meaning here isn't literally that the brand will drive the shopper to retail by laying on a car service to pick them up at 10 a.m. on a Saturday to drop them off at the mall (which would be nice), but somehow that the marketing will herd them in droves, like cattle to the abattoir. Not only is this a ridiculous exaggeration of the likely effect of any marketing, but it also disrespects the people whose decisions to buy our products pay our salaries and finance our lifestyles.

I will try to use the word *target* as little as possible in this book, but I have not yet come up with an alternative I am happy with. Any suggestions are very welcome.

Instead of *consumer*, while I like Parker's suggestion of "participant," I use another option. In her excellent book *The Art of Choosing*, Sheena Iyengar (whose jam experiment we covered earlier) frequently refers to people who are making, or have made a choice, as *choosers*. I like this word for two reasons. First, it reflects and respects the importance of the "consumer" in that purchasing/buying/consuming is their choice. Second, the word *chooser* aligns with something I believe in deeply and that is also a major theme of this book. Marketing should be about making it intuitive and easy for people to choose your brand, your product, your service, or your cause. To buy a product in the first place is a choice, to use a product is a choice, to continue buying a product and keep using it are further choices. And recommending a product to others (should we be so lucky) is yet another choice. Marketing is more about choice than consumption.

While I may sometimes use *consumer* in this book (it was actually in the subtitle of the previous edition – *The Business of Choice: Marketing to Consumers' Instincts*), I use *chooser* or *potential chooser* whenever it makes sense. And, of course, eschewing jargon, and just using the word *people* works pretty well, too. With that, I'd like to thank you for choosing to read *The Business of Choice!*

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# PART I

## THE BUSINESS, SCIENCE, AND NATURE OF CHOICE

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## THE BUSINESS OF CHOICE

*For a brand or business to be successful, it needs people to choose it, so it is important to understand how people choose.*

*We are all faced throughout our lives with agonizing decisions. Moral choices. Some are on a grand scale. Most of these choices are on lesser points. But! We define ourselves by the choices we have made. We are in fact the sum total of our choices. (Professor Louis Levy)*

Before you go looking for the “Collected Works of Professor Louis Levy,” I should explain that Levy is a character in Woody Allen’s film *Crime and Misdemeanors*, and this quote is part of a monologue about human destiny, love, and our choices that draws the movie to a close.

It might seem almost insultingly obvious that *we are in fact the sum total of our choices*, as Levy says. The course of our lives follows the choices we make. If I hadn’t chosen to accept a job with an advertising agency nearly 30 years ago, I wouldn’t have been in San Francisco 20 years later working on a new business pitch for a client that offered its customers a dizzying array of choices. If I hadn’t been working on that pitch, I wouldn’t have interviewed Barry Schwartz, Professor of Social Theory and Social Action at Swarthmore College and author of *The Paradox of Choice*. He wouldn’t have suggested I attend the Society for Judgment and Decision Making Conference, and I wouldn’t have had the experience outlined in the preface that led to my writing this book. Every day we all make choices and, just as in the 1998 movie *Sliding Doors*, they take our lives in one direction rather than another.

Yet, if our choices define us, as the fictional Professor Levy suggests, if they determine to a large extent whether we will be happy, how comfortable our

retirement will turn out, and even how healthy we will be, then it is amazing that while we spend huge amounts of time pondering the outcomes of our choices, we spend so little time thinking about *how* we make the choices we make. (Now don't feel bad about that – there are very good reasons why we think so little about how we make our choices that we'll explore in Chapter 4, "Shortcuts Versus Analysis – Ignoring is Decisional Bliss.")

Choices don't just have a profound effect on individuals' lives – they also determine whether an organization will be successful. Whenever I do a workshop or keynote, one of the first slides I show is a definition of marketing that I have been using for a decade or more. It reads like this:

*Marketing is the creation, management, and measurement of programs designed to influence the choices you need people to make to meet your objectives.*

The point I make is that the success of any organization depends on ensuring people make the choices that can help the organization meet its goals, whether the choices are those of a procurement team in Chicago wrestling with the decision to spend tens of millions on cloud services with Amazon or Microsoft; a shopper in a supermarket in Milan choosing between Lavazza or Illy, or store brand coffee; a young woman in Dar Es Salam choosing to use an intrauterine device to avoid pregnancy so that she can stay in school for a year or two longer; or a commuter in Mexico City deciding whether to make the switch to an Electric Vehicle. The outcomes of these choices, and hundreds of billions like them every day, can edge organizations closer to or further away from their goals and lead companies to post a bullish or a bearish outlook for the next quarter. Every organization is dependent on how people choose, and marketing is simply how organizations influence the choices that will allow them to reach their objectives. Yes, you as a marketer may develop and implement the marketing, but ultimately your fate rests on the choices of others. I describe the role of marketing as being to make those choices easy, natural and rewarding.

Businesses only succeed when their products or services are chosen; and marketing is at the sharp end of this – it is the business of choice. Marketers spend a lot of time, effort, and money learning about things that may affect that choice – understanding purchase paths and decision journeys, where their brand sits in culture, how their brand is perceived, or how likely people say they are to purchase it. But I believe most marketers need to be more forensic in their efforts to reveal all of the important aspects that might

help (or get in the way of) people making the choices that will enable the organization to make its objectives. I call this being *decision-centric*.

Let me explain this idea of being decision-centric a little. Marketers will often talk about being *consumer-centric* or even *consumer-obsessed*. But to my mind, the rock in the snowball of a consumer-centric approach needs to be a deep focus on understanding the human factors, the cultural factors, and the system factors that shape the choices that you need people to make. Being decision-centric means starting with what will make those choices easy and natural paths to take, or what may make them paths to avoid, and working out from there. Marketing that comes from insights about your consumer's life, their cultural values and interests, and what they love, share and sing along to might be considered consumer-centric. But unless you start with the behavior you want people to adopt, and the choices you want people to make, your marketing might not have the effect on those choices that you require.

In June 2013, I was attending the Cannes Lions International Festival of Creativity to give a talk with Adam Alter. Adam is an associate professor at New York University (NYU)'s Stern School of Business and one of the nicest and most intelligent people you could hope to meet. Adam's first book, *Drunk Tank Pink: And Other Unexpected Forces That Shape How We Think, Feel, and Behave*, had just been published. Our presentation at the conference covered how context affects choices and behavior, and in truth, the talk was about 90% Adam and 10% me. He did a fantastic job, and I was told afterward it was one of the top-rated talks at the conference.

But the real stars at the Cannes Lions aren't the speakers, they are the winners of the eponymous Lions that are awarded for the creative work judged to be best by a jury of advertising and marketing luminaries (in career terms winning a Lion is a big deal,<sup>1</sup> and being invited to be a juror is a resumé item in itself). And that year, 2013, there was really only one star – a public service campaign from Australia for Metro Trains Melbourne, designed with the objective of keeping Melbourne citizens from getting hurt in and around Metro train service areas. Described as a “pop-culture phenomenon,” it has a range of animated characters who sing about their absurd and comic deaths (that include “using your private parts as piranha bait” and “dressing up as a moose in hunting season”) with a lilting and catchy song, “Dumb Ways

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<sup>1</sup>A July 2017 *Wall Street Journal* article “Advertising Awards Can Boost More Than Egos” suggests that winning awards such as a Cannes Lion can lead to bonuses of up to 25% of their annual salary for senior creative executive.

to Die.” It became the most awarded campaign in the 60+-year history of the Cannes Lions, winning 5 Grand Prix, 18 Gold Lions, 3 Silver Lions, and 2 Bronze Lions. *Campaign Brief* reported that “ad legend Lee Clow said, ‘I wish I did Dumb Ways to Die,’ and fellow legend Dan Wieden said, ‘this is the campaign everyone here wishes they did.’”

While I’m sure there is little doubt that this loveable short film, which had racked up over 184 million views on YouTube as of December 2019, has contributed to overall human happiness, there are questions about whether it has done as much to “keep Melbourne citizens from getting hurt in and around Metro train service areas.” Beyond the creative awards, Cannes Lions has also introduced a “Creative Effectiveness Lion.” To win a Creative Effectiveness Lion, entrants have to demonstrate how work that has won a creative Lion in previous years achieved (or better, surpassed) its objectives. Despite cleaning up at the 2013 Creative Lions, Dumb Ways to Die was shortlisted, but didn’t win one of the seven Lions<sup>2</sup> awarded in 2014 for creative effectiveness. While the social media impact was unquestionably powerful, a number of articles suggest the effect on local, on the ground behavior change was not as marked.<sup>3</sup> An article in the *Stanford Social Innovation Review* from Spring 2017 goes further, suggesting that the nature of the campaign may have an effect on increased suicide attempts by “normalizing death, suicide, and violence as something common, cool, or even charming, but most important, not permanent.”<sup>4</sup> The authors also bring up an excellent general point about the importance of practitioners grounding their efforts in academic research:

*Unfortunately, it is uncommon for practitioners to conduct a review of academic literature as part of the early stages of any effort.*

*The gulf between scholarship that could help practitioners avoid*

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<sup>2</sup>There was some solace for McCann Melbourne, the agency that created Dumb Ways to Die. Their “Guilt Trip” campaign for Australia’s major regional train operator, V/Line won the 2014 Grand Prix Effectiveness Lion.

<sup>3</sup>*Dumb Ways to Die – novel – but useless*, <https://safedesign.wordpress.com/2013/06/18/dumb-ways-to-die-novel-but-useless/>, and *Dumb Ways to Die and social media bullshit*, Mumbrella, February 11, 2013, <https://mumbrella.com.au/dumb-ways-to-die-and-social-media-bullshit-138887>,

<sup>4</sup>*Stop raising awareness already*, Ann Christiano and Annie Neimand; *Stanford Social Innovation Review* Spring 2017, [https://ssir.org/articles/entry/stop\\_raising\\_awareness\\_already](https://ssir.org/articles/entry/stop_raising_awareness_already).

*harm, reduce risk, or increase the effectiveness of their efforts and practice is common and wide.*

Three years later, in October 2016, I was talking at another conference, The Behavioral Marketing Summit in San Francisco. One of the other speakers was Ram Prasad, co-founder of FinalMile, which is a behavioral insights and marketing consultancy based in Mumbai. At the time, with an average of 10 fatalities a day, the largest cause of unnatural death in Mumbai was trains striking humans as they cross railway tracks.<sup>5</sup> Trains laden with commuters race through densely populated areas of the city every couple of minutes, and as pedestrian bridges over the rails are few and far between, thousands of people simply walk or run across the tracks.

Prasad presented a range of interventions that FinalMile had designed and tested with Central Railways, the zone of Indian Railways that serves areas including Mumbai. FinalMile's approach started with trying to understand the behavior and decision making of individuals who risked, and unfortunately too often lost their lives as a result of being struck by trains as they crossed railway tracks. One of the things they did to do this was to review footage from cameras that had recorded "near misses." The team was struck by the apparent surprise on the faces of those who had narrowly avoided death. It was as if they hadn't even seen the train coming.

Digging into this insight led the FinalMile team to the work of Hershfield Leibowitz, who was one of the pioneers in studying visual perception, particularly as it relates to size, distance, and motion. They realized that a key issue (and the reason for the stunned expressions of the rail-crossers immediately after they experienced near misses) was how the brain processes the speed of large, distant, and fast-moving objects. As Prasad writes in his blog:

*There is a scientific backing to this misjudgment of speed. Our brain underestimates the speed of large objects, including trains. Often, while crossing tracks, even after spotting a train, we tend to attempt to cross because the train appears to be moving slower.*

The challenge FinalMile faced wasn't about educating Mumbians that trains are dangerous, or that they moved faster than people think. Nor did

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<sup>5</sup>*Train! How psychological tricks can keep people from being killed on the tracks* by Samanth Subramanian, *The Boston Globe*, May 8, 2011.

the problem lie with people's knowledge, or about how they consciously calculated risk. The problem was that humans are not naturally good at estimating the speed of large, fast-moving objects (perhaps because large things traveling faster than 30 mph, like trains and trucks, have only been a threat for a tiny slither of human existence, we haven't evolved that capacity), and that we make that assessment faster than the speed of conscious thought.

FinalMile understood that the decision to cross, or not to cross, the track was based on an inaccurate nonconscious perception of speed. Prasad continues:

*If the problem, fundamentally is at a nonconscious level, the solutions should work at this nonconscious level for it to make a definite and quick impact. The solution should make the brain recalibrate the speed of the train in an "Auto" mode where it doesn't need to deliberate and expend energy.*

One of their solutions was to paint ties<sup>6</sup> (the large slabs of wood or concrete that support the rails) bright yellow. As Prasad says:

*As these yellow lines disappear under the train, the brain can instantly get the speed judgement right and take a decision not to cross the tracks. The beauty with this intervention is that it works at a nonconscious level, has an instant impact and is low cost. Most importantly, it is at the point of action.*

FinalMile and Central Railways also did what is at the heart of evidence-based practice, but that marketers often lack patience for. They ran an experiment with the yellow lines and two other tactics<sup>7</sup> at Wadala Road Station on Mumbai's Harbour Line. An article in *The Boston Globe* reported<sup>8</sup>:

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<sup>6</sup>In many English-speaking countries, rail ties are known as *sleepers*.

<sup>7</sup>The other tactics were also based on behavioral science insights – the train crews were instructed to blow their horns twice in quick succession as a warning. Research shows this serves as a better prompt for action than one long blast. Close-up photographs of a terrified actor's face as he is about to be hit were mounted right next to the tracks. Images of fear are often ineffective if they are not experienced in the same moment as the decision you are trying to affect. Located a few paces away from where people would cross the track is most likely a very effective placement.

<sup>8</sup>*Train! How psychological tricks can keep people from being killed on the tracks* by Samanth Subramanian, *The Boston Globe*, May 8, 2011.