Choice heuristics

Lesson 4.3.2 | Consumer psychology

Core ideas

Heuristics reduce mental effort by allowing consumers to make quick judgements without comparing every detail.

Availability heuristic means recent, vivid or memorable examples can feel more common or important than they really are.

Representativeness heuristic means consumers may judge a product by how closely it matches a category, stereotype or expectation.

Anchoring happens when an initial price, rating or piece of information influences later judgements.

Recognition and brand familiarity can guide choice when consumers prefer what feels known or easy to process.

Satisficing means choosing an option that is good enough rather than searching for the objectively best option.

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Key terms

Heuristic: A mental shortcut used to make a judgement or decision quickly.

Availability heuristic: Judging by examples that come easily to mind.

Representativeness heuristic: Judging by similarity to a category, stereotype or expectation.

Anchoring: Relying too heavily on an initial value or piece of information.

Recognition heuristic: Choosing an option because it is familiar or recognised.

Satisficing: Choosing an option that is good enough instead of searching for the best possible option.

Cognitive effort: The mental work needed to think through a decision.

Bias: A systematic tendency that can lead judgement away from accuracy.

Further detail and evidence

Availability uses what comes easily to mind; representativeness uses similarity to a category; recognition favours the recognised alternative when that cue is informative. Take-the-best checks cues in order of validity and stops at the first that discriminates. Anchoring begins from an initial value and adjusts, sometimes insufficiently.

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Continued

Wansink, Kent and Hoch (1998) reported field/laboratory evidence that multiple-unit pricing, purchase limits and suggested quantities can anchor how much consumers buy. A suggested number can influence quantity without changing the per-item value. Existing internal anchors can modify the effect.

Decision styles include rational (systematic), intuitive (feeling based), dependent (seeking others), avoidant (delaying) and spontaneous (quick). Del Campo et al. (2016) compared heuristic use in two countries: styles showed some relationships, but between-experiment differences indicate other contextual/cultural influences.

Applying the ideas

A familiar brand can win by recognition; selecting it because it resembles a high-quality category is representativeness. A shelf label saying "buy 4" supplies a quantity anchor. Take-the-best is sequential cue use, not the same as weighing every feature equally.

Evaluation and connections

Heuristics can save effort and be accurate when cues fit the environment. They can also produce bias when irrelevant cues dominate. Do not infer a stable style from one choice. Compare controlled tasks with genuine spending, and investigate whether effects replicate across products and populations.