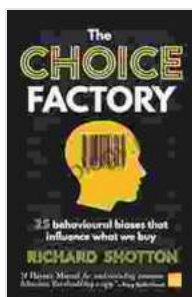


# 25 Behavioural Biases That Influence What We Buy

We all want to make the best decisions possible, but our brains are often tricked by behavioural biases. These biases can lead us to make irrational choices, spend more money than we intended, and buy things we don't need. In this article, we'll explore 25 of the most common behavioural biases that influence our purchasing decisions.



## The Choice Factory: 25 behavioural biases that influence what we buy by Richard Shotton

★★★★☆ 4.7 out of 5

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## 1. The Availability Heuristic

The availability heuristic is a cognitive bias that refers to our tendency to judge the likelihood of an event based on how easily we can remember examples of that event. For example, if we can easily recall several recent instances of a plane crash, we may overestimate the likelihood of a plane crash occurring in the future.

This bias can influence our purchasing decisions in a number of ways. For example, if we can easily recall several recent instances of a product breaking down, we may be more hesitant to purchase that product, even if it is a statistically sound decision.

## **2. The Anchoring Effect**

The anchoring effect is a cognitive bias that refers to our tendency to use the first piece of information we receive about a product or service as a reference point for making future decisions. For example, if we see a product on sale for \$100, we may be more likely to purchase it, even if we later find out that the same product is available for \$80 at another store.

This bias can be used by marketers to influence our purchasing decisions. For example, a car salesperson may start by offering you a high price for a car, and then gradually lower the price until you agree to a deal. This can make you feel like you're getting a good deal, even if you're paying more than you intended.

## **3. The Decoy Effect**

The decoy effect is a cognitive bias that refers to our tendency to choose an option that is seen as a compromise between two other options. For example, if we are given the choice between a small bowl of soup for \$5, a large bowl of soup for \$7, and a medium bowl of soup for \$6, we may be more likely to choose the medium bowl of soup, even if we would have preferred the large bowl of soup if it was the only other option.

This bias can be used by marketers to influence our purchasing decisions. For example, a restaurant may offer a small burger for \$5, a large burger for \$7, and a medium burger for \$6. This can make the medium burger

seem like a good value, even though it is actually more expensive than the small burger.

#### **4. The Endowment Effect**

The endowment effect is a cognitive bias that refers to our tendency to place a higher value on things that we already own. For example, if we own a car, we may be more reluctant to sell it, even if we could get a better price for it than we paid for it.

This bias can influence our purchasing decisions in a number of ways. For example, we may be more likely to buy a product if we think it will become a part of our identity. We may also be more likely to hold onto a product that we already own, even if we no longer use it.

#### **5. The Framing Effect**

The framing effect is a cognitive bias that refers to our tendency to make different decisions depending on how information is presented to us. For example, if we are told that a new drug has a 90% success rate, we may be more likely to take it than if we are told that the drug has a 10% failure rate.

This bias can be used by marketers to influence our purchasing decisions. For example, a car salesperson may frame a car's fuel economy as "up to 30 mpg" instead of "as low as 20 mpg." This can make the car seem more fuel-efficient than it actually is.

#### **6. The Illusion of Control**

The illusion of control is a cognitive bias that refers to our tendency to believe that we have more control over events than we actually do. For

example, we may believe that we can win a lottery if we choose the right numbers, even though the odds of winning are extremely small.

This bias can influence our purchasing decisions in a number of ways. For example, we may be more likely to buy a product if we believe that it will help us achieve a certain goal. We may also be more likely to take risks if we believe that we have control over the outcome.

## **7. The Sunk Cost Fallacy**

The sunk cost fallacy is a cognitive bias that refers to our tendency to continue investing in a project, even when it is clear that the project is not going to be successful. For example, we may continue to put money into a stock that is losing value, even though it is clear that the stock is not going to recover.

This bias can influence our purchasing decisions in a number of ways. For example, we may be more likely to buy a product if we have already invested money in it. We may also be more likely to continue using a product, even if we are not satisfied with it, because we have already invested time and money in it.

## **8. The Status Quo Bias**

The status quo bias is a cognitive bias that refers to our tendency to prefer the current state of affairs to any other option. For example, we may be more likely to stay in our current job, even if we are not happy with it, because it is the easiest option.

This bias can influence our purchasing decisions in a number of ways. For example, we may be more likely to buy a product if it is the same as a

product that we already own. We may also be more likely to resist change, even if the change would be beneficial to us.

## **9. The Bandwagon Effect**

The bandwagon effect is a cognitive bias that refers to our tendency to adopt a belief or behaviour because it is popular. For example, we may be more likely to buy a product if we see that other people are buying it.

This bias can be used by marketers to influence our purchasing decisions. For example, a company may use celebrity endorsements to make their products seem more popular. They may also use social media to create a sense of urgency, making us feel like we need to buy a product before it sells out.

## **10. The Halo Effect**

The halo effect is a cognitive bias that refers to our tendency to generalize from one trait or characteristic to another. For example, if we believe that a person is attractive, we may also assume that they are intelligent and kind.

This bias can influence our purchasing decisions in a number of ways. For example, we may be more likely to buy a product if we believe that it is made by a reputable company. We may also be more likely to buy a product if it is endorsed by a celebrity that we admire.

## **11. The Confirmation Bias**

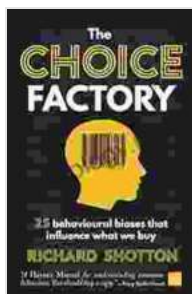
The confirmation bias is a cognitive bias that refers to our tendency to seek out information that confirms our existing beliefs. For example, if we believe that a particular stock is going to go up in value, we may only seek out information that supports that belief.

This bias can influence our purchasing decisions in a number of ways. For example, we may be more likely to buy a product if we have already read positive reviews about it. We may also be more likely to ignore negative reviews, even if they are valid.

## 12. The Hindsight Bias

The hindsight bias is a cognitive bias that refers to our tendency to believe that we could have predicted an event after it has already happened. For example, if a stock market crashes, we may believe that we could have predicted the crash, even though we had no way of knowing that it was going to happen.

This bias can influence our purchasing decisions in a number of ways. For example, we may be more likely to buy a product if we believe that we could have predicted its success. We may also be more likely to regret buying a product if we believe that we should have known that it was going to fail.

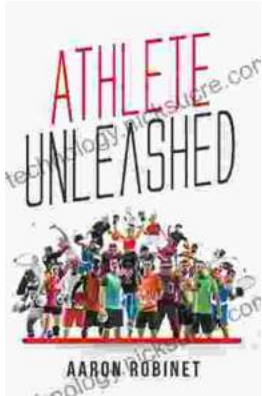


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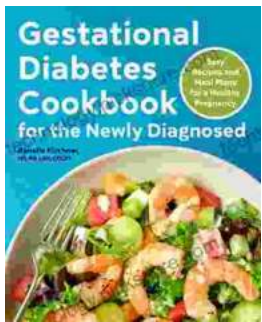
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