

MARKETING COLLOQUIA

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THE COMMONNESS FALLACY: COMMONLY CHOSEN OPTIONS HAVE LESS CHOICE APPEAL THAN PEOPLE THINK

ABSTRACT: In predicting what others are likely to choose (e.g., vanilla ice cream or tiramisu), people can display a commonness fallacy—overestimating how often common (but bland) options (e.g., vanilla ice cream) will be chosen over rarer (but exciting) options (e.g., tiramisu). Given common items are often chosen merely because they are frequently offered, not because they are preferred (tiramisu is rarely offered as a dessert), commonness is not necessarily diagnostic of future choice. Studies 1a-1b document the commonness fallacy in forecasts of single and repeated choices. Study 2 replicates it in an incentive-compatible choice context. Studies 3-4 uncover when and why perceived commonness is relied upon. Perceived commonness is spontaneously used as a guide when forecasting others' choices (as though people blur what has been chosen with what people will choose), but not when forecasting what others would be pleased to receive. Choice forecasters leaned upon perceived commonness over and above many other cues, including their own choices, the goods' prices, and even how much others were thought to like each option. Upon conscious reflection, choice forecasters abandon commonness and gravitate toward more normatively defensible input. Studies 5-6 examined antecedents of the commonness fallacy. In so doing, Study 6 tested whether forecasters commit the commonness fallacy even when they observe commonly offered options are not typically chosen over less frequently offered ones. Study 7 illustrated a literally costly consequence: A two-part marketplace simulation study found amateur sellers' reliance on perceived commonness prompted them to systematically misprice goods.