



Close the menu on regret and risk

How behavioural economics and 'being human' affects your business.

By Aki Kalliatakis

Making choices is sometimes really hard for us. It takes less than a second to move from uncertainty and possible regret, to relief. How does such a huge change in your emotions occur in an instant?

Imagine this: you're celebrating a special event with your friends in a beautiful restaurant, charmingly decorated, and your favourite music playing on the speakers. The place is crowded with happy people, and you all have a big menu describing the most exquisite foods in front of you. There are at least four things you'd love to eat, and you think to yourself, "Boy, this is going to be hard to choose from." You look to see what other people are enjoying but they don't give you any clues.

You're still uncertain, and you don't want to risk ordering something that you might regret.

After a short while you finally make up your mind, deliberately close the menu, and wait until it's your turn to order. Suddenly, you're a lot more relaxed, and you can start enjoying everything around you.

Why?

There are a few behavioural science issues at play here. One of them is that people don't feel comfortable with too many choices. They feel overwhelmed and anxious, and offering more choices actually increases customer dissatisfaction.

Part of this anxiety comes from the fact that one of the biggest drivers of human behaviour is also risk aversion. (Some studies claim that up to 90% of our decisions are based on just this one emotion.)

We don't want to make a choice that we will later regret. In retail we call this 'buyer's remorse'. That's the uncertainty resulting from second-guessing ourselves and wondering if this is something that we will be disappointed about later. Our minds get caught up in a swirl of, "What ifs ..." – especially, "What if I don't like it?" – and we question our choice. It happens before we make the decision, and it often continues after we have done so.

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world of instant gratification, delivering within 60 minutes is a no-brainer.

One of my favourite examples comes from a company in the US that sells mattresses online – Casper. They deliver the mattress to your house and offer to take it back three months later if you don't like it. Zappos does the same with shoes: you can order a few pairs and send back what you don't like.

Image: www.freepik.com/



What about you? You're probably already doing it a little when you allow companies to promote their food products in your store by giving customers free samples. Can you extend that to other items too?

Whatever you decide to do, it's important to **help them feel happy and excited** about what they have just ordered, and to not be distracted by all the choices that they made or didn't make.

The second psychological characteristic that plays a role is that **we are herd animals**, and we look to others to see what they are doing. If that information is not available, we are forced to make other decision choices. That is why we look to others to help us choose. You can also manage that to a degree by sharing information about what others have selected. If we continue with the restaurant example, many menus have a 'Most Popular' page right at the front of the menu.

But there's also a third behavioural science factor at play here. At some point, **once we have selected** from all the choices and the decision

Some other 'what if...' questions they may ask also include ...

- "Will I be sorry that I didn't choose the other one?"
- "Have I just splurged a little bit too much on this?"
- "Why don't I just order what I had last time, because I really enjoyed that?"

This can be relatively easily fixed when a business confirms to the customer that they made the right choice and shows them what great value they have just received.

Some businesses go so far as to reassure customers by giving them a money-back guarantee. In other cases a business allows a customer to try something out first before they buy. "Free delivery for orders over R400" is another way to help them realise that they made a good choice. And in the



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So while they are in your store, your customers are busy making choices all of the time, but the act of physically walking to the tills (or pressing the 'Complete My Purchase' on the app) is the same as them closing the menu. As they walk up to the register, what are you doing to help them feel comfortable with that?

I have to admit that I haven't really seen much of that happening in the places where I shop. It's rather ironic because walking into a store is usually a positive and welcoming experience, but nothing usually happens at the end with the exception of a mechanical or obligatory muttered, "Thank you."

Do yourself a favour. If nothing else, every day, walk around your store and randomly look at

anything in your customer's basket. Point to it and just say two words: "Good choice."

“ It not only gives them choice closure, avoiding the inevitable buyer's remorse, but it also has the benefit of making them feel good that you acknowledged their impeccable taste. ”

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is made, **we feel relief and want to move on.** The physical act of closing the menu helps us move away from that. It's done now, and it's time to go forward. It won't surprise you to hear that psychologists call this 'choice closure'.



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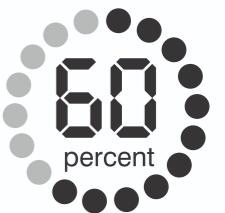
REDUCE START AND END OF DAY CASH RECONCILIATION TIME

- Saves time of up to 30 mins per manager per day
- Minimise errors/discrepancies & reduce recounts
- Saves time of up to 15 to 25 mins per cashier per day
- No need for preparation & count cashier floats



INCREASE STAFF PRODUCTIVITY

- Faster payment transactions & reduced queues
- Faster & easier staff training reducing on-boarding time by up to



AUTOMATICALLY IDENTIFY COUNTERFEIT NOTES

- Eliminate counterfeit acceptance by up to



ENHANCE IN-STORE SECURITY

- No need for handling cash transactions
- Reduced risk of robbery/burglary
- Create safer work environment for your staff



REDUCE CASH LOSSES

- Eliminate errors in change provision
- Reduce risk of cash shrinkage by up to

