

REASON-BASED CHOICE

Shafir, E., Simonson, I. and Tversky, A.

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SUMMARY

The article Reasons-based choice is presented an analysis of the role of reasons in decision making, and is considered ways in which an analysis based on reasons may to the maximization value approach. When faced with the need to choose, decision makers often seek and construct reasons in order to resolve the conflict and justify their choice to themselves and to the others. The role of reasons in decision making is considered as it relates to uncertainty, conflict, context effects and normative decision rules. Thus, the making of decision is often difficult because of uncertainty and conflict. To explain how people resolve this, it is employed formal models (choices as the maximization of value) and reason-based analysis. This approach identifies reasons and explains choices in term of balance of reasons for and against the various alternatives.

In this article, the authors explore the logic of reasons-based choice, and test some specific hypotheses concerning the following role of reasons:

- Choice between equally attractive options

With the hypotheses that people do not choose between the equated alternatives at random, the explanation is: people resolve the conflict by selecting the alternatives that is superior on the more important dimension, which seems to provide a compelling reason for choice.

- Differential realiance on reasons for and against the selection of options.

The hypotheses, in this case, is the decision will depend partially on the weight we assign to the options. Thus, considering two options: an enriched option (with more positive and more negative features) and impoverished option (with fewer positive and fewer negative features); if positive features are weighted more heavily when choosing than when rejecting and negative features are weighted more heavily in the opposite case, then an enriched option could be both chosen and reject when compared to an impoverished option.

The results demonstrate that options are not simply ordered according to value, with the more attractive selected and the less attractive rejected. The choose reject discrepancy represents a predictable failure of procedure invariance. This phenomenon is at variance with value maximization, but is easily understood from the point of view of reason-based choice. The explanation is: reasons for choosing are more compelling when we choose than when we reject, and reasons for rejecting matter more when we reject than when we choose.

- Interaction between choice under conflict and people seek options.

The conflict between available alternatives is hard to resolve. For this people sometimes decide seeking others alternatives. But seeking new alternatives usually requires additional time and effort, and may involve the risk of losing the previously available one. In this theory, the decision maker selects the options with the highest value, then a person is expected to search for additional alternatives only if the expected value of searching exceeds that of the best option currently available. (we should be more likely to opt for an available option when we have a convincing reason for its selection). Subject's tendency to search for additional option was

greater when the choice among alternatives was harder to rationalize, than there was a compelling reason and the decision is easy. This is inconsistent with the principle of value maximization. When the choice involves conflict, reasons for choosing any one of the options are less immediately available and the decision is more difficult to justify. In the absence of compelling reasons for choice, there is a greater tendency to search for other alternatives.

Manipulating the precise relationships between competing alternatives is shown to enhance or reduce conflict, yielding decisions that are easier or more difficult to justify.

- Relation between conflict and the addition of alternative to the choice set

In this term of reasons is observed violations of the principle of irrelevant alternatives and the regularity condition. Thus, the addition of an alternative may make the decision harder to justify and increase the tendency to defer the option. The level of conflict and its ease of resolution depend not only on the number of options available, but on how the options are compared. Here, we find the asymmetric dominance effect which violate the regularity condition: the addition alternatives increase the popularity of the default option while the popularity of an option may also be enhanced by the addition of an inferior alternative.

The tendency to prefer an alternative is enhanced or hindered depending on whether the tradeoffs within the set under consideration are favorable or unfavorable to that alternative. And options with extreme values are relatively less attractive than options with intermediate values, this context effect is called extremeness aversion and it yields the opposite prediction that considerations of value maximization.

Asymmetric dominance is enhanced when subjects anticipate having to justify their decision to the others. The arguments leading to tradeoff contrast and extremeness aversion are comparative, they are based on the positions of the options in the choice set (they cannot be translated into the values associated with the single alternatives).

- The impact of a specific reason for choice with that of a disjunction of reasons

People sometimes encounter situations of uncertainty in which they eventually opt for the same course of action, but for very different reasons, depending on how the uncertainty is resolved, this is called disjunction effect. A disjunction of different reasons is often less compelling than either definite reason alone, in this way more information is not going to affect the decision only information determine the potential to influence decision.

People's preference for definite as opposed to disjunctive reasons has significant implications in cases where the option to defer decision is not available. Accepting in both but rejecting in the disjunction is the single most frequent pattern, which violates Savage's sure-thing principle, cannot be attributed to unreliability. The increased popularity of the second gamble in the modified problem shows that it is not disjunctive situation itself that discourage people from playing. Rather, it is the lack of a specific reason that seems to drive the effect: when the same reason applies regardless of outcome, the disjunction no longer reduces the tendency to accept the gamble.

The reasons for competing are more compelling when the other player's decision is known and the payoff depends on the subject alone, than when the other's chosen strategy is uncertain, and the outcome of the game depends on the choices of both players. Disjunctive manipulation (which has no direct bearing from the point of view of value maximization) appears to influence the reasons for decision that people bring to mind.

- Irrelevant reasons can play in the making of decisions

The positive features of an option typically provide reasons for choosing that option and its negative features

provide reasons for rejection. About non-valued features, the hypothesis that people are reluctant to choose alternatives that are supported by reasons that they do not find appealing. Thus, people would be less likely to choose an alternative that was chosen by another person for a reason that does not apply to them.

In other way, when there is an option with a feature that is intended to be positive but has no value for the decision maker can reduce the tendency to choose that option, even when subject realize that they are not paying for the added features.

The conclusions presented in the article can be resumed in:

- A wide variety of arguments play a role in decision making: attitudes toward risk and loss, moral principles,
- The applicability of the sure-thing principle to a decision situation influences people to act in accord with this principle's compelling rationale. The axioms of rational choice are generally satisfied in transparent situations.
- In contrast to the classical theory that assumes stable values and preferences, a reason based approach preferences are constructed during their elicitation. Different frames, contexts and elicitation procedures give different aspects of the options and bring different reasons that influence decision.

The present paper has considered how the reasons that enter into people's thinking about a problem influence their decision.

According to the above hypotheses, the sum of the percentage of subject who choose and who reject a particular option ($P_c + P_r$) should be greater than 100 for the enriched option and less than 100 for the impoverished option.