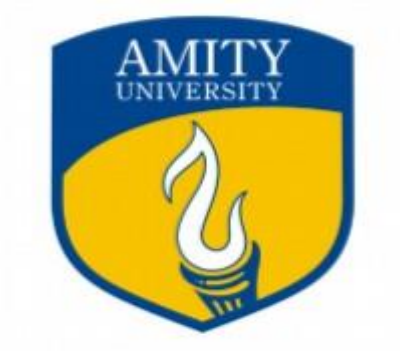
AMITY GLOBAL BUSINESS SCHOOL, PUNE

AMITY UNIVERSITY



A

MINOR PROJECT

ON

TOPIC: **"PARADOXICAL CONSEQUENCE OF CHOICE"**

SUBMITTED BY: **HARSHIT DASGUPTA**

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COURSE**:** BBA

BATCH: **2022-2025**

Under the guidance of

PROF. M.GOPALA KRISHNA

Submitted in partial fulfillment of

BACHELOR OF BUSINESS ADMINISTRATION

AMITY GLOBAL BUSINESS SCHOOL, PUNE

CERTIFICATE

This is to certify that Harshit Dasgupta of BBA III [A] has successfully prepared the project Entitled “Paradoxical Consequence Of Choice”.

The project is the result of his efforts and endeavors. The project is found worthy of acceptance as a final project under the guidance of Professor M.Gopala Krishna during the batch 2022-2025.

Col. (Dr.) Sneh V Sharma	**Prof. M.Gopala Krishna**
(Director General)	**Faculty Guide**
Amity Pune	

DECLARATION

I, Harshit Dasgupta, student of Bachelor of Business Administration hereby declare that the Project titled "Paradoxical Consequence Of Choice" which is submitted by me to the Department of Management, Amity Global Business School, Pune in partial fulfillment of the requirement for the award of the degree of Bachelor of Business Administration, has not been previously formed the basis for the award of any degree, diploma or other similar title or recognition.

Amity Global Business School Pune

Date: 18:02:2024

Plagiarism Percentage: 7 %

Name of Student: Harshit Dasgupta

Enrolment Number: A31506422098

Sign of the student:

ACKNOWLEDGEMENT

Minor Project is a way to demonstrate what you know and where you want to reach. It acts as a bridge between your present and your future.

I am thankful to my Faculty Guide, Mr. Mandapaka Gopala Krishna, who guided me on the topic and how to write a research topic.

I also take this opportunity to thank my parents without whom, I wouldn't be where I am today. They also encouraged me to take the topic and help whenever necessary.

Lastly, I thank Amity Global Business School Pune for exposing me to these kinds of projects as it helped me realize my potential and work towards my future.

HARSHIT DASGUPTA BBA-IV [A]

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OBJECTIVES OF STUDY

The Objectives of the study, entitled ‘Paradox of Choice’ is threefold:

I. To Comprehend the impact of the number of choices, on decision making

II. To Highlight the Contrast between freedom of choice and decision paralysis

III. To Evaluate Producer and consumer points of view in the provision of choices

SCOPE OF THE STUDY

The paradox of choice is a multi-discipline phenomenon, occurring in the minds of consumers as well as the vendors. The paradox of choice hampers the flow of value proposition by the vendors, as customer preferences or biases get in the way.

Decision-making or analysis paralysis is common when deciding between moral dilemmas, especially in business ethics. The Trolley Problem is one example of the same.

From the point of decision to visit a store approximate to your residence, till the procurement of your stock, a paradox of choice exists around us.

Whether it be analyzing decision pathways, or purchasing a product from a grocery store, the paradox of choice, involves participants ranging from customers to producers to the decision-making enterprise.

Talent Economics, i.e. meeting the demand and the supply of your workforce, is another aspect or domain of the paradox of choice.

I. INTRODUCTION

Ever since the American War of Independence, dating back to 1776, People have been given the freedom to choose, ranging from the suitable candidate to selecting a product from a product mix.

To understand this better, let's consider an example of Milk. As a Consumer, you want to replenish the stock of your operational use of Milk. You reach out next to the nearest Big Bazaar store to purchase a milk packet.

If a Consumer knows what brand to take, or has brand loyalty to consider, she may take that brand of milk. But a new Consumer, who does not have any attachment to any brand will be confused about whom to trust.

Should he trust Amul, Or should he trust Chitale? Moreover, he may have decision fatigue in choosing Soy Milk, Coconut Milk, Or simple Cow Milk within Milk. Hence, it can be said that more of anything good can cause more harm than good.

Be that as it may, It is good for MNCs to consist of localized or Multinational Brands as their prime competitors This is advantageous both to the Consumer and the economy.

Furthermore, Product Saturation is a key concern that Consumers are compelled to deal with if they have not tried and scrutinized the product beforehand.

Schwartz argues that eliminating consumer choices can greatly reduce anxiety for shoppers and that the dramatic explosion in choice—from the mundane to the profound challenges of balancing career, family, and individual needs—has paradoxically become a problem instead of a solution

and how our obsession with choice encourages us to seek that which makes us feel worse (the paradox of choice – Why more is less, 2004).

The paradox of choice is a phenomenon, caused by overwhelming choices in the product market affecting the utility derived from consumers, especially in the case of Red Ocean Market.

In standard Economics, the more the choice is given, the more satisfaction the Consumer will derive by marginal utility. Hyper Choice is good, and Simplicity is bad from a standard economics point of view.

The above-mentioned Example is an example of the Paradoxical Consequences of Choice, granting this event can be triggered in any economic or market setting.

1.1 Overview Of The Study

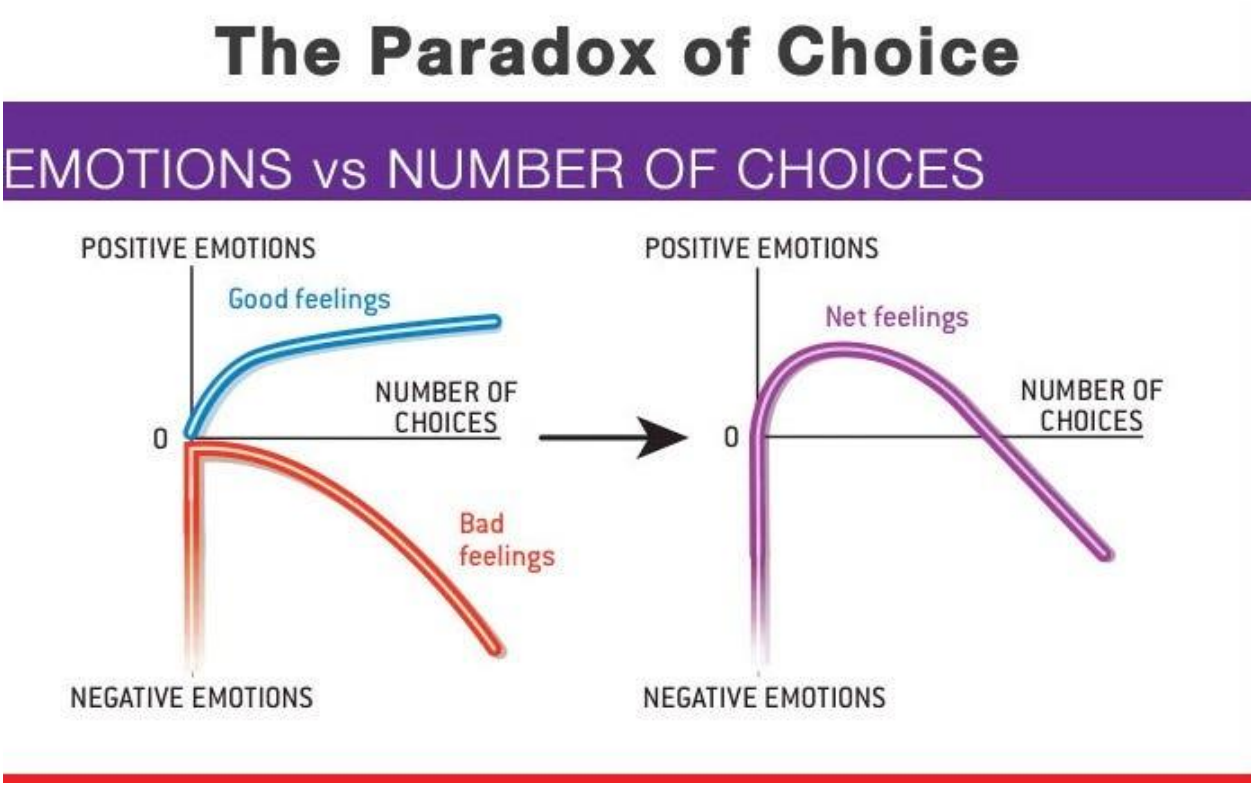
As per the main hypothesis, the study includes the real grounds of the experiment on the effect of managers' paradox of choice in the workplace.

Consider an Example, A manager wants to choose appropriate Vendors, with a little more than zero commission offered to the Vendors. The Vendor mix consists of more than 30 Vendors in the same area.

There exists a 70 percent chance that the manager may quality check the raw material from the Vendor. After filtration, he still has 24 Vendors in the vicinity.

Figure 1

Graphical Representation Of The Paradox Of Choice



Note: [The Paradox of Choice. About the Curse of Too Many Options | by Samuel Flender | Medium]

What will he choose now? Ergo the manager would be stressed and less happy due to this decision fatigue. Too many options mean too many opportunity costs lost.

Another Instance would be in the context of Talent acquisition[1]. Even though the candidates may have different personalities, be that as it may, as per skills and degrees, many stand at the same level.

Who would be the missing piece of your puzzle in your workplace?

In the recent era, with too many options, choosing is difficult. In a mere monopolistic competition, there are no choices and the Consumers have to purchase the product from that company only.

In an oligopoly, the paradox of choice will show its face, as this type of economy involves a small group of firms. Be that as it may, the paradox of choice may not be as severe as in an open economy.

This leads us to believe that, more the choices, the more will be the paradox of choice.

Ergo, a positive correlation exists between abundance and the paradox of choice.

How the culture of abundance robs us of satisfaction (Schwartz, Paradox of Choice) [1].

1.2 Behavioral Economics and Paradox of Choice

Considering the same example as above, let's suppose a Consumer is confused in choosing his milk brand, where brand loyalty remains negligible.

[1] Talent Acquisition refers to the process of selecting a worker, moulding to the needs of your organization.

Behavioral Economics can help us understand the psychology of a Consumer in choosing a particular product. “To stay on top of behavior, and behavior as it seems to change, you need to understand what is underneath it” (Williams, p.9).

This suggests that we must magnify the underlying behavior of the consumer while seeing options to choose from.

Consumers often want Commodities that help them avoid loss compared to that product, which consumption may help them gain something also known as Loss Aversion[2]

For instance, Soy Milk is healthier thus having merits compared to loss. Be that as it may, the Consumer perception faces the fear of buyer's remorse[3] Hence Consumers will be subjected to Status Quo Bias[4].

The Consumers' or producers' decision-making process (seen in further sections) is vital for any business activity to take place.

A consumer's underlying beliefs and values will also affect his happiness or utility by purchasing every product.

[2] A phenomenon where a potential loss is considered more severe compared to equivalent gains

[3] Buyer’s Remose, is a term that helps understand the regrets of the customer after buying a product.

[4] Status Quo bias refers to a preference of a customer to stick with what they know opposing actions, causing change to their current state

Total Utility also exists before the purchasing process starts. The consumer wants to have a productive outcome and good use of their limited resources. Utilizing their resources for effective purposes will gain Consumers more satisfaction.

After the phenomenon of Marginal Utility, a Consumer may or may not purchase that product again.

Another concept in behavioral economics would be enhancing the trust of the Consumer or the purchaser. Framing effect [4] is a key area of concern that may act as a positive or negative correlation between the information presented and the product purchased.

Word of mouth is the Chief Module of communication of information.

We shall discuss the paradox of choice effect on industries and the elimination of the paradox of choice from the producer's point of view in the next group.

II. Literature Review

Economists point out that the quality of any given option can not be assessed in isolation from its alternatives. (Sweschter, p.105). This means that a product decision mechanism goes hand in hand with the opportunity cost lost by not considering or purchasing another product. A producer or a business entity does not necessarily consider the paradox of choice, in their workplace.

Consider an example. Suppose a producer wants to choose whether or not to add MSGs to their burgers. A producer will look at alternatives to MSGs such as salt substitutes. Be that as it may, replacing MSGs with Salt substitutes may result in a decline in sales as the product will not consist of a strong taste enhancer as MSGs once did.

Ergo, the paradox of choice not only involves complementary Commodities but also substitute Commodities. A consumer may want to decide, what cola to purchase, Coke or Pepsi?

Or a consumer may also consider alternatives to Cola, to reduce its harmful effects. Juice in Tetra pack may be a suitable option, to maintain a healthy lifestyle.

This section will examine the basic literature on the Paradox of Choice and its application in business-related entities and ethics.

2.1 Freedom To Choose

The Monopoly Era, still existing in certain bubbles on the world map, has been eradicated in most business spheres.

Brandeis would formalize the populist social sentiment of the late nineteenth century into a rigorous set of legally actionable ideas, becoming a founding figure of twentieth-century Constitutional thinking. America, well into the twentieth century, would be a nation of entrepreneurs because of Brandeis (Stoller, P.33).

The people's lawyer had the idea of breaking up the monopolistic competition as well as dethroning unregulated competition.

Unregulated competition, as railroads experienced in the 1870s, was disastrous. (Stoller, P.33).

In the present Era, the Freedom to choose concept is popular.

Whether it’s a totalitarian economy, freedom to choose to some extent in the market is available.

In the producer's context, the paradox of choice is a key concern, especially in financial settings.

Suppose, You are a producer, who wants to generate funds by investing in FIIs. You would have a lot of options to choose from, consider NIFTY AND SENSEX.

One way to eliminate the paradox of choice is to compare your company's requirements with the investments. Another way is to hire expert opinions for the same.

The question now arises, how do you pick an entity to invest in, where the past trends and the current profit scenario are nearly the same?

Both promise high ROI, and both are stable in a volatile market.

Because of this decision fatigue, many businesses may not choose wisely. At first glance, someone new in the stock market will be subjected to complex candlestick charts or different expert opinions.

The main concern is the absence of wisdom when subjected to too many choices, whether it be the stocks or different expert opinions. You may not know whom to trust, even if he or she is recommended by someone you already trust in a red ocean market.

Business ethics is another area where the paradox of choice exists. Whether or not, to be a green industry or a profit maximization sector? Usually, in two spheres, making decisions is not tough or will not irritate the producer. Be that as it may in another case, suppose choosing which core business values to take and which to avoid, like integrity, enterprising, honesty ad infinitum according to the market segmentation will make one scratch heads.

2.2 Talent Economics and Paradox of Choice

Talent Acquisition refers to the selection and recruitment of suitable candidates from a choice of many. In an economy, where there is a plethora of raw candidate materials to choose from, what would be the most efficient decision-making process?

In this research paper, Our Goal was to understand the paradoxical consequence of choice in terms of producers' and consumer's points of view.

When we talk about economics, the terminology that comes to our mind is Meeting Global expectations via a properly networked distribution and in other words, meeting global demand with global supply. This may comprise factors such as proximity, Network, or production.

Understanding this in the context of talents, we can magnify the effect of a wide variation of choice. Suppose an MNC requires to add 2 talents to their operational workforce.

The candidates comprised 10 individuals. Using stress interview, you select 4 talents for further processes. How would you filter out the best 2 from the worst 2?

You might conduct a personal interview to filter out the talents.

Be that as it may, this is where the paradox of choice begins. On a small scale, you have to select 2 talents with assumed similar skills and technical know-how.

In the current context, the supply of workforce is more than the demand needed globally. In some economies, this leads to educated unemployment on a large scale.

The main process of selection starts by analyzing resumes or Curriculum Vitae.

Selecting from a large interested candidate pool will make you exhausted, thus decision fatigue will exist.

2.3 Trolley Problem Application In Business Ethics

Business Ethics refers to following disciplines, respecting your competition, and following strong moral values through vision and mission statements.

Suppose, TATA follows ACTION, i.e. Agility, Confidence, Transparency, Improve Collaboration, and Ownership, and Nurtures learning and growth.

Business ethics also involves environment assessment schema, to reduce extremities caused by your company.

Let's consider an example. Suppose you want to build a new production unit, in SEZ Areas. You design and develop your SWOT analysis by opening your unit in SEZ areas.

You brought to light the merits and demerits of the same. If you were to open a production unit, you can choose the profit or livelihood of those around the area.

The trolley problem is a well-known granting experiment in philosophy and psychology that challenges us to make a difficult moral choice. The scenario goes like this: you're in a trolley without brakes, hurtling toward five people who will almost certainly die if you do nothing.

Be that as it may, there's a switch that could divert the trolley onto another track, but one person is standing on that track who will also almost certainly die if you activate the switch. So, what do you do?

This granting experiment raises fundamental questions about morality, responsibility, and the value of human life. It forces us to grapple with the difficult trade-offs between the number of lives at stake and how we might save them.

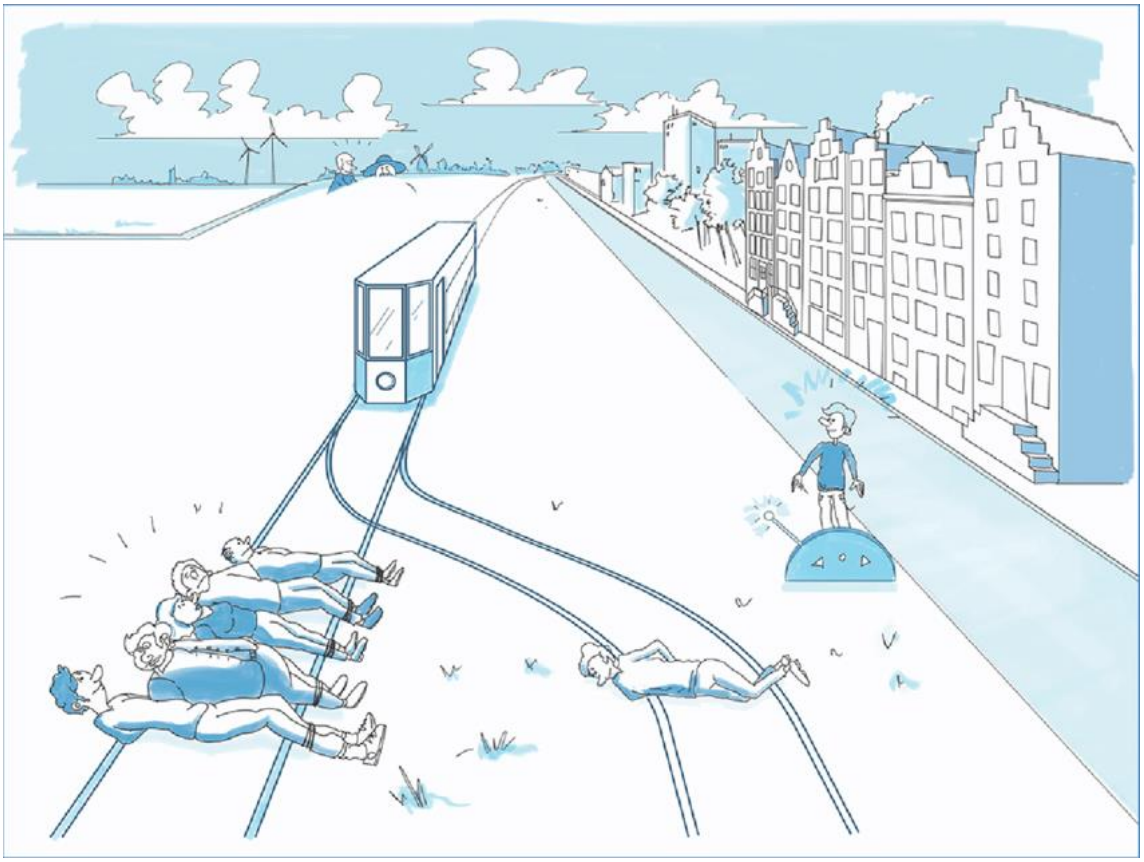
Ultimately, the trolley problem challenges us to confront our deepest ethical convictions and to consider what we would do in the face of impossible choices.

Choosing either to build a production unit for employment and development of the SEZ Area or the profitability index in another economically prosperous area is one example of a trolley problem.

Do you choose the development of your host nation, with millions of lives, or the profitability index of your own company?

Figure 2

Trolley Problem And Business Ethics



Note : 2: The famous Trolley Problem. What would you do? Save 5, granting one... | Download Scientific Diagram (researchgate.net)

Suppose we induce another option, taxation. There are too many choices to consider and ultimately

Choosing one will result in decision fatigue as there may be an infinite number of decision choices.

Ergo an ethical dilemma exists from the producer's point of view, whether to save 5 people (In this case development) or save one individual (In this case Profitability index).

The major demerit of the problem would be that it is based on assumptions and controllable factors, be that as it may, the perfect condition of Equilibrium of factors may not exist.

2.4 Consumer Preferences and Biases

Consumer preferences are a key concern where the 'Paradox of Choice' may be affected. In an esteemed marketplace, a Consumer may prefer one product more than another. Be that as it may be the product itself, without any incentives to attract Consumers, Consumers don't possess any preference for the product, not tried and scrutinized beforehand.

A Consumer's attitude towards a product may also change. Suppose, a Consumer likes to purchase Steak every week. His attitude towards Consuming Steak may change, as he becomes woke about the positive effects of becoming Vegan.

This Attitude change, causing preference change is three-fold. The ABC Model of Attitudes, also known as the tri-component model, is a framework in psychology that describes 3 components of attitudes (Eagly & Chaiken 1998).

Continuing the same example and comprehending the ABC component is as follows :

1. Affective Component

   This involves what the Consumer feels, or desires about the product (Not Brand). This is the emotional component of a Consumer.

   In the above example, we saw the Consumer, supposedly Lisa, tends to purchase steak weekly. He might remember a trip, he went on with his family, having a Steak for dinner. Ergo, the trip is associated with the Steak.

2. Conative Component

   This component is our behavior, which is explicit to the public eye.

   Lisa here, might showcase his emotions or behavior by showing anxiety, or depressed feelings if he doesn't purchase a steak every week.

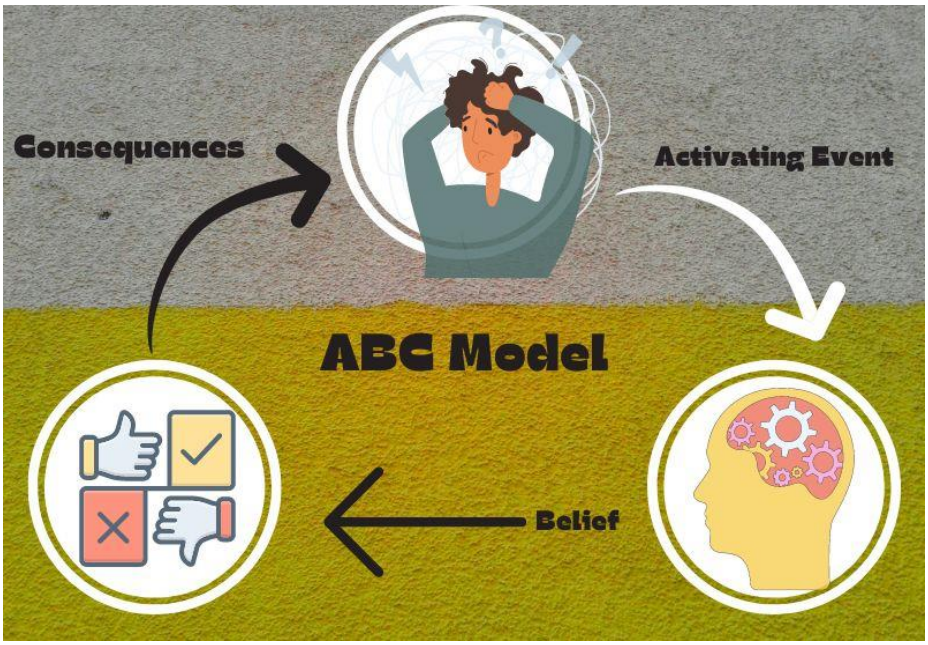
3. Cognitive Component

   This component derives the already existing knowledge of the product. This component is most likely not to change easily.

   Lisa already knows that Steak is a rich protein source and helps bring the family together. Ergo preferring to purchase Steak.

Figure 3

ABC model of customer preferences



Note: What is ABC Model in Cognitive Behavioral Therapy- How It Works - Beyondpsychub

Similarly, If Lisa turns Vegan, it might be his affective or conative component that changed or has a strong influence on Lisa compared with the cognitive component. External Factors may also disassociate Lisa's Opinion about the Product.

Howard's great innovation—which he based on a scheme that he had found in the work of Plato (namely, the linkages among Cognition, effect, and Conation)—took the form of a boxes-and-arrows formulation heavily influenced by the approach to organizational behavior theory that Howard (University of Pittsburgh) had picked up from Herbert Simon (Carnegie Melon University).

I - C - A - B - S

Where

I = Inputs of Information

C =Cognitions

A = Affect (liking or preference)

B= Behavior

S= Satisfaction

Consumer Biases are another roadblock affecting their paradox of choice journey. These include information about the product or the environment that influences the sequence of product selection (Substitutes).

Suppose Lisa, Stops to purchase Steak from a grocery store on a beautiful Sunday morning.

Some biases, concerning the example of Lisa, are as follows :

1. Confirmation bias

   This involves a Consumer listening more to information, he already knows exists. This means that the cognitive component comes into play.

In Lisa's case, The cognitive component of 'Steak bringing family together' is an example of Bias.

2. Halo Effect

   The first impression of the product depends upon how the product looks. Beautiful packages, will affect or turn Consumers' minds.

   Lisa may prefer to purchase a Steak just because of its packaging, granting its quality may not be considered well.

3. The Anchoring Bias

   This refers to the bias, where the first information that is spread out, is believed more by the Consumers.

   In Lisa's scenario, He was exposed to the information of 'Steak being good for health'. Hence he developed product loyalty.

What do Consumer preferences or biases have to do with the paradox of choice? Paradox exists due to a lack of control over choice, granting these terms might complement each other. When we hear the word choice, we feel some autonomy or control given to us to choose, i.e. Consumers possess the power.

But do they retain the power? The slogan ‘Consumer is King’ may stand in the way of ABC Components.

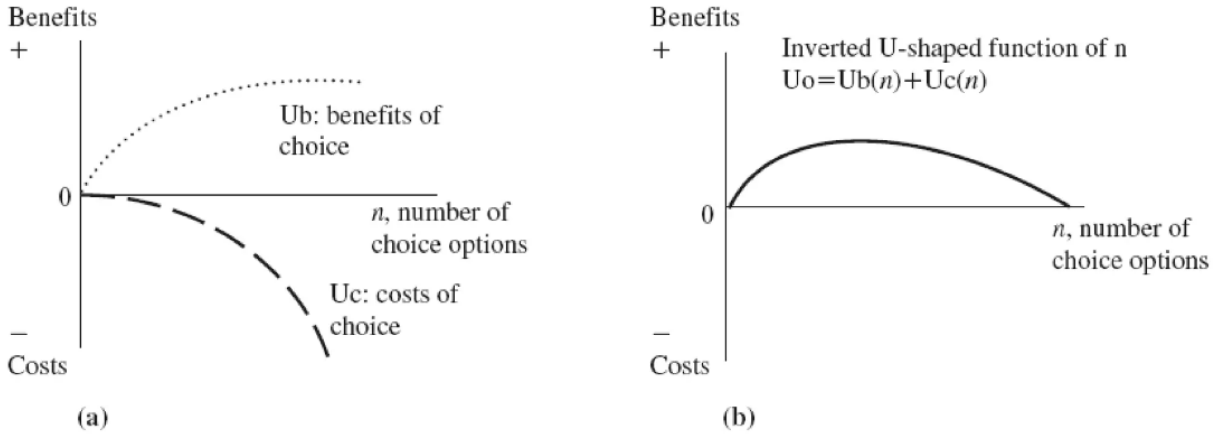
More options don’t mean more control, be that as it may, it does mean a feeling of overwhelming emotions, i.e. the affective component. Hedonic Adaptation[5] is another component faced by the customer, thus not deriving maximum satisfaction from a newly chosen product.

This may exist in Lisa’s Case. Too many options for one category product may cause her to fall into the trap of cognitive biases, thus her cognitive component comes into play. Finally, she may showcase her love for Vegan Commodities as the choices are less but at least she will be satisfied with the choice she makes, compared with Steak.

[5] Hedonic Adaptation refers to the customers tending to maintain their emotional baseline to derive happiness. Over time, this may fade away, and a stronger stimulus has to be induced to create happiness.

Figure 4

Satisfaction as a function of the number of alternatives



Note: https://www.slideshare.net/rnja8c/paradox-of-choice-2139360

III. Research Methodology

The paradoxical consequence of choice involves people as, Consumer psychology comes into play.

Ergo this theme tends to be more Consumer or human-oriented compared to other topics.

Research methodology assists the readers, in looking from a particular perspective according to the methods used in the study.

It helps answer the hypothesis using an empirical data support base and provides proof for the same. It can also be used to understand the real context of the study and its design.

Nash Equilibrium can be determined under data collection, i.e. whether it exists or not.

RESEARCH DESIGN

The research design is designed so that its output statement turns out to be reliable, precise, and conclusive. The research design used for this study was a mixed research design to an inquiry, associated with both qualitative and quantitative techniques.

It was designed in a manner, to derive useful results and avoid neutral centralization from the participants involved in the study.

It also eliminated the Observer’s bias as it was done via an online medium.

RESEARCH APPROACHES

The approach of our research study involves a people-centric approach which merely focuses on people's mindset and their character schemas

Moreover, It involves an Inductive research approach, which focuses on drawing new theories from the already existing ones.

Certain Assumptions exist in this study, i.e. Brand Loyalty doesn't exist, The customer has not tried or scrutinized the product beforehand and Customers are not window shoppers.

To some extent, the Deductive approach was used to deduce numerical shreds of evidence regarding participants of the study's behavior related to the paradox of choice

Figure 5

Paradox Of Choice Examples



Note: Paradox of Choice - Robo-Design

RESEARCH ORIENTATIONS

Our research paper is designed in such a way that assumes that different people assume and perceive reality and social experiences in different ways.

Thus, this research is oriented toward the interpretive research Paradigm.

This research is also based on certain conditions and the behavior of producers or consumers diversity with limited paths to go towards.

This research aims to understand human psychology when faced with too many choices and decisions in a controlled environment setting.

3.1 Collection Of Data: Primary Sources

The concept of the paradoxical consequence of choice can be found either in literature or in the operational marketplace, whether it be the red ocean or the blue ocean market.

The data collection for the research study was done via primary and secondary sources of data.

The primary source of data was an Electronically circulated market survey, involving a sample size of 40 participants. The questions in the survey were a mix of closed-ended as well as open-ended questions, involving a nominal Likert scale (Agree, Mostly Agree, Neutral, Mostly Disagree, Disagree).

The items in the inventory were as follows :

Open Ended Inventory Inquiries

These questions were added to make the respondent more comfortable with the survey and freely express their views with mild restrictions.

The questions were as given below :

1. Enter Your Full Name Below (This would be Confidential)
2. What demotivates you while considering a product (Assume the quality and price are the same for other Commodities)?
3. What persuades you to choose the product, when you haven't used the product ever before?

Closed Ended Inventory Inquiry

This inventory was designed in a way to prevent the user from spending too much time on the survey and reduce bias towards their favorite brand, thus eliminating brand loyalty bias.

The questions asked in this type were as follows :

You are a person who reads nutritional facts before purchasing the product. *

- Agree
- Mostly Agree
- Neutral
- Mostly Disagree
- Disagree

You are a person who moves in straight to the section you know in a grocery store. *

- Agree
- Mostly Agree
- Neutral
- Mostly Disagree
- Disagree

You calculate the opportunity lost when you prefer one product over another. *

- Agree
- Mostly Agree
- Neutral
- Mostly Disagree
- Disagree

You are a person who likes to listen to expert opinion before purchasing a product. *

- Agree
- Mostly Agree
- Neutral
- Mostly Disagree
- Disagree

You are influenced by the advertisement of the product than the actual product itself. *

- Agree
- Mostly Agree
- Neutral
- Mostly Disagree
- Disagree

There are many companies for the same product, making you exhausted? *

- Agree
- Mostly Agree
- Neutral
- Mostly Disagree
- Disagree

You have 10 seconds to choose a Ketchup Bottle from the shelf. You choose: *

- Ketchup in the back row
- Ketchup directly in front of me
- Ketchup with most attractive packaging

You have a choice to either purchase a milk tetra pack with new technology or tried and tested product. What do you choose? *

- New Technolgy Induced Milk
- Tried and Tested Milk

3.2 Collection Of Data: Secondary Sources

The study involves secondary sources of data collection, including scholarly articles and references from books related to the topic.

This source provided better insight and understanding of the topic, developed the hypothesis, and derived results.

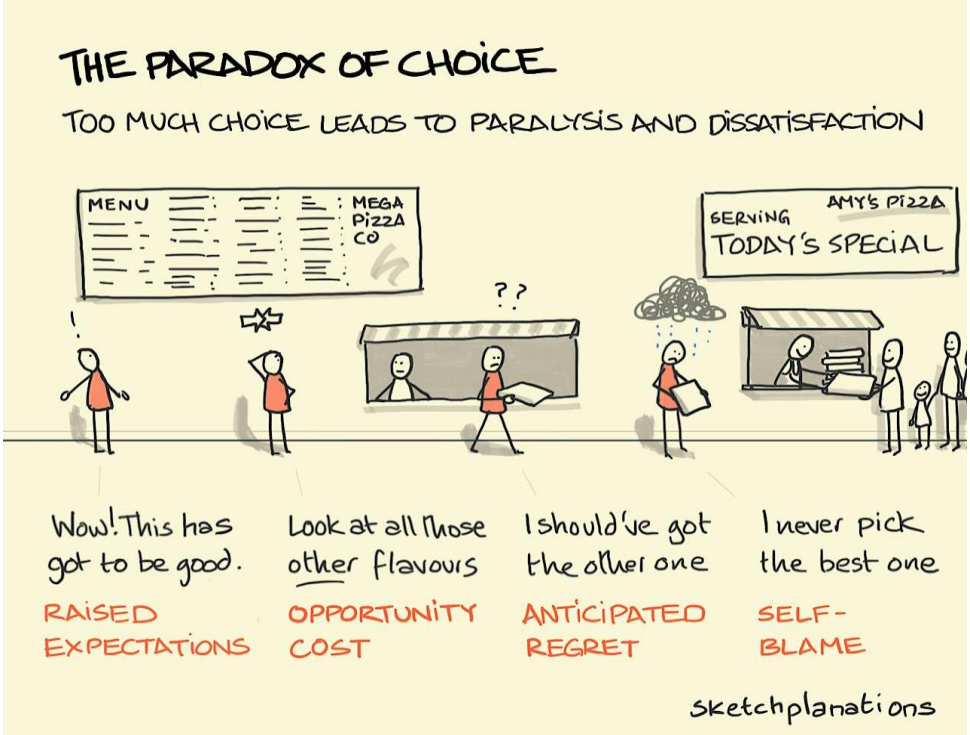
Research papers were also used to comprehend opinions of others' accounts combined with the em[empirical evidence, thus gaining in-depth analysis of information for the topic.

Secondary sources of data were used to supplement primary data empirical evidence thus complementing data derived from the first-hand information.

Secondary sources support triangulation, which refers to the cross-verification of research articles on the online domain, whether they stand accurate or not.

Figure 6

Effects of the paradox of choice



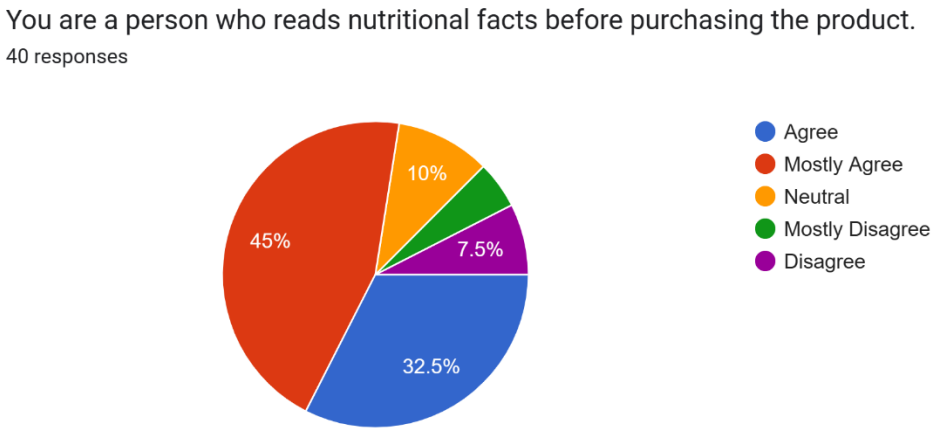
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IV. DATA ANALYSIS AND INTERPRETATION

Data collected from primary and secondary sources can be measured and analyzed.

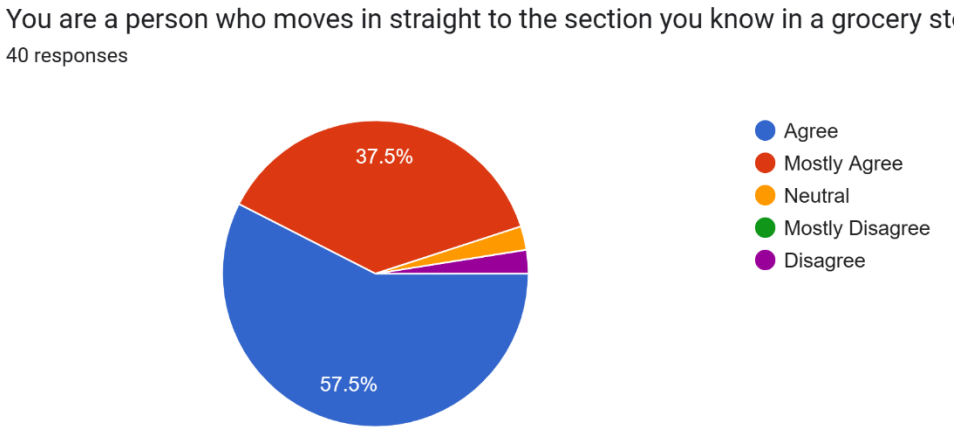
The readers will benefit from understanding the Key Performance indicators of the paradoxical consequence of choice effect on the decision-making process of the producer or consumer point of view.

The following expresses the responses of the participants attached below, on a per-question inventory basis :

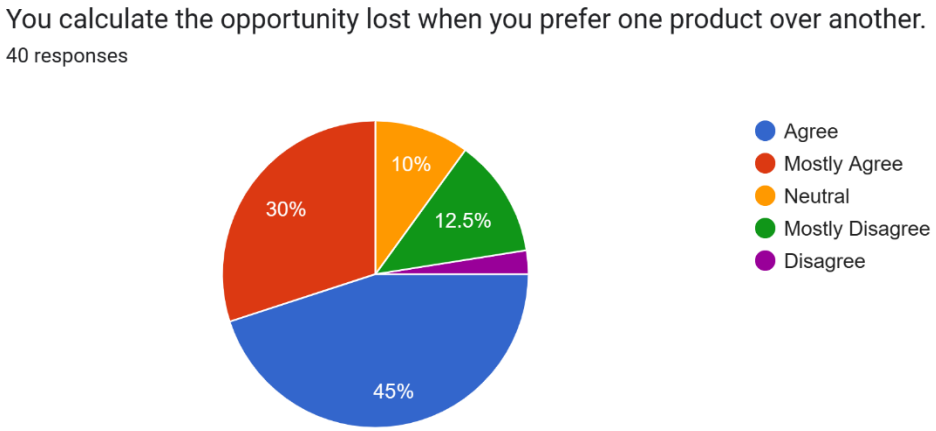


Maximum respondents chose Mostly Agree. Ergo in this scenario, a Consumer is assumed to be well-educated and knows about the market.

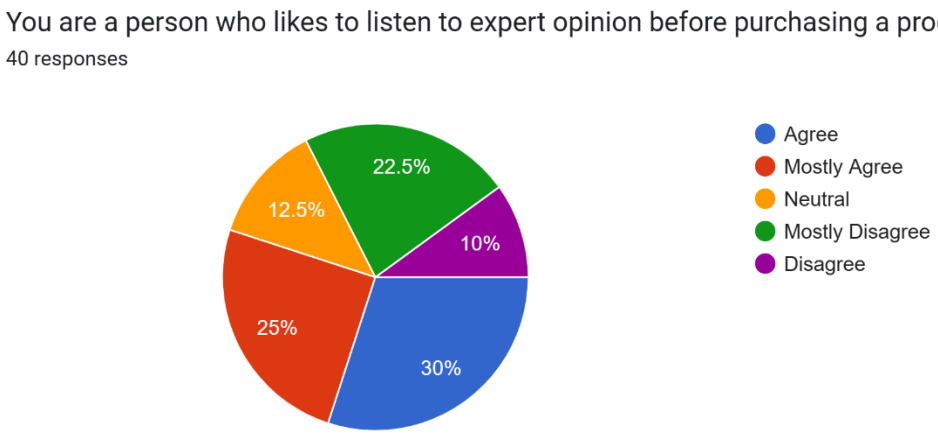
Reading Nutritional facts before purchasing can help reduce the paradox of choice, as many options would be deduced.



This suggests that the proximity to the product influences a Consumer's decision-making. The consciousness of the Consumer affects the decision-making ability thus eliminating the paradox of choice. Chances are that the same section might be compelled to replace Commodities, but the Consumer if he finds the product he is looking for (Not brand) then he might purchase it.

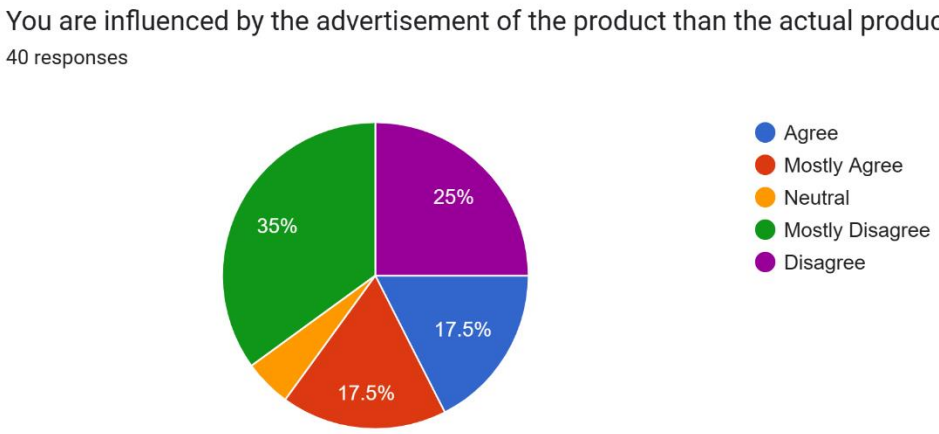


Many Consumers weigh their options, by choosing one product over another. This deduces that Consumers often tend to find ways to eliminate the paradox of choice themselves with this medium, thus causing decision fatigue because there may be multiple opportunities.

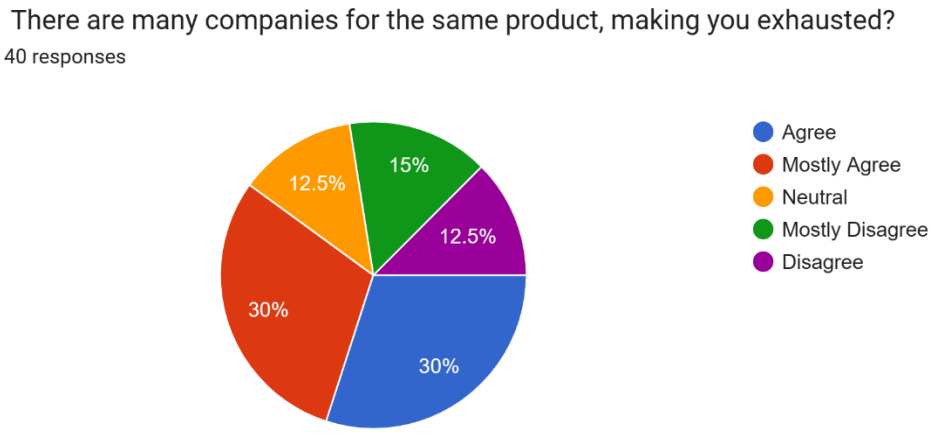


Balcned responses help suggest that expert opinion does not necessarily reduce the paradox of choice as stated in the book.

In reality, people go with their gut feeling.

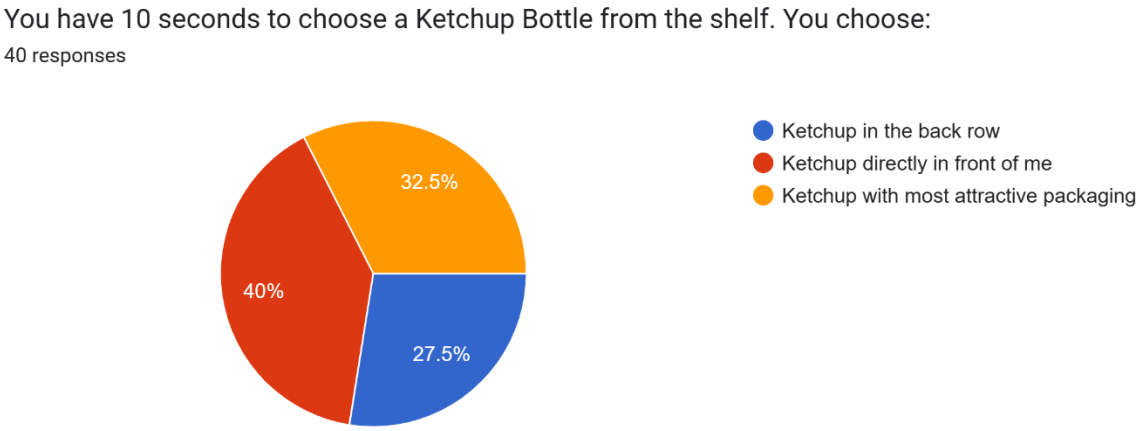


Advertisements don't necessarily promote the product. Consumers will test the product but may not purchase the product based on advertisement, because the brands hide their negatives and only showcase the positives.

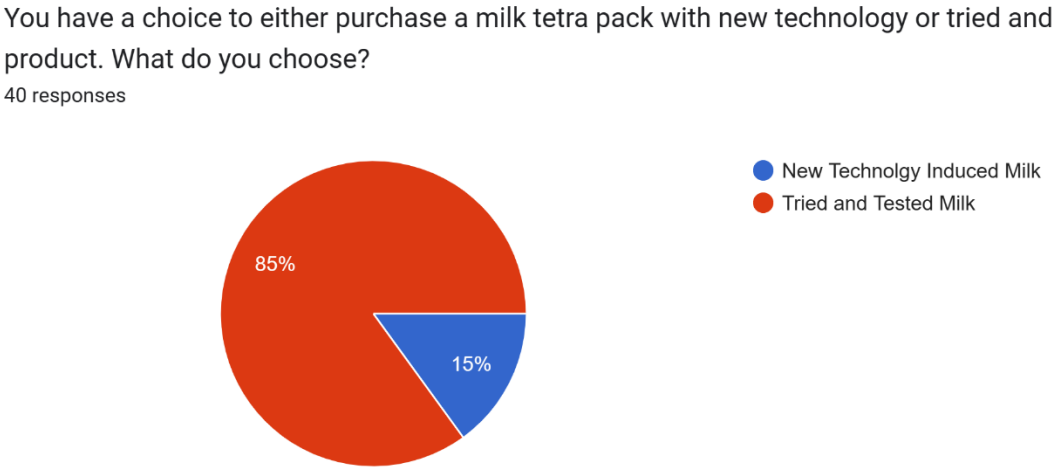


Advertisement saturation or product saturation is a key concern where the Consumers experience anticipated returns or decision fatigue.

Competition in an open economy is vital but too many brands offering the same product will cause a headache to the Consumers.



This proves that people when faced with time constraints, will often choose the product they see first without going through its nutritional facts (Brand Loyalty is assumed to be the same)



The diffusion of innovation is a slow process. Consumers are more motivated to eliminate the choices, which are new in the market compared to the already existing Commodities.

This suggests that the Paradox of choice-infused decision-making is influenced by innovation also.

The maximum responses for open-ended questions were the following :

1. What demotivates you while considering a product (Assume the quality and price are the same for other Commodities)?

Most Answered: Packaging

2. What persuades you to choose the product, when you haven't used the product ever before?

Most Answered: Curiosity, Opinions, Nutritional Value. (As per Sequence)

These deductions were also seen above. Opinions (Not expert) are taken into consideration for choosing a product, i.e. Word Of Mouth.

V. FINDINGS

The outcomes of the study point towards the factors taken into consideration, which may act as a strong threshold to avoid the paradox of choice.

Many Consumers are still interested in packaging or opinion of the product while purchasing an entirely new market area.

Similarly, producers may also trust the Vendor which was already contacted by the trusted source for the producer.

Thus the majority of Consumers don't know what he or she is purchasing. He just depends on packaging, design, to some extent advertisement, or curiosity of their very own.

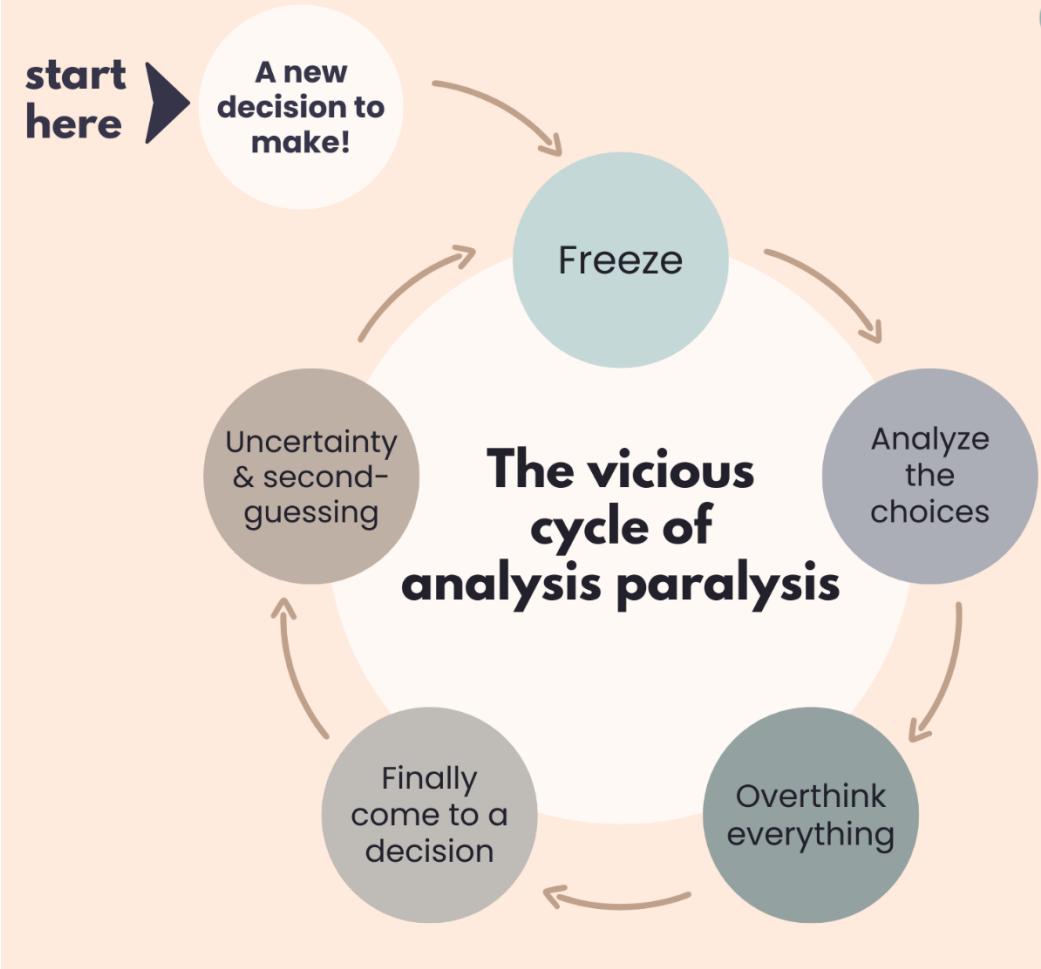
Most good decisions will involve these steps:

1. Figure out your goal or goals.
2. Evaluate the importance of each goal.
3. Array the options.
4. Evaluate how likely each of the options is to meet your goals.
5. Pick the winning option.
6. Later use the consequences of your choice to modify your goals, the importance you assign them, and the way you evaluate future possibilities.

(Schwester, Paradox of choice).

Figure 8

Paradox of Choice in Business Analytics



Note: [Analysis paralysis: Why your ADHD brain overthinks decision-making (getinflow.io)]

Opportunity cost tracking is also an outcome of the study. This technique is used to reduce choice overload, weigh your goals, and pick the most suitable product.

The Thermometer Model can help understand Consumer decision-making ability when presented with too many options.

It states that the mercury levels of the thermometer, symbolizing the Consumer's Attitude and Behavior are volatile, i.e. it can instantly change when exposed to temperature, symbolizing several brands in the marketplace. If the temperature is cold, i.e. lesser product brands, the mercury level will also turn calm and composed.

Otherwise, mercury levels will turn stressed, overwhelmed, and anxious when faced with too much heat.

Finding the Room Temperature, that is the perfect balance of product availability, is the threshold of Consumer satisfaction.

Just the right amount of Commodities in the market will eliminate the Paradox Of Choice.

In a monopolistic competition, this is easy, but in a Fierce economy, this must be enforced to help the economy’s resources and people decide easily.

VI. RECOMMENDATION AND CONCLUSION

Marketers often try to solve the problem of choosing, by giving Consumers more options. Be that as it may, this is not optimal as Consumers often get biased, or exhausted by the choices.

Many models are present to those who try to understand the context of the paradox of choice, a famous concept coined by Barry Schwester.

Provision of options within the product itself, like in the case of customizable Commodities will also cause choice overload.

So what should a marketer do, to help the Consumer choose their product while the competition increases?

With a large plethora of Commodities available in the market, a Consumer tends to purchase the product, that is near his proximity, i.e. readily available to him in the grocery store.

If a Consumer finds a product 100 km away from this town, while having an option of another product just 5km away, he will go for a 5km away product.

As a marketer, you can provide home delivery service, with controlled and understandable features. Consumers don’t like excess expert information as they might not understand it.

Simply advertising how good your product is, will not generate trust in your target segment as In the future, your reality will eventually come to light.

Trying to include some extent of how your product is not healthy in the long run, or frequent delays in delivery are some features you can work on and openly communicate with the Consumers.

The paradox of choice is an economic concern present in all kinds of markets, to some extent monopolistic competition scenarios as well.

Understanding the concept and Consumer psychology in the marketplace will enable businesses to successfully implement Segmentation, Targeting, and positioning policies inclusive of earning trust from the Consumers.

Daniel Kahneman and Amos Tversky call this effect framing. What determines whether a given price represents a discount or a surcharge? Consumers certainly can’t tell from the price itself (Schwester, Paradox Of Choice).

Ethical dilemmas are another dimension where the paradox of choice should be avoided and what is right overall should be done depending upon the Corporation.

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