

next tuesday afternoon

May 6, 2008

Many marketers believe that innovation and competitive differentiation arise from giving customers more choices and options. But through the strategy of “offering more choice”, marketers may actually end up increasing complexity, costs and causing customers “mental fatigue.” Is there a better way to win over customers?

A typical big box retailer carries 50,000+ stock keeping units (SKUs). Retirement plans carry hundreds if not thousands of investment options.

With customers drowning in “choice” some companies are finding it easier to meet customer needs by simplifying—portfolios, products and services.

Case in point, the Wall Street Journal published an article, “Ford Eyes More Cuts as Recovery Advances”, in April of last year, detailing some of the decisions that Ford Motor Company has made to return to profitability. One of those strategic decisions was to reduce the “mind-boggling level of vehicle customization, which jacked up costs.” Ford is finding cost savings and efficiencies in getting back to basics, streamlining operations, and reducing the complexities of the products they offer customers.

Too many choices can cause customers to experience anxiety and mental exhaustion. According to the April 2007 issue of Journal of Personality and Social Psychology, people have difficulty staying focused enough to complete projects when presented with too many choices.

“Making choices depletes a precious resource in the human mind and causes mental exhaustion,” says Kathleen Vohls, the study’s lead author. “Simply the act of choosing can cause mental fatigue.” So it’s not just the pondering of choices, it’s the actual prioritizing and choosing that mentally wears us down.

We live in an era of plenty. Starbucks, for example, claims to have 87,000 different ways to get you a drink. I don’t know about you, but I’m tired already. I just wanted a cup of coffee. Less really is more.

I’m Lisa Davis. Let me know if I can help you in any way, please feel free to visit at OneAlliance.com and I’ll be back next Tuesday afternoon.

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