The coexistence of insufficient and over-checking

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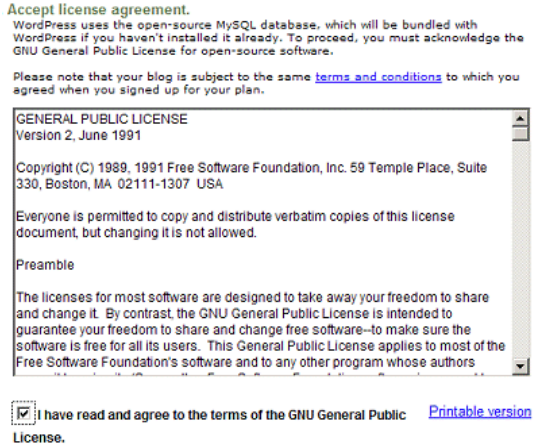
There are many situations in which consumers do not check enough:

More than 99% of surfers accept e-contracts without reading them (Marotta-Wurgler, 2007)



Consumers do not read food labels (Campos Doxey, and Hammond 2011)

And neglect unit price information (Dickson and Sawyer 1990)

Previous Explanations

- Low estimated benefit from checking (Dickson and Sawyer)
- Time pressure (Hoyer 2004)
- Lack of interest (Manneell et al. 2006)
- Social norms (Levi et al. 2006)
- Over optimism (Stark and Choplin 2009)
- Over confidence (Stark and Choplin 2009)
- Boredom (Eisenberg 1985)

and more..

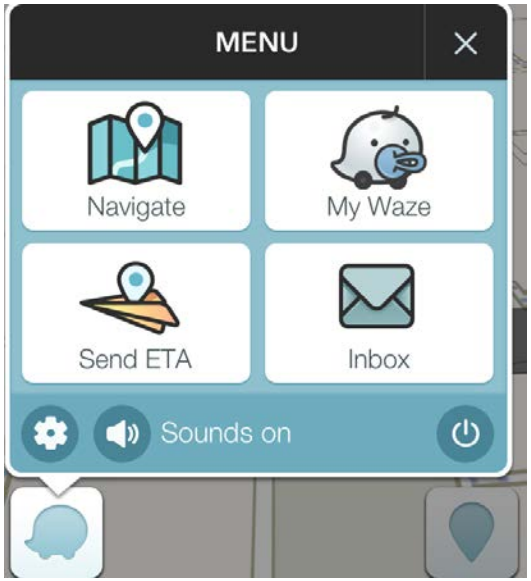
We focus on checking decisions that involve one clicking

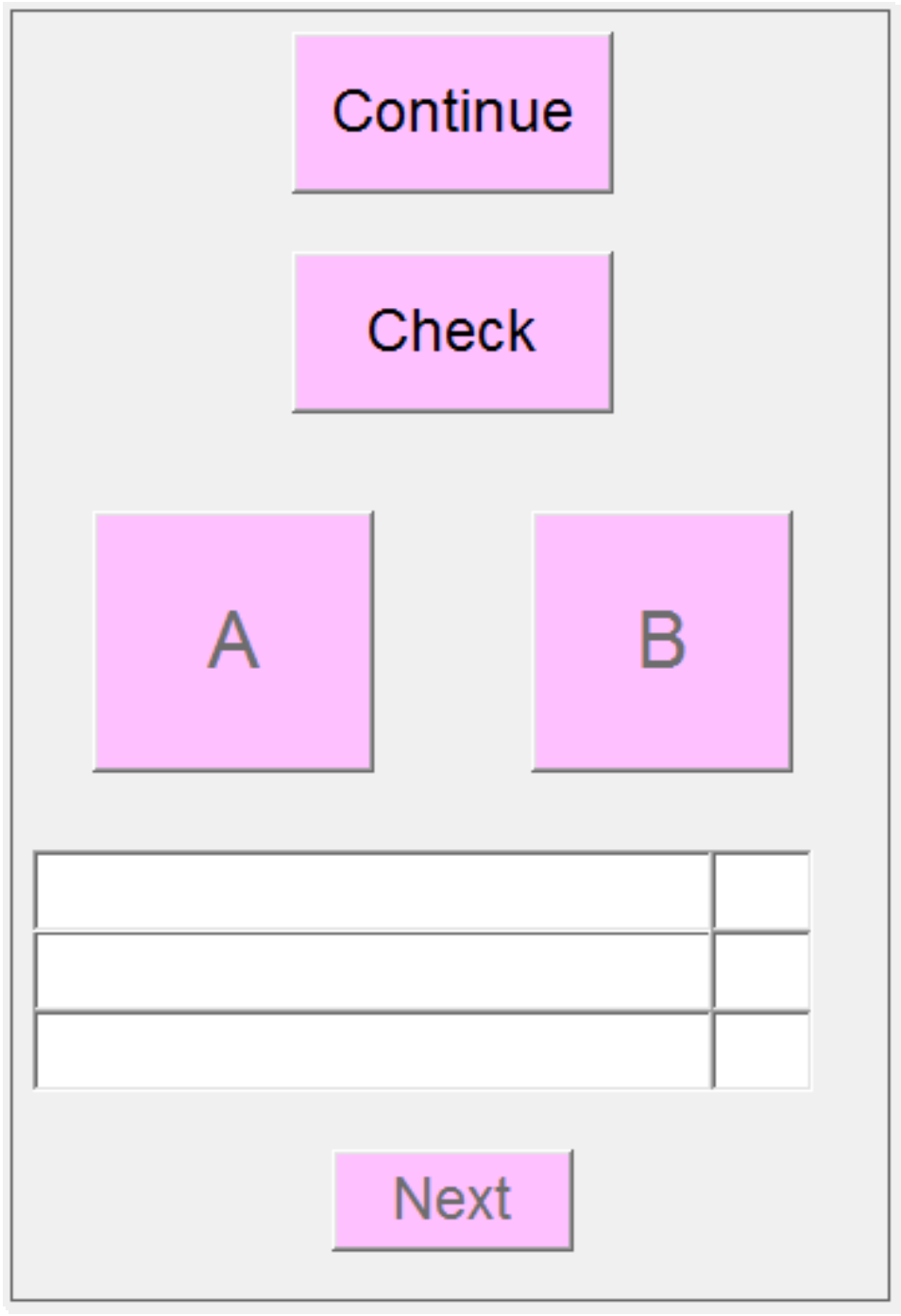
Why? 2 reasons..

Phd is like a relationship

Colin's sixth sense told him that the date wasn't going too well

Many decision are one click decisions




Continue
Check
A
B
Next

Check vs. Continue

- Same number of clicks
- No?! boredom
- *No* time pressure
- No additional cognitive effort
- No social norms

We hypothesize that checking decisions are similar to other decisions from experience. They reflect a tendency to rely on small samples.

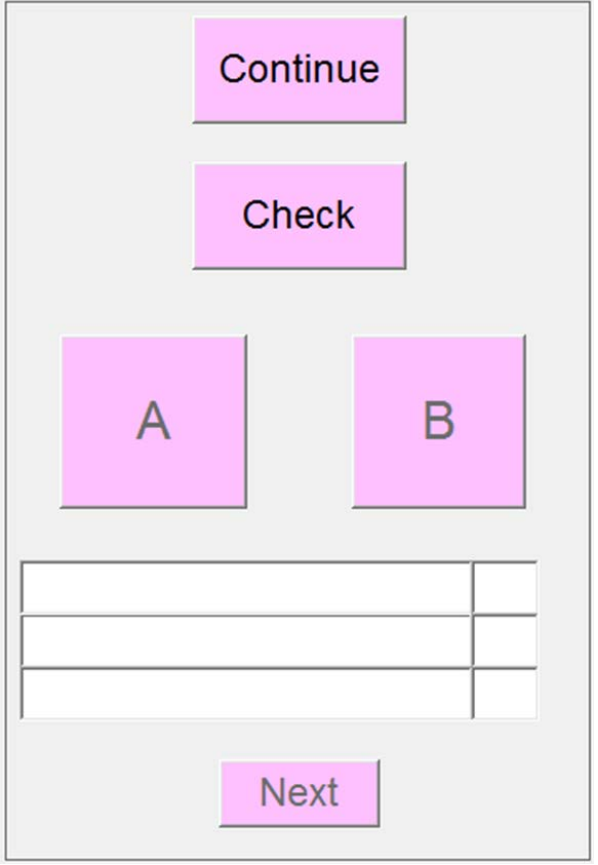
Thus, insufficient checking is likely when the **typical** outcome of checking is negative even if checking maximizes expected payoff

Study 1

100 trials, 24 subjects

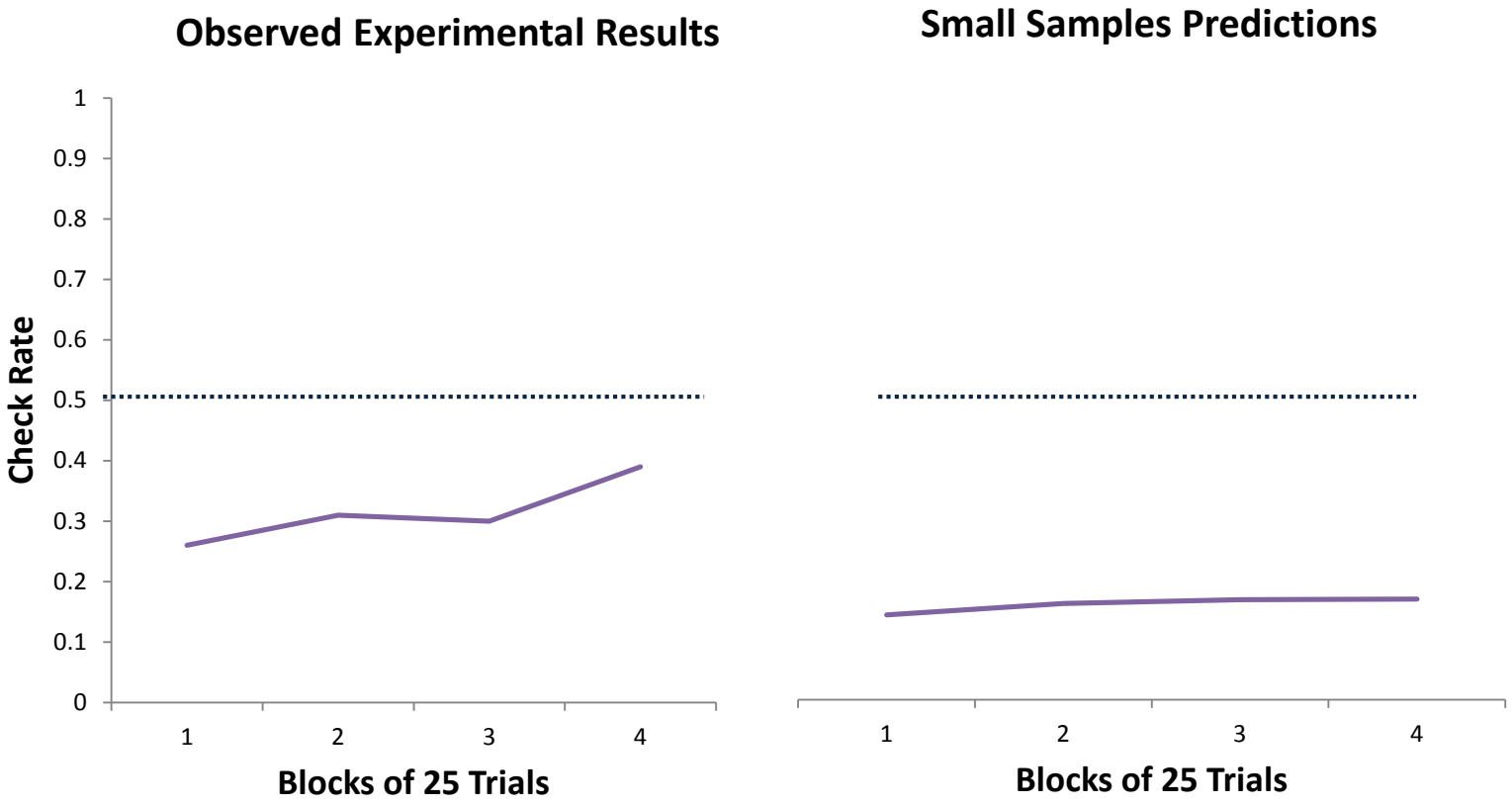
In each trial one key pays +10,
and the other key pays -10

Check discovers the best key, but costs 9
Continue requires a guess (EV = 0)



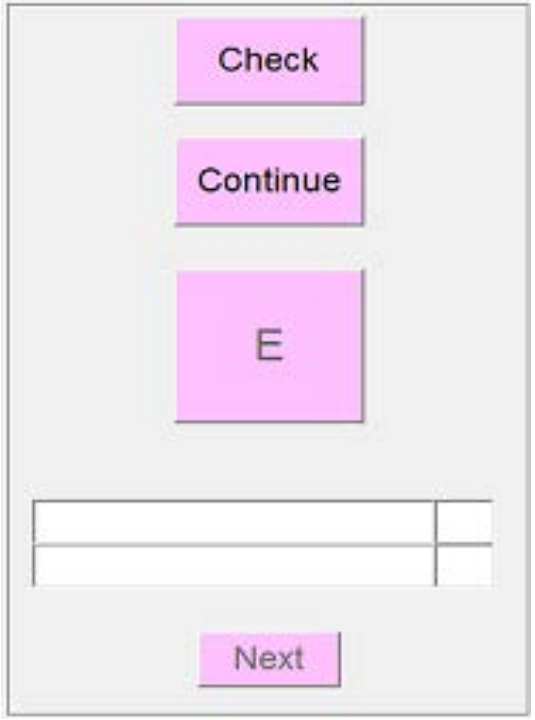
Example	Check	Continue	Sample of 5	Check rate
Two options	+1	Move to choose between A and B One pays +10, and the second -10	20%	30%

The effect of experience



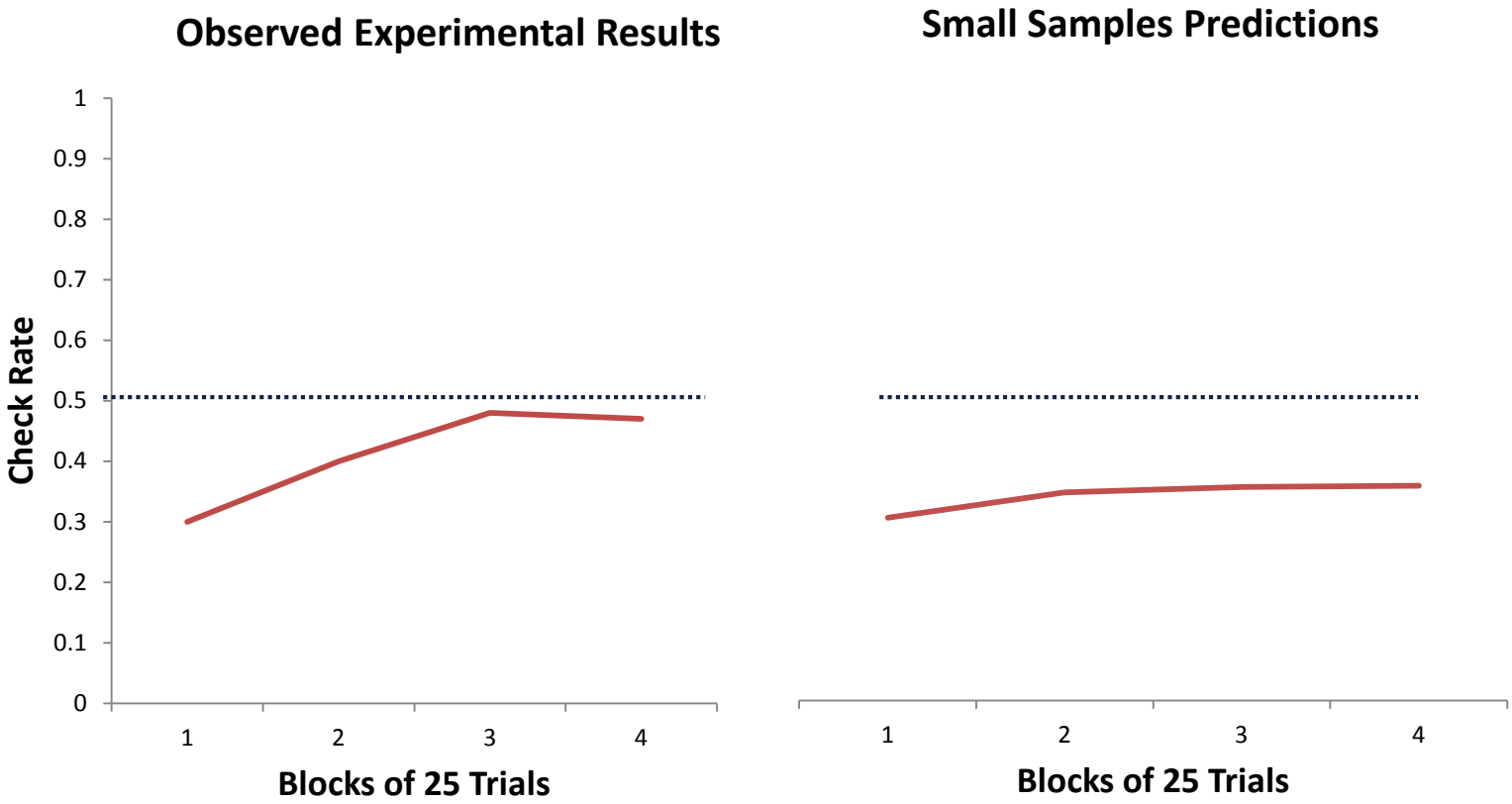
Study 2:

100 trials, 48 subjects
In each trial the subject choose between
Check and continue and receive full feedback



Example	Check	Continue	Sample of 5	Check rate
Contracts	+1 in 90%, -1 otherwise	**+2 in 90%;** -11 otherwise	30%	40%

The effect of experience



Too Much Checking

24% of US drivers check their Email while driving

Majority of Facebook users check their accounts multiple times a day

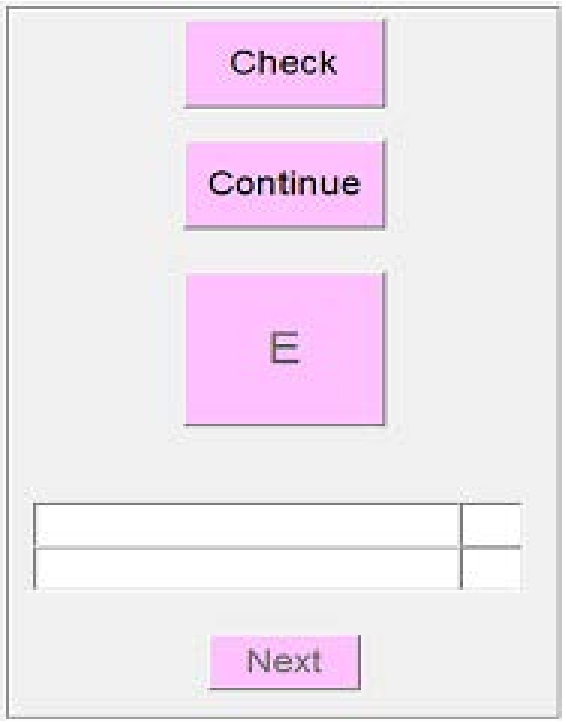
We hypothesize that too much checking is likely when the **typical** outcome of checking is positive even if checking impairs expected payoff

Check Vs. Continue

- Same number of clicks
- **No** boredom
- *No* time pressure
- No additional cognitive effort
- No social norms

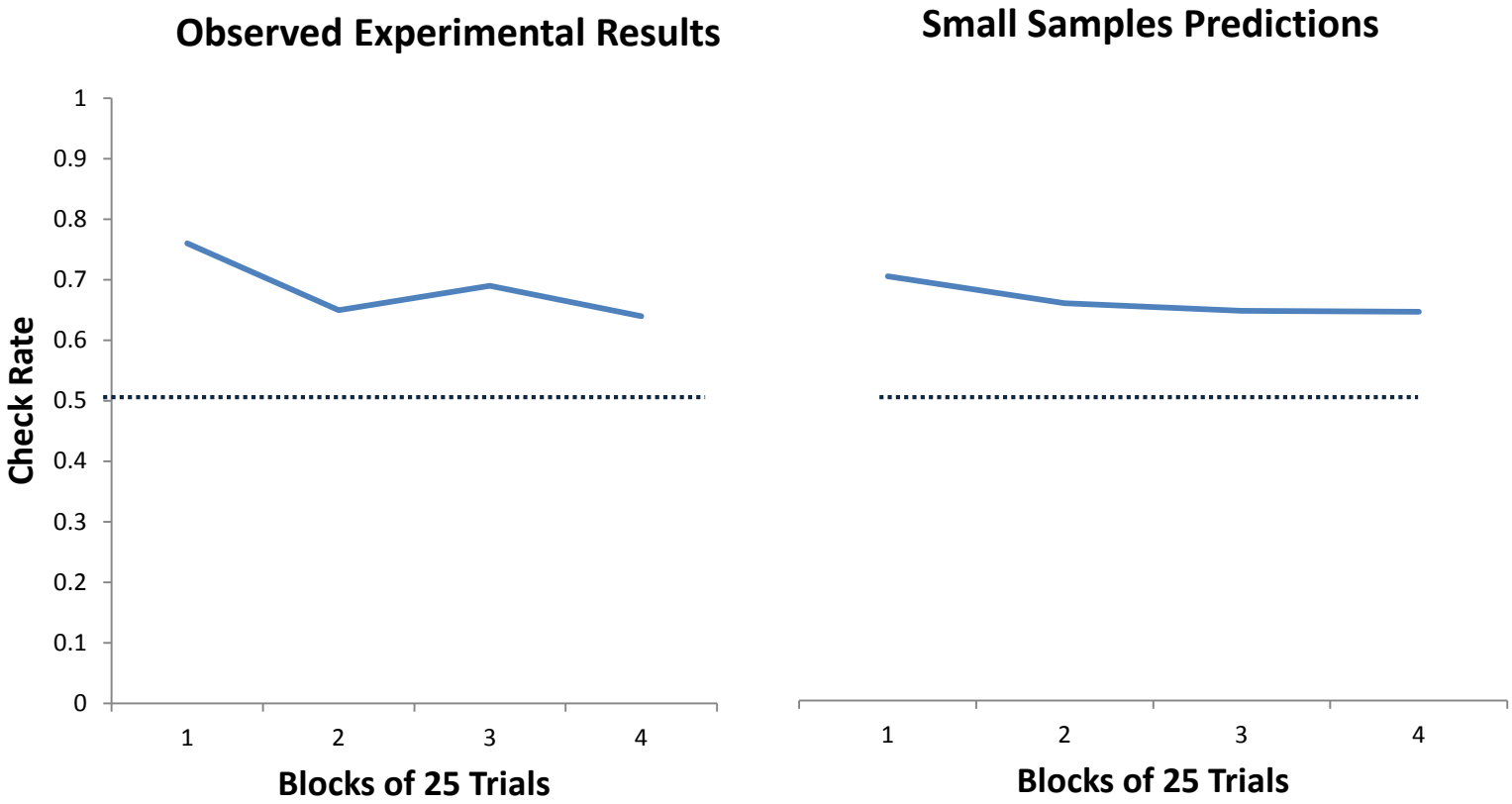
Study 3:

100 trials, 48 subjects
In each trial the subject choose between
Check and continue and receive full feedback



Example	Check	Continue	Sample of 5	Check rate
New Messages	**+1 in 90%;** -10 otherwise	0	65%	64%

The effect of experience



Participants Feelings

How often do you check your Email?	
Too often	
Just fine	
Not enough	

Participants Feelings

How often do you check your Email?	
Too often	66%
Just fine	32%
Not enough	2%

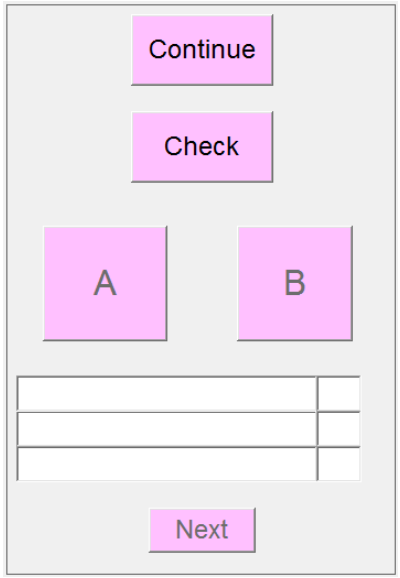
Participants Feelings

How often do you check your Email?	
Too often	66%
Just fine	32%
Not enough	2%
How often do you check your spam directory?	
Too often	
Just fine	
Not enough	

Participants Feelings

How often do you check your Email?	
Too often	66%
Just fine	32%
Not enough	2%
How often do you check your spam directory?	
Too often	6%
Just fine	38%
Not enough	56%

The effect of the cost of checking



Event E: Finding a long shot deal, P(E)= 0.1

Outcome when not checking:

A: 10 if E; -1 otherwise (EV= 0.1)

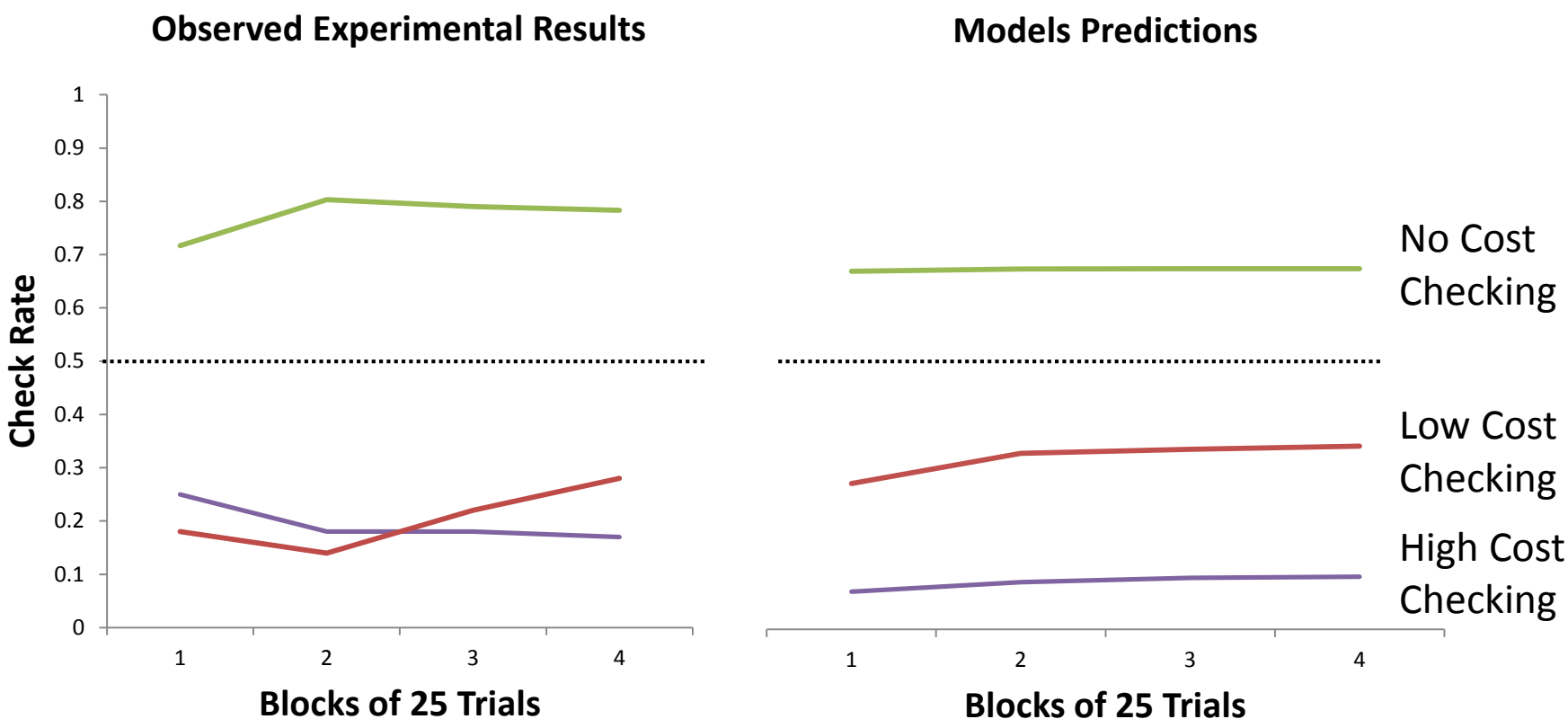
B: 0

Outcome when checking: Max(A,B) - Cost

EV when checking: 0.1(10-Cost) - 0.9(Cost)

Cost	Benefit from checking	Typical Out.	Sample of 5	Check rate
0.85	+0.15	-0.85	20%	20%
0.1	+0.8	-0.1	30%	20%
0	+0.9	0	70%	80%

The effect of experience



Summary:

Checking decisions appear to be similar to other decisions from experience. They reflect high sensitivity to the typical outcome

This sensitivity can be the product of reliance on small samples

Direct manipulation of the common outcome can be more effective than manipulation that affect the cost of checking but do not change the common outcome


Thanks!