

Helping Consumers with High-Information Decisions

The average adult in the United States makes up to 35,000 decisions each day. Some of those decisions are high-information ones, which can have a big impact on consumers lives.

What are high-information decisions?

1 They require some specialized knowledge, like understanding industry terms.

2 They require multi-faceted comparisons involving many pieces of data, some of which aren't easy to compare.

3 They are high stakes. These decisions are about the big stuff in life, and they matter to consumers.

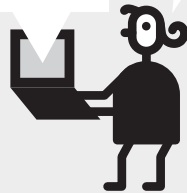
Decision Avoidance

What is it?
Choices and options can be great for consumers. But when there are too many choices, consumers can become overwhelmed. Often this leads to consumers making no decision at all.

How to overcome?
First, try to narrow down the range of choices. If you can't narrow down, then try naming or grouping the multitude of options. For example, if you have an offering of 12 retirement plans, group them by risk-level to help consumers understand meaningful differences.

| Group 1 | Group 2 | Group 3 |
|---------|---------|---------|
| A C | B I | D K |
| E F | G J | H L |

Group 1 is for me!

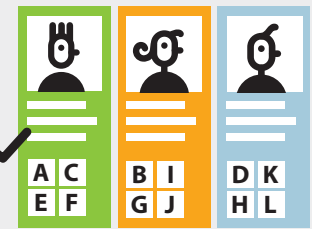


Emotional Decisions

What is it?
Nearly all decisions have an emotional component. In order for consumers to make better decisions, you have to either appeal to the emotional part of their brains or you have to overcome it.

How to overcome?
To appeal to consumers' emotions, use storytelling to help them see how similar people would make the decision. To overcome emotional decision bias, create rules, like automatic retirement contributions, or provide opportunities to check with an expert, like a health insurance concierge.

That sounds like me!



Co-insurance

The percentage of costs of a covered health care service you pay after you've paid your deductible.

Oh, I get it!



Low Health or Financial Literacy

What is it?
All industries have jargon. But consumers who rarely interact with that industry can be easily overwhelmed by unfamiliar terms. And those terms can keep consumers from understanding their choices.

How to overcome?
Being aware that consumers may not be familiar or comfortable with certain terms is the first step. Replacing them with either in-line explanations or plain-language replacements can also help clarify.

That was easy!



Decision Fatigue

What is it?
When consumers have to make a lot of decisions, their decision making abilities can start to get drained. This happens often when consumers are contemplating large purchases—like buying a car or creating a financial plan.

How to overcome?
Support consumers by helping them to avoid having to make another big decision. For instance, if you create an algorithm-based decision tree, you can help consumers come to a decision without much stress or effort.

If you want to learn more about educating consumers, get in touch at www.thoughtform.com or 412.488.8600.