Choice Architecture Works

Idea In Short

No design is neutral, and default choices govern most decisions. Consultants should coach clients to architect choices deliberately, put their best recommendation first, use the assumptive close in sales and expose the hidden defaults embedded in a client's institutional memory.

Decisions Are Rarely as Rational as We Think

After reading the 2008 bestseller Nudge, you discover how many of our so-called decisions are actually default choices, illusions and mental rules of thumb. We are educated to believe individuals are rational all the time. In reality, we blaze through the workday making hundreds of non-decisions.

An idealized thought process looks linear and orderly. The decisions are measured and distinct. Depending on the probabilities and payoffs, you can choose among options A, B, C, D and E. This is the clean, rational model taught in classrooms. 1

What actually happens is far messier. We often see only one option because of our preconceived notions, laziness or eagerness to fit in. A myopia creeps into decision-making because, frankly, we are human. The gap between the idealized model and reality is where choice architecture does its work.

Choice Architecture Explained

Nudge was written by two University of Chicago professors, Richard Thaler and Cass Sunstein. They argue that people can be nudged to make better decisions with more thoughtful choice architecture. The way choices are displayed and the default options selected heavily influence the outcome.

This is not a radical concept. If you have read Paco Underhill's Why We Buy, you know there is a lot of science and psychology in the placement of products at retail stores. The best-marketed products sit at eye level and on aisle end-caps to catch the shopper's attention. Consumer product companies pay millions in slotting fees for good shelf space.

No Design Is Neutral

Thaler and Sunstein contend there is no such thing as a neutral design. Something has to appear on the front of the menu. Something has to sit at eye level in the grocery store. Something has to be the default shipping preference on Amazon. If any configuration of choices carries a slant or bias, why not do the homework and present the choices so people tend to pick the better one?

This insight reframes the ethics of design. Choosing not to design is itself a design choice, and it is usually a lazy one. The deliberate architect accepts responsibility for the defaults and arranges them to serve the people who rely on them.

Policy Makers Love This Stuff

You can see why this is an attractive idea. It respects the libertarian ideals of choice and individual responsibility while suggesting that governments and institutions can subtly tilt people's choices toward better decisions. It is the rare solution with appeal across the political spectrum.

Nudge theory has gained traction from policy makers in many countries. Behavioral insights teams now operate inside governments, applying these principles to retirement savings, tax compliance and public health. The appeal is that nudges preserve freedom while improving outcomes.

The Power of Default Choice

There are dozens of reasons we show faulty judgment, but one deserves special focus. Default choice is the option selected if you do nothing. It is the status quo option, and its power is quietly enormous.

Consider the trivial case. The number one ringtone is the default one provided by Verizon, AT&T and Sprint. It is not the prettiest sound, but some people, such as the our parents, cannot be bothered to change it. It is a small, trivial thing with no real value, and the default works fine.

The pattern turns serious with retirement plans. People do the same thing with their 401(k) and 403(b) accounts. Thirty to forty years of stashing money from every paycheck is certainly not trivial. Yet a non-decision here can cost hundreds of thousands of dollars. CALPERS, the giant pension fund for California state teachers, found that the average number of times teachers changed their asset allocation during their careers was zero. More than half never adjusted their mix of stocks, bonds and cash. They started at 25 with a generic allocation and stuck with it for decades. Why gamble your retirement on what someone in human resources chose as the default?

Organ Donation and the Default Effect

A study from 2003 showed that the percentage of the population who donated organs was highly correlated to the default option on the driver's license. If the default was yes, more than 85 percent of people donated their organs at death. If the default was no, most people did not donate. The distribution was bi-modal, driven entirely by the default choice. 2

The same person, facing the same moral question, behaves completely differently based on which box is pre-checked. This is the nudge in its purest and most powerful form, and it carries life-or-death stakes.

What This Means for Consultants

All this business-book talk is fine, but what does it mean for consultants and their clients? The applications are practical and immediate across sales, marketing and change management.

1. coach your clients on default choices. For those focused on sales and marketing projects, coach customers to think through the choice architecture. The options clients show their end customers matter. Google understood this and paid Mozilla to make Google the default search engine in Firefox. Google argued to regulators that other search engines were only one click away, but people do not take that extra step. 3

2. put your best recommendation first. When you storyboard your recommendations and present options, the order matters. Do not bury your best thought in the middle of the deck. Put your best foot forward.

Expect Resistance to Change

Your client's organization has a default choice too. The status quo option for them is to not listen to you. It is easier to do nothing, take the default and ignore the changes you recommend. Logic alone will not carry the day.

You have to provide the passion that motivates them to act, and give them the tools to make it easy to repeat and implement the change. Persuade using head, heart and hand. Implementation roadmaps, status update templates, savings trackers and even email drafts of communications all nudge clients to continue the good work after the consultants leave.

In Sales, Use the Assumptive Close

A well-known and proven tactic in closing a sale is the assumptive close. You have vetted the client, know their needs and believe in good conscience that your product or service is needed. The client is hesitant or just indecisive. Judging the situation and your selling style, you proceed as if they agreed to buy. You give them the default choice of buying from you unless they tell you otherwise.

As strange as it sounds, it works. In a previous life as a stockbroker, there was nothing as raw as selling stocks. You might say it sounds like a good fit and you are interested in a given stock, then put them down for 100 shares at the market price. The assumptive close leverages the exact same default bias that governs retirement allocations and organ donation.

Beware the Defaults You Cannot See

As a consultant, much of your job involves seeing past the default choices a client's organization has convinced itself of over the last 50 years. They carry oral history, precedents and institutional memory. You will hear refrains like "we tried that before," "the vice president will never agree" or "we have never done that type of project."

These statements are defaults dressed up as wisdom. Each one protects the status quo and blocks change. The consultant who recognizes them, tests them against evidence and replaces them with better architecture delivers value that compounds long after the engagement ends.

Look for Opt-In and Opt-Out Marketing

Once you open your eyes to it, you will see default choices everywhere, even on this blog. Subscription checkboxes, pre-filled forms, recommended products and default settings all shape behavior. The consultant who audits these defaults for clients finds quick wins that often surprise.

Choice architecture is not manipulation when used ethically. It is the honest recognition that no design is neutral and that someone will always set the default. The only question is whether that someone thinks deliberately about the outcomes they create. Consultants who master this craft help clients nudge their own customers, organizations and stakeholders toward better decisions, one thoughtfully designed default at a time.

- 1University of Chicago explainer on behavioral economics
- 2BMJ Open study on opt-in versus opt-out organ donation policies
- 3TechCrunch on Mozilla making Google the Firefox default again

Summary

Choice architecture is everywhere, from ringtones to retirement plans to organ donation. Consultants who recognize defaults, design them deliberately and persuade with head, heart and hand create value that outlasts the engagement. No configuration of choices is neutral, so make yours count.