



## The Tyranny Of Too Much

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How many new brands or products did you bring home from the grocery store last time you went?

If you're like most people, you probably bought at most one or two new items. Why? Because today's grocery store provides so many choices, you probably just bought the brands and products you usually buy. You were overloaded with choice.

Need proof? Let's just look at the statistics around that trip to the grocery store. In *The Paradox Of Choice*, sociology professor Barry Schwartz takes his readers on a trip to a small supermarket and finds that shoppers there must select from 285 varieties of cookies, 85 flavors and brands of juices, and 95 varieties of chips. They face 230 soup offerings, 120 different pasta sauces, 275 varieties of cereal, and 175 types of tea bags. Supermarkets today carry more than 30,000 items, and 20,000 new products are introduced each year -- and almost all of them fail.

Yet, American society has become a society all about choice. While personal computers and the Internet have speeded business and boosted personal productivity over the last 25 years, it has also spawned a tsunami of information for us to wade through, understand, and choose how to deal with. At the same time, changes in business models, social values, and government policies have also pushed more choices on the consumer. The result: choices now dominate the activity of our every day lives. And it's making us unhappy.

Most of us believe that all this choice is good. After all, it seems reasonable that we live better lives than we did 20 or 50 years ago, when the American economy was less advanced. Surely the satisfaction we get from all this choice compensates for the time we have to devote to making these decisions.

But psychology experiments prove the opposite. In one experiment, when researchers asked subjects to compare chocolate chip cookies from a jar of 10 cookies and a jar of two cookies, the subjects rated the cookie from the smaller jar better than the one from the larger jar. And the cookie wasn't just better. It was rated more valuable, more desirable to eat in the future, and more attractive as a consumer item, despite the fact the cookies were identical. More choice made the subjects feel that their sample was less desirable.

This is not an isolated experiment; buyer's remorse is now so rampant that car dealerships and retail stores have explicit policies to deal with the phenomenon. Schwartz notes that the more choices we are forced to make as consumers, the less satisfied -- and the less happy -- we are with those choices. He even correlates the rise in choice to a parallel rise in depression in America over the past 30 years. So the tyranny of too much isn't just inconvenient; it's bad for our society -- and for business.

And it's not just commercial products and services that are creating this new challenge for marketers. Government and social programs are piling new decisions onto our everyday lives that only make decision overload worse. People used to belong to company-run pension plans; now employees must choose how they wish to invest their 401Ks among tens if not hundreds of funds. People used to simply sign up for health insurance; now not only must they choose their provider, but they must choose the degree of coverage they want, the deductibles they are comfortable with, and more recently, which of 36 different prescription discount cards they should buy. These choices are not small ones; making the wrong choices for retirement and healthcare can literally destroy a family's financial health.

## Marketing In The Era Of Overwhelming Choice

If too much choice is a problem for consumers, it is a catastrophe for marketers. Why? Because consumers have adopted a very useful coping strategy for the tyranny of too much: they ignore most of what they see. When overloaded with choice, they buy brands they know and trust, or they don't buy at all. So when we visit the grocery store and are faced with 100 new types of detergent, we buy good old familiar Tide -- and if they don't have that, we don't buy detergent that week.

This tyranny of too much is shaking the foundations of traditional marketing, calling into question such strategies as brand extension, market share, and horizontal marketing. We can already see the first tremors of this change in the erosion of audiences for the major TV networks in the face of 500 cable channels and satellite TV. Similar forces are at work in the personal computer world, where 3,000 different manufacturers of PCs are undermining the profitability of big manufacturers like Dell and HP.

So how can business leaders address the needs of choice-stressed consumers? Blackfriars believes that companies must take responsibility for making decisions on behalf of their customers, something we call **strategic clarity**. In fact, our mantra for surviving this new explosion of choice is:

*Less choice creates more value in the tyranny of too much.*

How does this strategy play out in the marketplace? Most companies don't even recognize the problem, to say nothing of dealing with it yet. But some pioneers are already getting out in front of the issue and gaining acceptance by consumers. Examples include:

- **Google.** Despite being one of the largest advertising portals on the Internet, Google differentiates its services by making them the height of simplicity for consumers. Compare the front page of Google with the front page of Yahoo! or MSN, and Google's strategic clarity about search is readily apparent. And this strategic clarity carries over to the business; Google's profitability is far higher than Yahoo's and MSN's,
- **Masa restaurant.** This high-end Japanese restaurant in New York City doesn't have menus. Instead, diners are interviewed when they make reservations, and Chef Takayama prepares a custom meal for each visitor based upon their interests and the freshest ingredients available. Sound silly? This restaurant charges \$300 a person for meals and is booked for months in advance.
- **Bose audio.** This high-end audio manufacturer has become a household name based upon its minimalist designs such as the Acoustic Wave and Wave Radio. But many consumers are surprised to discover that these Bose products don't have bass or treble controls; in fact, products like the company's Lifestyle home theatre systems automatically measure the acoustics of the room and adjust the sound to match them, but don't let the user change that sound. Bose is unabashed about why they don't give users more control: their value is applying their acoustics knowledge to remove the need for users to adjust their sound.
- **St. John's College.** This coeducational, 300-year-old college in Maryland and New Mexico offers an all-required course of study is based on the reading, study, and discussion of the most important books of the Western tradition. There are no majors and no departments; all students follow the same program. Sound crazy? *Kaplan/Newsweek* includes St. John's College among its "12 Hottest Schools" for 2004 — despite the fact that the school doesn't participate in college ranking studies.

"Less is more" sounds simplistic. It is. But in an era of increasing information overload, we predict that it will become the new maxim that predicts business success. Those businesses that ignore this new maxim won't die; they'll just become increasingly ignored in an era of too much of everything.