

# Option overload

Simplify the buying decision for your customers

## Question:

**I sell a custom product that offers a wide selection of options. This causes many of my customers to experience “option overload” and base their decision on price vs. choice. Is there a way to eliminate this from happening?**

## Answer:

Typically, having more options offers a greater opportunity for value creation, and therefore mutual agreement. However, your situation reminds me of a story my friend Jesse told me after she purchased a small boutique store.

She described the anguish she experienced when she met with her interior designer for the first time. The designer pulled out 30 books and flipped through the 100 or so pages of different patterns and themes. After two hours, she felt overwhelmed. She said she hit an emotional wall which rendered her incapable of making even a single decision. When the designer left the shop, she sat on the floor, emotionally paralyzed, second-guessing her decision to buy the shop.

She said it took her a week to regain her emotional balance and begin asking simple questions: Which colors would appeal to her clientele? What kind of theme would get them excited? Did she want an upscale contemporary look or a down-home country feel? Would the extra money for flexible shelving be a good investment or something that was unnecessary?

To gain further clarity, she visited a number of her favorite New England boutiques to make note of what appealed to her and what didn't. After several weeks, she had narrowed her preferences and called the designer to schedule another meeting. This next meeting was a lot more productive. After explaining what she had done and learned, they agreed to work in phases – selecting a color scheme first, the layout and then the equipment needs and so on. This approach made her feel in control and, most importantly, capable of making these important decisions.

Research shows that when faced with a surplus of choices, negotiators often become confused and struggle to understand what their true preference is. A study conducted by the Georgia Tech College of Management asked 300 heads of household to participate in a hypothetical home purchase. The participants were randomly assigned to groups that varied according to the number of houses under consideration and the amount of information provided about these homes. When the amount of information provided remained constant and when only five houses were considered, 70 percent of the participants were able to select the house that appeared to reflect their true preferences. However, when the number increased to 25 houses, fewer than 40 percent made the choice that reflected their true preferences.

Based on that study, it would appear that when faced with more options, we are more likely to become overloaded with information and, as a result, make inferior decisions.

To reduce the possibility of your prospective clients becoming overwhelmed, try these strategies:

### Conduct intensive reconnaissance

Reconnaissance is the process of gathering information prior to making a presentation. During your initial meeting with a prospective client, devote time to learn about their current situation, what's important to them, what outcomes they desire, and most importantly ask questions to help you narrow their preferences.

To eliminate the risk of your prospect perceiving that you have a limited selection before you present your suggestions, consider saying, “Mr. Prospect, our goal is to offer an extensive list of options so each customer can purchase exactly what they want. And to accommodate the wide range of customer situations, our range of options is considerable – so much so, that many people feel overwhelmed with the number of choices. To make this easier for you, I've selected some items based on your feedback about. You will not hurt my feelings if these are not to your liking. My goal is to get you exactly what you want.”

### Minimize options

When people become overwhelmed with the number of available options, their inclination is take a simplistic approach: “Just give me your lowest price standard model.” In other words, they consider only a fragment of the available information, disregard other important factors and walk away from more suitable options.

When you break a complex process down into smaller, easier to manage steps, the prospect will maintain a sense of control and be more willing to consider different options. As a result, they will be less likely to base their decision on price. If you haven't done so already, create a simple flow chart that outlines the major steps and review this with your prospect prior to reviewing the array of options.

At the appointment you might say, "My objective is to help you get what you want. Because of the large array of options we offer, the process can feel overwhelming. My commitment is to make this as simple as possible for you. Here's what you can expect."

Then review each step:

**Step 1:** Information gathering

**Step 2:** Selection

**Step 3:** Timetable

**Step 4:** Implementation

**Step 5:** Assure satisfaction

Explain how much time you would need to gather the information and also invite all stakeholders to that meeting so upfront agreement to the criteria can be detailed.

After gathering information about their preferences, desired outcomes and budget, categorize their options and pre-select a few relevant choices to narrow down the options. I suggest identifying one or two options that are as close as possible to the prospect's desire and flank those with two lesser appealing options. This will increase the attractiveness of that particular option by adding inferior options to the mix.

The goal to strike a balance between presenting the right number of options so the prospect feels they are getting a customized solution and simplifying the buying decision may require some trial and error. The step you want to master is to refine the quality of questions you ask during the reconnaissance process. The more you can understand what the customer needs and wants – and doesn't want for that matter – the easier it will be for you to orchestrate the number of options you present.



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