

Other Examples of Econs vs. Humans

1. We tend to be OK with waiting in a line if other people are doing it, too.

 Ex. Being more interested in a restaurant if you look in the window and see people waiting vs. seeing an empty restaurant. You came to this restaurant for your own reasons—reasons that, from an Econs’ perspective, shouldn’t depend on how many people are waiting.

2. We use the first information we see as an anchor and form our opinion on that, rather than independently evaluating each piece of information.

 Ex. Retailers use anchoring when they mark sales prices. If you were to see a sweater marked for $200, you might think that price is too high. But if you see a sign that has the original price was $800, you will anchor on the $800 and think that $200 is a bargain.

3. In some cases, we’re more likely to do something for free than if we would get paid.

 Ex. When asked to volunteer for something, we tend to use social norms to evaluate whether we will do it or not. But if we’re told we will get paid, we use market norms to evaluate and are more likely to say it is not worth our time, even thought it is the same amount of time.

4. “Free” is not just a zero price.

 Ex. The word “free” is an emotional trigger for us, leading us to buy things we do not need just to get a “free” thing.