



I'LL MAKE YOU AN OFFER YOU CAN'T REFUSE...

In most negotiations there comes a certain point where it comes down to one crucial decision. Sometimes you are the one that has to make a choice, and other times you are the person who presents the other party with one...

In these cases, can you control the situation? Is it possible to create a situation in which people perceive your preference as the best and most logical choice? Well, it can be done. It is possible to influence decisions and direct free choice. The added value is legal design...

The way in which you can do this is not even very difficult, no need for supernatural powers. All you have to do is design the sets of choices carefully: both in terms of content and sequence you can exert influence on the choice that the counterparty is going to make.

Amongst others, an experiment by Dan Ariely, professor of psychology and behavioural economics Dan Ariely (2010) shows how this works.

Imagine you could only choose from two options; an online subscription to Economist.com for \$59 or a subscription where you receive the magazine and access the online content for \$ 125,-. In this case 68% of people prefer the online subscription.

But what happens when you alter the choice set? Does the preference for an online subscription remain? Or do the tables turn if people can choose from not two but three options? Can you influence the choice that people make?

Hell yes! If readers could choose from an online subscription for

\$ 59,-, a paper subscription for \$ 125 or a combined subscription (online and paper) for \$ 125,- ... no less than 84% choose the combination package.

By carefully designing the options people were offered, The Economist was able to triple the sales of the combination package. What works for an offer for a magazine works equally well for any other product or service. It is just how the human brain works.

So by carefully designing the options your counterparty can choose from, the interplay and context in which people make decisions, you can become the director of their choices. We like to think that we make conscious and active choices, but in reality, we are often tempted to compare the choices with each other, often forgetting the larger context.

That is what Legal Design does; it is more than design in the literal sense of the word. It is also about designing of the environment in such a way it stimulates preferred behavior. So next time you are negotiating, think about the option you present your counterpart. The choice is yours.

Legal Design | *Designed to deliver*

— Author: S. van Hecke