

Ron Ashkenas' blog post on Harvard Business Review
11:30 AM Tuesday December 22, 2009



Restrict My Choices, Please

I don't know about you, but to me the holiday shopping process can be overwhelming. No matter what gift category you want to consider, there are dozens of physical and web-based channels to explore; and within each channel there are hundreds of potential products; and for many of the products, there are dozens of variations.

For people with decidophobia (fear of making decisions), it must be a nightmare. For everyone else, it's simply mentally exhausting.

While the abundance of consumer choice is most exaggerated during the holidays, it is really a year-round issue. We've become a culture of product and service proliferation. We add more and more choices on the assumption that each consumer has very specific, unique, tastes and needs. And since companies have the capability to mass customize, they take advantage.

For example, the iPhone App Store adds 10,000 new applications every week. It's an incredible outpouring of creativity from all corners of the globe and it's revolutionizing mobile telephony, computing, and day-to-day behavior. That's the positive side.

But there are downsides too. First is the question of how we choose which of the many products and variations we actually want. No matter how good a search engine is attached to the products, we still end up with more possibilities than anyone can comprehend. And much of the time, we can't even think of the right questions to put into the search process, or we don't know enough to make good choices. So we get overwhelmed with information. And at the end of the day, when we've made a supposedly informed choice, we learn of someone else that made a different choice and feel that maybe we bought the wrong thing. Think of the two people sitting next to each other on the airplane that find out that they each paid completely different fares for the same trip.

Another downside is the cost involved in supporting and managing all of the alternative products and services. Physical stores, and even virtual ones, can only carry so much inventory, manage so much administration, and deal with so

many suppliers and partners. Sure, the web-based world makes much of this easier — like with Apple's App Store — but it still takes time and people to evaluate apps, insure their quality, and monitor their performance. With physical products and other services, the administrative and management costs are exponentially higher.

Given the downsides of product and service proliferation, less choice can be a competitive advantage. One of the best examples is Aldi — a German-based chain of discount grocery stores that is rapidly expanding around the world and developing a devoted following of customers.

Part of the Aldi philosophy is that less is more. Each store is limited to no more than 1,400 different items. So instead of having a dozen choices of frozen juice, you get just one or two. And if a store manager, or the company, wants to add new products, they have to subtract an equivalent number. This not only makes it easier for the consumer to make choices, but it also dramatically lowers costs that are then passed on to the consumer. It's the opposite of the "super-store."

The Aldi philosophy may not be for every company or for every product. But it certainly is worth paying attention to as a possible antidote for a world that is becoming increasingly complex.

To what extent would you welcome less choice?

Ron Ashkenas is a managing partner of Robert H. Schaffer & Associates a Stamford, Connecticut consulting firm and the author of *Simply Effective: How to Cut Through Complexity in Your Organization and Get Things Done*

Ron Ashkenas' blog post on Harvard Business Review
http://blogs.hbr.org/cs/2009/12/restrict_my_choices_please.html?cm_mmc=npv-_-DAILY_ALERT-_-AWEBER-_-DATE