Use of heuristic decision rules in complex financial products

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Abstract

Since D. Kahneman y A. Tversky came up in the 70s with the Prospect Theory describing the use of heuristic rules for taking decisions, these have been studied exhaustively in psychology and economics, although, less generously in the consumer behaviour perspective. This research provides empirical evidence of low consumer involvement in complex decisions and the use of heuristic rules and decision practice, challenging the general accepted Marketing model assuming a high level of involvement and information process by consumers in these types of decisions. The conclusions drawn were obtained from an empirical research performed on Spanish Individual Pension Plans from a sample of 767 individuals of different socio-demographic backgrounds.

Keywords: Consumer behaviour, complexity, heuristics, individual pension plan, involvement.

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1. Introduction

Consumer behaviour generally accepted in Marketing claims the existence of a positive and direct relation between the level of a decision's complexity and the involvement of the consumer, in a way that the greater the first one, the greater the second (Blackwell *et al*., 2002; Schiffman y Kanuk, 2005; Mollá *et al*., 2006; Pérez, 2006). This involvement will be reflected, on the one hand, in an active search behaviour for information, and on the other, in processing it and extensively and fully appraising it to allow the best decision choice (Alonso, 2004; Pérez, 2007). However, to decide to be involved in a complex decision inevitably implies assuming and incurring certain temporary costs and mental effort. Indeed, *time* is an intangible resource, is not storable, scarce and implies an opportunity cost. Time assigned to an activity is inevitably taken from another. The *mental effort* cost on the other hand is directly related to the cognitive limitations of individuals disclosing that, the greater the number of operations to be transacted or their complexity, the greater the necessary mental effort (Swait y Adamowicz, 2001). For this reason we can assume that the higher both costs, the greater the decision's complexity and lower the communication level and/or experience of the consumer (López y Blasco, 2008).

In this article we strive to question the generally assumed Marketing claim about the positive and direct relation between the complexity of a decision and the level of consumer involvement, providing empirical evidence that the latter, far from being involved in the complexity surrounding some decisions, will rather apply heuristic, simple and practical rules of decision. This will provide considerable temporary cost and effort savings (Shugan, 1980; Schwartz, 2007).

In order to verify this assertion, we have carried out an investigation on Individual Pension Plans (IPP going forward), a financial retirement savings product whose selection is quite complex as we will see further ahead. Regarding the concept and range of heuristics, we will fundamentally follow the results from research performed by A. Tversky y D. Kahneman[1] (1974, 1979), recorded in a book that has became a classic in Decision Theory: "*Judgment under Uncertainty: Heuristics and Biases*" (Kahneman *et al*., 1982).

(1) Nobel Prize in Economic Sciences in the year 2002 for integrating the psychological research advances in economic science, specially in the area of decision taking under uncertainty.

2. Heuristics: concept and typology

It has been some time since the neuro-scientists and psychologists followed the track of the mysterious ability of people in taking quick decisions resulting in many cases in a more accurate decision than that resulting from a deep and slow reflexion. (Gigerenzer *et al*., 1999; Galdwell, 2005). These type of decisions are normally based on beliefs of the probability of uncertain events happening, like results of a political election, the guilt of a defendant, or the future value of the dollar, just to mention a few examples, usually expressed through vague statements like "I think that", "it is possible that", "it is unlikely that", etc. (León, 2001).

However, what determines those beliefs? How do people evaluate the value and probability of occurrence of an uncertain event? Different researches have shown that people tend to use a limited amount of heuristic principles that allow switching complex decision tasks for simpler and more useful operations of judgement, although they can also lead due to their simplicity to serious and systematic errors in the inference tasks.

The seminal works and later developments of this new line of investigation called Behavioural Finance ("*Behavioural Finance*") (Tversky y Kahneman, 1974; Kahneman *et al*., 1982; Shefrin, 2002; Kahneman, 2003) draw the following conclusions:

- Human reasoning leans more on a series of heuristic simplifying reasoning than on an algorithmic and extensive processing of information.
- Heuristics are fast and immediate problem solution processes that are generally applied automatically and unconsciously.
- Simple rules *("rule of thumb")* adapting properly to the capacity limitations of human beings not requiring extensive computation power or memory.
- These are not only exceptional answers to complex problems or of abundant information, but also intuitive answers to simple questions of probability, frequency and predictability.
- Although they provide speedy solutions, they are supported by highly sophisticated psychological processes (association of features, memory, etc.).

– They produce systematic errors in reasoning problems in which logic and probability should be applied. Such deficiencies were attributed to cognitive limitations of individuals, although other authors (Thorngate, 1980) suggest alternative explanations such as: (a) lack of attention paid or little importance given to small decrements of reward resulting from such ignorance; or (b) time and effort needed are far larger than the reduction of advantages linked to this simple and presumed 'sub-optimum' way of taking decisions.

Nevertheless, the heuristics functions may not be consistent and coherent with laws of logics and probability, but to enable people to be able to make reasonable and adaptive inferences in the real world according to time, knowledge and ability limitations. In fact, if we compare the costs of taking a decision strictly following rules of logic and statistics with its associated benefits, it is sometimes more efficient to follow heuristics (Gigerenzer *et al.*, 1999). Indeed, conducting a probability assessment in real life would imply in a normative point of view, in which representative random samples were taken, all relevant variables and their relative importance value were considered, and all favourable and possible factors were determined, etc. Leaving aside the amount of mistakes that may occur within this process, the time and cognitive effort involved in taking a decision of this type would result in reality to only being able to take a few decisions during a lifetime. On the other side, heuristics, being an automatic, spontaneous and unconscious processes, would significantly improve the ability of taking fast, efficient and sufficient decisions (Simon, 1956; Jungerman, 1983; Galdwell, 2005; Amir y Levav, 2008).

Several studies have shown, on the other hand, that decisions based on clichés, stereotypes or universal standardisations, despite their simplicity, are as good as, or even better, than those based on complex and sophisticated techniques with analytical and extensive information (Gilovich *et al.*, 2002).

Therefore, we want to keep away from theories associating heuristics with error because, even though it might be acceptable in reasoning and statistical inference tasks, we do not think it is either real or globally applicable to decisions we usually undertake in life.

We also consider inappropriate the belief that human thinking does not follow laws of logics and probability and exists in a world of illusions and theories not linked to reality, since, if that was the case, scientific, technical and sociological development achieved by humankind through history could not be explainable.

As a result, we believe that biases and errors are not the result of cognitive limitations and lack of understanding of statistical rules, but the adaptive value and low cognitive cost of using heuristics compared to complex calculations proposed by the economic models of utility (Von Neumann and Morgenstern, 1944; Savage, 1954). Frequently it is more important and vital to take fast decisions rather than accurate ones (Einhorn y Hogarth, 1981).

As a conclusion, consumers will have the desire to take the best decision and incurring minimal effort, being pertinent in this respect the statement from Russo and Dosher (1983) that "*the desire of minimising the effort is always greater that the desire of minimising the error*".

As far as the typology of heuristics is concerned, Tversky y Kahneman (1974, 1979) found three heuristics commonly used in most of the reasoning and judgement engaged under uncertainty: *Representativeness, Availability and Anchoring-Adjustment,* which we will explain briefly as follows.

- ***Representativeness:***

The heuristic of representativeness points out that people frequently judge the probability of an event A by its degree of similarity, or is representative of another event B. It is a concept similar to "*stereotype or typicality*" (Shefrin, 2002). Thus, as an example, if someone tells us about a woman who has been divorced four times, lives in the USA and earns lots of money, we will surely accept as likely that she is a Hollywood actress since the described attributes are representative of the stereotype of a "Hollywood actress".

- ***Availability:***

Perhaps the oldest memory law known by men is that associative links increase in strength when repeating themselves. Then, the heuristics of

availability exploits the reverse of this law, using the strength of a specific association between stimuli to predict the probability of occurrence, replacing a specific objective attribute to an object of judgement for an heuristic attribute that comes faster and easier to mind (Slovic, 1972; Kahneman y Frederick, 2002). For this reason, usually something more familiar and accessible is perceived as more real or probable, therefore, the mere repetition of information through mass media is perceived as more likely just for the fact of being more accessible, independent of its accuracy or precision. Thus, for example, it has been observed the people tend to overestimate the probability of death by traffic accident and underestimate the probability on less common causes, but statistically more probable, like diabetes.

- ***Anchoring-Adjustment:***

This heuristic reflects the common human tendency to perform judgements heavily based on initial estimates and making wrong or insufficient adjustments based on new information flows which may contradict the original (Slovic, 1972). This suggests the importance in all decision processes in the way the information is presented as this becomes the initial reference point ("anchor"). The consumer will then code and process the newly acquired data, which, by applying this heuristic, will not enjoy the impartiality it really should (Einhorn and Hogarth, 1981; Amir and Levav, 2008). A particularly illustrative example of this process is the general resistance to change and acceptance of new ideas, often flaunted by people, as expressed by Galbraight (quoted in Gilovich *et al*., 2002, p. 7):

> "*Faced with the choice between changing one's mind and proving that there is no need to do so, almost everyone gets busy on the proof*".

In brief, while reasoning is a process performed deliberately and requires significant effort, intuitive or heuristic thinking is carried out spontaneously, often unconsciously and with hardly any effort. The superficial observation and systematic investigation show that most of the thoughts and actions taken by people are mostly intuitive and heuristic in this sense (Wilson, 2002; Kahneman, 2003).

3. Individual Pension Plans (IPP): concept and decision complexity

During the last decades most Western countries have been worried about guaranteeing the public system of pensions, whose viability is critical, among other factors, because of the increased aging of the population. Although slightly reduced by successive waves of immigration, it still poses gigantic concerns to governments and citizens alike (Zubiri, 2003; MTAS, 2005; Sáez and Taguas, 2006). With this given scenario many people feel the need to invest in an IPP, a saving plan provided with high tax benefits in Spanish and other European countries' legislations in order to encourage citizen investment in this product.

The IPP are financial saving and social forecast products, legally established and defined as: "*right of people to perceive future rent or capital due to retirement, surviving, permanent disability and death*". Its functional goal consists in creating monetary wealth from citizen's contributions during their labour or active life that will add supplementary monetary value to the ever decreasing state administered pension at the time of retirement. (Blasco and López, 2007).

If the complexity of an object is measured by the state of wealth it can access (Wagensberg, 2002), from an actual Marketing point of view, we can say that the decision of investing in an IPP is unquestionably a complex one as it fulfils the characteristics associated with this concept (Olshavsky and Smith, 1980; Dhar, 1997):

- High number of alternatives and/or attributes.
- Abundant and accessible information, although difficult to process and comprehend.

Indeed, as far as the number of alternatives is concerned, according to data from Inverco (2007), 1,103 IPP's of different typology and risks (see table 1) exist in the market and are marketed by almost all financial and insurance institutions operating in Spain. With this scenario, consumers are faced with the complexity of analysing, comparing and selecting the most appropriate IPP option from the different terms of risk and type of financial entity.

Table 1. Number of marketed IPP

(31 december 2007)

Option	Nº
Short term debt	123
Long term debt	73
Mixed debt	287
Mixed equity	197
Equity	198
Guaranted funds	225
Total IPP	1.103

In regards to the number of attributes we will only address some of the variables in reference to the product and entity that we consider may impact the decision making of a consumer interested in these products (López y Blasco, 2008):

- *Term*. It is usually long (between 20 and 30 years), since the IPP is not recoverable or paid out until retirement age, or in exceptional cases like permanent disability, death, serious illness, permanent unemployment, severe or total dependency of the contributor.
- *Risk*. It is dependent on the investment strategy of the subscribed IPP. In fact, it is not the same to limit an investment strategy to only domestic debt, as it is being able to invest in equity, currency, emergent markets (bankruptcy risk, foreign exchange risk, country risk…).
- *Yield (historical and expected)*. It is measured based on the financial return obtained or estimated from the original investment in the IPP, representing a good indicator of the quality of management skills carried out by the entity handling the fund.
- *Commissions*. It is the remuneration (price) paid to the organisation managing the IPP. It is an annual percentage (2,5% maximum) applied usually over the total capital managed, making it a fixed cost and therefore independent of the results (positive or negative) obtained by the managing entity.

- *Fiscal costs*. It is the amount the recipient will have to pay to the inland revenue in taxes (income taxes) at the time of collection of consolidated rights (accumulated amount on the IPP). The tax payable is obtained (according to current norms) by applying the marginal tax rate of the investor to the accumulated amount, which will create a substantial decrease in the final available wealth of the consumer.
- *Tax allowance*. It is the tax relief obtained by the investor on his/her tax return, reducing the taxable income by the level of contributions to the IPP. As an example, one investor with an annual contribution of 1,000€ and a personal marginal income tax rate of 40%, would obtain a tax reduction of 400€. This allows us to understand the importance of this factor in the consumer decision.
- *Size and reputation of the organization*. It is well known in Marketing the importance consumers generally put on this variable, similar to the brand image, when deciding on purchases, consumption and investments.
- *Gifts*. They are promotional incentives offered by organizations in their usual campaigns for adding customers and increasing loyalty. They might be monetary (% of contribution), or in kind (DVD, watches, TV…), with higher economic value, the higher the investor's contributions.

Finally, the consumer has plenty of information available regarding the product, which is public, free, and easily available in mass media (press, TV, internet…). The information also needs to be provided to the IPP investing consumers as per the institutional laws. Thus, the simplicity of obtaining the information does not match at all with the simplicity of processing and understanding it. The fact is, factors like financial profitability, the risk associated with the investment policy, or the tax treatment of the product, amongst others, means having technical grounding and knowledge usually not within easy reach of consumers. This can be seen indirectly at table 2, where approximately 3 out of 4 investors acknowledged using some type of advice or assessment prior to investing in the product.

Table 2. Use of advice and assessment for investing in IPP

MEANS DIFFERENCE TEST
T-Student test (one sample). Confidence Level: 95% (C.L.)

DECISION FACTOR	YES (*) % Sample	t	gl	Sig. (bilateral)	Means Difference	Confidence	
						Inferior	Superior
3rd party advice or assesment	71%	43,4	766	0,000	0,711	0,68	0,74

*% of persons that DID consider the advice before investing in an IPP.

Finally, other aspects we need to reference as proof of the decision's complexity are, on the one hand, the inability of testing the product before undertaking the purchase, as it is always the case with all intangible products and services. On the other hand, the unquestionable cost of opportunity of not being able to enjoy the benefits at the time of purchase, but only on a long term basis (retirement age). It is evident that the intensity of the motivational status of a person depends to a great extent on the time frame between present and the future point in which a proposed objective can be achieved (Bergadaá, 1990). On the other hand, the mental effort needed to outline future long term preferences is considerable, reducing its productiveness (Hogarth, 1987). Perhaps for this reason, the temporal horizon that investors consider at the time of evaluating the investments is unjustifiably short term (Kahneman, 2003).

4. Objectives

The objectives proposed in this study concentrate on discovering the process undertaken by the consumer in complex decisions, more specifically in IPP investments. We will try to shed some light on the dilemma if the consumer is really getting involved in these types of complex decisions in an active search and extensive evaluation of information, as generally accepted in Marketing, (Blackwell *et al*., 2002; Schiffman y Kanuk, 2005; Mollá *et al*., 2006), or, on the contrary, will tend to simplify the process applying heuristics and practical rules of decision, as shown by Tversky and Kahneman (1974, 1979) in their research.

5. Hypothesis

In order to empirically contrast the proposed objectives we have assumed seven hypotheses that we describe in two groups as follows: (a) information processing, and (b) application of heuristic rules of decision.

5.1. Information processing

The first three hypotheses try to obtain evidence of the low level of involvement and information processing a consumer wanting to invest in an IPP undertakes, which we will formulate in the following way:

H.1: Analysis of different financial products

Most consumers are not going to analyse other alternative financial products before choosing an IPP.

H.2: Search for information

Most consumers are not going to look for information about the different aspects and elements of an IPP before selecting it.

H.3: Comparison of entities

Most consumers are not going to compare the different entities before choosing the one holding the IPP.

5.2. Heuristics rules of decision

If, on the one hand, the consumer is not going to get involved in the complexity of the decision, but the objective populations of the study are people that have already invested in an IPP on the other side, they will have logically used a simple heuristic approach. We will try to contrast this with the following four hypotheses:

H.4: Size and reputation of the entity

Most of the consumers will take into account in their decision process the size and reputation of the entity holding the IPP.

H.5: Comfort of the investor

Most of the consumers will take into account in their decision process the comfort in choosing the entity holding the IPP.

H.6: Contracting in the usual entity

Most of the consumers will join an IPP held in the financial institution or insurance company they usually work with.

H.7: No change in entity

Most of the consumers are not going to change the IPP contracts from another institution.

We want to show that those four hypotheses are similar in a way to the three heuristics mentioned beforehand. In fact, the size and reputation of the entity shows the application of the heuristic of Representativeness; the comfort of the investor and contracting in the usual entity the heuristic of Availability, and the no change in entity the heuristic of Anchoring-Adjustment.

6. Methodology and sample

To this end, we have followed the rules described by several market research manuals (Malhotra, 1997; Grande and Abascal, 2003; Fernández, 2004).

The information was collected through a structured and self administered questionnaire sent randomly by e-mail or physically by hand, with a final sample size of 767 people from different socio-demographic background (table 3) having contracted at least one IPP. The inexistence of a sample frame over the population in study recommended the use of a "convenience sample", assuming the well-known limitations this sampling technique implies.

The technical data and sample error of the survey are shown in table 4. The population size has been considered infinite due to an approximate total number of investors in IPP of 8.5 million people (Inverco, 2007).

Table 3. Socio-demographic profile of the sample

VARIABLE	SAMPLE BY CATEGORY	(%)
Gender	Male	61
	Female	39
Age	Up to 30	8
	Between 31 and 51	58
	Over 51	34
Education	University degree	60
	A-level holders	20
	Professional qualification	8
	Primary studies	12
Employment	Management, Middle Mgmt	32
	Self employed	16
	Employees	43
	Other	8
Monthly net income	Up to 1.500 €	34
	1.500 € - 2.000 €	25
	Over 2.000 €	41

Table 4. Technical data of the survey

TECHNICAL DATA OF THE SURVEY	
Universe	Participants in IPP
Geographical area	Spain
Data obtaining technique	Structured survey sent by e-mail and paper
Confidence level	95,5%
Estimate of variance	p = q = 0,5
Sample size	767 investors in IPP
Sample error	± 3,6%
Statistical software	SPSS 14.0 for Windows

7. Results

In order to test the different formulated hypotheses we have assumed a means difference test (T-Student test -one sample-) with a 95% confidence interval usually applied in this type of research.

The obtained results shown thereafter, bearing in mind that "difference in averages" in our case is equivalent to a "difference in percentages", since once the analysed variables are dichotomised, the frequency percentage exactly agrees to the average (Lind *et al*., 2008).

7.1. Hypothesis concerning the processing of information

The results shown on table 5 allow us to contrast in a positive and favourable way the three hypotheses formulated about the low level of involvement and information processing undertaken by consumers while deciding. In fact:

- Not more than 36% of consumers analyse other alternative products before deciding to join the IPP.
- Only between 41 and 48% look for information about different aspects and elements of an IPP before choosing it, and
- Not more than 38% of consumers admit having compared different entities before choosing the one holding the IPP.

Table 5. Contrast of hypothesis H1, H2, H3

MEANS DIFFERENCE TEST
T-Student test (one sample). Confidence Level: 95% (C.L.)

DECISION FACTOR	YES (*) % Sample	t	gl	Sig. (bilateral)	Means Difference	Confidence	
						Inferior	Superior
H1. Analysis of the other products	62%	35,1	766	0,000	0,617	0,58	0,65
H2. Search for information	70%	42,3	766	0,000	0,700	0,67	0,73
H3. Comparing entities	67%	39,8	766	0,000	0,674	0,64	0,71

*% of persons that DID consider the advice before investing in an IPP.

7.2. Hypothesis related to applying heuristics rules in decisions

The four hypotheses directly related to applying heuristic or simple decision rules have also been contrasted in a positive and favourable way to the proposed, as shown in the results in table 6. In fact:

- Two out of three consumers apply the heuristics of representativeness containing the decision factor of size and reputation of the entity.
- Three out of four consumers apply the heuristics of Availability, taking the decision of investing in an IPP based on comfort and accessibility, as clearly happens when using the financial institution or insurance company they usually work with.
- Hardly a quarter of the sample decides to change the entity holding the IPP, which suggests the strong resistance of the consumer to change, following the heuristic of anchoring-adjustment.

Table 6. Contrast of hypothesis H4, H5, H6, H7

MEANS DIFFERENCE TEST
T-Student test (one sample). Confidence Level: 95% (C.L.)

DECISION FACTOR	YES (*) % Sample	t	gl	Sig. (bilateral)	Means Difference	Confidence	
						Inferior	Superior
H4. Size and reputation of the entity	62%	35,1	766	0,000	0,617	0,58	0,65
H5. Comfort of the investor	70%	42,3	766	0,000	0,700	0,67	0,73
H6. Contracting in the usual entity	67%	39,8	766	0,000	0,674	0,64	0,71
H7. No change in entity	22%	14,7	766	0,000	0,219	0,19	0,25

*% of persons that DID consider the advice before investing in an IPP.

8. Discussion and managerial implications

It is generally accepted in Marketing that the higher its level of complexity of a decision, the more the consumer tends to get involved in it (Blackwell *et al.*, 2002; Schiffman and Kanuk, 2005; Mollá *et al.*, 2006). This involvement is shown by means of an active conduct of information search, and an extensive and complete level of its processing. (Alonso, 2004; Pérez, 2007). During the research undertaken over a decision unquestionably associated with complexity, like investing in an IPP, we have nevertheless supplied some evidence that in a way questions the original assumption.

Indeed, the three hypotheses assumed in classic variables of information processing (analysis, search and comparison) have clearly revealed a low level of involvement and information processing when investing in complex financial products.

Therefore, if the majority is not involved in the complexity of a decision, it will be reasonable to hope that they will apply rules and heuristic strategies or decision simplifying. We wanted to verify this, observing the use of the three heuristics (Representativeness, Availability and Anchoring-Adjustment) disclosed by Tversky and Kahneman (1974, 1979) in their research.

Thus, this simplifying behaviour has been verified in the four last formulated hypotheses, clearly showing the high consideration given by consumers in the decision process: (a) size and reputation of the entity (equivalent to the representativeness heuristic); (b) comfort and ease of contracting in the usual entity (Availability heuristic); and (c) resistance to change entity (Anchoring-Adjustment heuristic), even when the financial results obtained by the consumer are perceived as modestly satisfactory (López y Blasco, 2008).

All this allows us to conclude that most consumers confronted with a complex decision, far from getting involved in performing extensive and complete information processing as suggested by the Marketing model of consumer behaviour, instead take the shortcut of heuristic, practical and simple decision rules.

Nevertheless, we want to point out that our intellectual position is not in favour of judging the use of these simple and heuristic rules of decision

as inadequate or leading to bad decisions. On the contrary, in line with other author's theories, we are convinced that such strategies frequently lead to reasonable, useful and highly efficient decisions (Gigerenzer *et al.*, 1999; Gilovich *et al.*, 2002; Galdwell, 2005).

Drawing a conclusion, people, rather than reasoning badly, act in an intuitive and heuristic way, taking as guidance what they easily or randomly perceive in a given moment, rather than their ability to calculate and analyse with considerable effort. (Kahneman, 2003).

The results obtained in this research faithfully agree with the ones obtained in research performed in the United Kingdom concerning taking out a life insurance, a decision clearly related to the investment in an IPP, in terms of financial and long term products (Formisano *et al.*, 1982). In fact:

- 66% of the sample did not search for information about the product.
- 75% did not compare with other entities.
- The average of correct answers over a total of 15 questions to evaluate the level of knowledge about the existing products was 40%.
- The mostly used selection criteria for entities were sales personnel, other people's recommendations, and its size and reputation.

Results are in line also with the ones obtained in several studies over the need for choosing and selecting an IPP among a varied and numerous varieties of options. The first study, performed in Sweden, revealed that 6 out of 10 people selected the default option, and a mere 20% of people behaved in an accurately informed way (Hedesström *et al.,* 2007). In the second study, performed in the United States concerning the Pension Protection Act 2006, the default option was also mainly chosen by consumers (Schwartz, 2007).

As a result, it appears consumers like the idea of enjoying a wide choice, but are not prepared to make the exhausting mental effort of researching (Zaltman, 2004), with a greater tendency to apply non-compensating decision strategies (Payne, 1976), or to delay the decision (Iyen-

gar y Yiang, 2003) the higher the number of options and, consequently, the complexity of the decision.

We are aware that in order to draw wide-ranging conclusions from the research it would be convenient and essential to extend the study to other types of complex decisions not necessarily linked to finance (about health, aesthetics, affective, real estate, etc.). This way we will be able to better set the limits if the decision process of consumers varies when products contain a greater hedonic component in contrast to financial products, or, if low involvement by consumers in complex decisions likewise is confirmed; also, consequently, applying heuristic and simple rules of decision that will result the unquestionable benefit of temporary cost and effort savings they would otherwise have to incur, corroborating what James Bryce quoted during the opening of the American Commonwealth Conference in 1888:

> "*To the vast majority of mankind nothing is more agreeable than to escape the need for mental exertion… To most people nothing is more troublesome than the effort of thinking*".

On the other hand, without any doubts, it would be very interesting to be able to explain "why" consumers choose this approach to try to investigate the reasons or motives behind avoiding getting involved in complex decisions and trying to simplify the decision process. The previous level of implication with an individual product we believe will play a fundamental factor in the decision (Beerli and Martin, 1999), therefore, it would be advisable to introduce this variable in future research.

Finally, we are convinced that the conclusions obtained in this research might be very useful for those in charge of Marketing:

- Regarding the objective of knowing how to reach consumers more and better, assuming it is not achieved through a large amount of information, regardless of how objective, technical and complete it is, since most of them do not process the available information beforehand or extensively.
- Regarding the decision making, since financial entities will be able to take advantage of the importance that customers grant to the size

and prestige of the entity, as well as to the comfort of contracting in the same entity they are clients. Entities will apply relationship marketing strategies based on databases of clients who will turn out to be, in this case, more than successful.

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