




Cognitive Biases










How our system 1 thinking fools us every time

A cognitive bias refers to a systematic pattern of deviation from norm or rationality in judgment, whereby interpretations or assumptions about other people and situations may be drawn in an illogical fashion. Individuals create their own 'subjective social reality' from their own perception of the input.

Cognitive Biases Checklist

 <p>Belief Bias</p>	<p>Determining the truth by how believable we find a conclusion. It is the tendency to judge the strength of arguments based on the plausibility of their judgment rather than how strongly they support that conclusion. If something agrees with your existing point of view, you're inclined to 1) make invalid conclusions seem valid or valid conclusion seems invalid. Or 2) trust that the process used to obtain the conclusions is also be correct.</p>
 <p>Confirmation Bias</p>	<p>We are interpreting new information to confirm our initial hypothesis or beliefs. The tendency to search for, interpret, favour, and recall information in a way that confirms your pre-existing beliefs or assumptions.</p>
 <p>Optimism Bias (and Planning Fallacy)</p>	<p>The tendency to underestimate the likelihood you will experience adverse events, such as skin cancer or car accidents or in other words: Overestimating favourable outcomes, urging people to take on risky projects.</p>

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 <p>Hindsight Bias</p>	<p>Is the inclination, after an event has occurred, to see the event as having been predictable, despite there having been little or no objective basis for predicting it. Your manager is saying he already knew how consumers think about something after having presented your research, for example.</p>
 <p>Framing Effect</p>	<p>How information is presented affects our opinions about it. People tend to avoid risk when a positive frame is shown but seek risks when a negative frame is presented. Experiment: someone asked subjects whether they would opt for surgery if the 'survival' rate is 90 per cent, while someone told others that the mortality rate is 10 per cent. The first framing increased acceptance, even though the situation was no different.</p>
 <p>Loss Aversion</p>	<p>Refers to people's tendency to prefer avoiding losses to acquiring equivalent gains: it's better not to lose €5 than to find €5.</p>
 <p>Narrative Fallacy</p>	<p>When an unpredicted event occurs, we immediately come up with explanatory stories that are simple and coherent. And good stories are seen as true stories! Therefore, stories sell.</p>
 <p>HALO Effect</p>	<p>Existing judgments about a person are likely to extend to all aspects of them. Our brain allows specific positive traits to influence our overall evaluation of a person positively.</p>
 <p>WYSIWIT</p>	<p>What you see is what there is'. We ignore unknown information and draw conclusions on the information we do see.</p>
 <p>Small Numbers Effect</p>	<p>We make very hasty generalisations based on small numbers.</p>