Behavioural Economics – Cognitive Biases

The Halo effect

presented by group 2

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The Halo Effect - Definition

Halo effect
transferring positive feelings about one characteristic of a product/person (e.g. pleasing appearance) to another characteristic (e.g. performance)

Reverse Halo effect (Devils horns)
overemphasize an undesirable personality trait or past event, allowing one single weak point to influence the perception of all other characteristics of the product/person.
The Halo Effect - Example

Perception

well-groomed appearance, reads text flawlessly

He is very intelligent, committed and involved in his news.

Halo Effect

stylish, easy-to-use, innovative, multi-functional

All Apple products possess such traits as iPhone and iPod do.
The Halo Effect - Example

Testing preferences: Coca-Cola vs. Pepsi

Double responses were possible.

The Halo Effect - Conclusion

Are there situations when the consideration of the effect can be rational?

• In a buying situation, the Halo effect may shorten the decision-making process.

In general: No! Halo effects should be minimized in order to guarantee an objective evaluation of persons and products.