

# SEMINAR

## Information, Cognition and Choice: A Field Experiment

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**Time:** 3:00 p.m. – 4:30 p.m.

**Venue:** WYL314, 3/F, Dorothy Y. L. Wong Building, Lingnan University

### ABSTRACT:

Information is vital for making good choices. Decision mistakes can reflect a lack of factual information or a deficiency in the cognitive processing of observed information. We conduct a large-scale randomized field experiment with real-world, high-stakes decisions about durable goods that can disentangle the two effects and investigate how to reduce decision mistakes. Based on information theory, we distinguish an intervention that eases the burden imposed by numeric cost information from one that stimulates cognition in a gamified manner. The data shows that merely providing monetary information about usage costs is ineffective, while treatments that additionally stimulate cognitive processing can significantly reduce decision mistakes, with the intervention easing quantitative processing being more effective.

### BIOGRAPHY:

Li King King (Ph.D. Economics HKUST) is an Experimental Economist. He is currently an associate professor at Shenzhen Audencia Financial Technology Institute, WeBank Institute of Financial Technology, Shenzhen University. His research interests are in Experimental Economics, Behavioral Economics, and Behavioral Finance. He is the first to use Experimental Economics to study the effect of language on decision making (Li, 2017, JEconPsy), memory recall biases (Li, 2013, ExpEcon), and preference for randomization (Li, 2011, JRU). He has published in Management Science, Experimental Economics, Judgment and Decision Making, Journal of Behavioral and Experimental Finance, Journal of Economic Psychology, Journal of Behavioral and Experimental Economics, Social Choice and Welfare, Journal of Risk and Uncertainty, Economic Theory, Human Brain Mapping, and others. He is an Associate Editor of the Journal of Economic Behavior and Organization, and a member of the Editorial Board of the Journal of Behavioral and Experimental Economics, Frontiers in Behavioral Economics, and Applied Psychology: An International Review. Personal Website: [likklab.com](http://likklab.com)

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