

Abstract

This bachelor thesis examines decoy effect, a phenomenon of behavioral economics. Above all, it focuses on the asymmetrically dominated effect. The main objective of the thesis is to review recent research dealing with the decoy effect and analyze the possibilities of its use in marketing practise.

The thesis consists of theoretical and empirical part. In the first chapter of the theoretical part the principle of the decoy effect is generally explained and its possible modifications are described. The second chapter characterizes the asymmetrically dominated effect, the primary type of the decoy effect. There are discussed possible explanations and limits of the effect. In the chapter there is also described wide scope of experiments testing the effect. Special attention is drawn to the use of the asymmetrically dominated effect in marketing communication.

The empirical part is then formed by replication of an experiment focused on the general validity of the asymmetrically dominated effect. In this section the importance of replication of experiments is briefly explained. The results of the original experiment were not replicated. But the results of the experiment showed the asymmetrically dominated effect significant in some research groups.