When designing a program, social marketers consider the ‘competition’ in the participant’s life that may inhibit participation or mitigate the effectiveness of their efforts. This competition may take many forms, including other social marketing efforts, and represents rival choices for participants time and energy. When these rival choices are mutually exclusive, in that a person must forgo the benefits of one alternative to pursue another, opportunity costs arise (Becker et al., 1974).

“The context in which people assess opportunity costs is circumscribed.”

The notion of opportunity costs is well established in economic theory. Classic economics theory views the assessment of opportunity costs as a rational decision, where a person selects the alternative that provides the most benefit for them (Simon, 1959). More recent behavioural economics theory, being the study of irrationality in human judgements, suggests that the context in which people assess opportunity costs is circumscribed (Anley, 2008). Coined by Simon (1956) as bounded rationality, there are three, unavoidable constraints that influence how people make decisions (Simon, 1972, 1982; Radner, 1975), being:

- limited and sometimes unreliable information regarding the options available and the consequences of choosing one alternative over another;
- people, irrespective of intelligence, have a limited capacity to process and evaluate the quantum of information that is available; and
- people only have a limited window of time in which to decide.

Opportunity costs are a relative concept influenced by the judgement of the decision maker and as such are dynamic and pliable (Yip, 1999). Pressure to decide within a given time frame for some people may lead to impulsive decisions, decision shortcuts or imitating the decision of others, while for other people it may result in the postponing of a decision (Eisenhardt, 1993; Payne et al., 1996). Opportunity costs in social marketing, as in any context, take many different forms including foregone financial benefits as well as foregone non-monetary gains such as discretionary time and mental effort (Kurzban et al., 2013). For example, by participating in a social marketing program, participants may be required to outlay funds (e.g. healthier foods, recycling bins), curtail paid work (e.g. to attend meetings), or forgo time with their children or significant others (e.g. to exercise). While some people may agree to participate, they may not have realised at the outset the commitment required because of the three constraints of bounded rationality. Hence, their commitment may fluctuate over time (e.g. not attending meetings or accurately recording data) or they may be too mentally exhausted after family responsibilities to optimise their participation. Others may drop out of the program. Opportunity costs not only arise at the outset inhibiting participation but also over the course of a social marketing program—in both instances influencing outcomes.

“In complex decision-making people engage in satisficing – an amalgam of ‘satisfying’ and ‘sufficing’.”
Another consequence of bounded rationality is that rather than seeking to optimise choice, as classic economic theory suggests, in complex decision-making people instead engage in satisficing—an amalgam of ‘satisfying’ and ‘sufficing’ (Simon, 1956; Manktelow, 2000). Where people follow a satisficing path, they seek satisfaction with some elements but not all (Simon, 1956). Satisficing is seeking to achieve only satisfactory results because to optimise would require costs, effort and risk deemed excessive by the individual (Bazerman and Moore, 2009). When satisficing, people reason that their efforts and outcomes are ‘good enough’ (Tversky and Kahneman, 1974). In social marketing, this may take the form of a person making enough change to register moderate improvement, but not enact the maximum amount of change that would bring the highest impact.

Questions for social marketers include:

- Are there ways in which you can improve how you identify participants opportunity costs and satisficing assessment and behaviour, and how these are monitored over the life of a social marketing program?
- How do opportunity costs and satisficing assessments moderate the decisions made by participants and influence the outcomes your social marketing program?
- Are opportunity costs and satisficing assessments of participants integrated into program recruitment, design and reporting?

References
