

Newcomb dilemma in online consumer behavior

The Newcomb dilemma reveals the incompatibility of two approaches of our rational reasoning, which can be seen by contrasting evidence-based decision-making theory and causal decision-making theory. Both theories may grasp essential aspects of rational decision-making. However, under a specific circumstance, these views prescribe different actions to be rational. The Newcomb problem is a well-known puzzle in the field of decision theory and philosophy. Although the problem has been seen only as an intellectual exercise for years, the phenomenon seems to appear in various walks of life. In my presentation, first, I am going to present the core schema of the Newcomb dilemma and the conditions necessary for it. Second, I offer a new Newcomb dilemma of online consumer behavior. A super predictor is always essential for the original Newcomb dilemma being able to almost certainly foresee one's decisions. Nowadays, several algorithms track and record the online purchasing behavior of consumers. These programs may evolve to a certain level that their predictions become so precise, matching completely to one's own decision. Once programs reach the prediction precision of a super predictor, I argue that an online consumer may find herself in a Newcomb dilemma purchasing online, making it impossible for her to decide optimally. If so, she either satisfies evidence-based decision theory or causal decision theory, and she necessarily violates one of them. In this situation, then, no one can decide optimally due to the presence of super predictors.