Taking Probabilistic Choice Seriously

Elizaveta Konovalova^{1*} and Thorsten Pachur^{2,3}

 ^{1*}Warwick Business School, University of Warwick, Scarman Road, Coventry, CV4 7AL, United Kingdom.
 ²School of Management, Technical University of Munich, Arcisstraße 21, Munich, 80333, Germany.
 ³Center for Adaptive Rationality, Max Planck Institute for Human Development, Lentzeallee 94, Berlin, 14195, Germany.

> *Corresponding author(s). E-mail(s): elizaveta.konovalova@wbs.ac.uk; Contributing authors: pachur@tum.de;

Abstract

Much behaviour and cognition involves choosing between alternatives whether in the context of consumer decisions, voting, or memory. A fundamental aspect of choice is that it is probabilistic: An organism faced with the same evidence will not always make the same choice. Despite widespread acknowledgement that probabilistic choice is a necessary element in models of cognition, it has long been treated as distracting from the core process driving behaviour. Recently, however, researchers across various fields in the cognitive and behavioural sciences have started to recognise the vital role of probabilistic choice for understanding cognition. This article reviews and synthesizes these developments, distinguishing three main origins of probabilistic choice and proposing future research avenues that integrate probabilistic choice into theories of cognition.

Keywords: Probabilistic choice; Stochasticity; Behavioural variability; Models of choice

Probabilistic choice becomes a focus of research

Much behaviour and cognition involves choosing between alternatives. When people formulate their preferences—whether between consumer goods, economic alternatives or political parties—they evaluate, compare and finally choose one of the available alternatives. When people retrieve information from memory, they select content from several candidate items. When they classify objects, they pick a response from a set of possible categories.

A fundamental feature of choice is that it is probabilistic: When given 8 the same evidence on different occasions, people do not always make the 9 same choice. The probabilistic nature of choice has been noted across a wide 10 variety of disciplines in the cognitive and behavioural sciences, including eco-11 nomics, political science, biology, psychology, and neuroscience. Despite the 12 widespread acknowledgement that **probabilistic choice** (see Glossary) needs 13 to be included in models of cognition, it is usually treated as peripheral and 14 as a nuisance factor with little theoretical relevance. In formal treatments it is 15 often relegated to an auxiliary, residual term, and no principled assumptions 16 are made about the internal and external processes that contribute to choice 17 being probabilistic (see Box 1). 18

In recent years, however, interest in probabilistic choice has been grow-19 ing and researchers in psychology, neuroscience and economics have made it 20 the focus of their investigations. This article reviews this emerging trend and 21 elaborates on its implications for models of cognition. First, we highlight that 22 probabilistic choice may be a feature rather than a bug of the cognitive system. 23 We review findings suggesting that it is an indispensable tool for learning, con-24 fers an advantage in competition and is necessary for the efficient processing of 25 information in the face of cognitive constraints and environmental uncertainty. 26

Second, we review work illustrating how the measurement of probabilistic choice can be exploited to test and refine behavioural theories. We discuss how cognitive models can be compared and validated based on the observable patterns of probabilistic choice and how a more principled approach toward accommodating **stochasticity** in cognitive models can help explain seemingly irrational behavioural tendencies.

Finally, we synthesize existing ideas regarding the origins of probabilis-33 tic choice into a framework by distinguishing three main sources: variability 34 of internal processing, uncertainty in the environment, and stochasticity in 35 behavioural implementation. Based on our proposed framework, we identify 36 new research avenues that focus on both an enhanced understanding and sys-37 tematic measurement of probabilistic choice. We believe that a more targeted 38 investigation of probabilistic choice can in turn inform a better understanding 39 of behaviour. 40

⁴¹ Probabilistic choice is a feature, not a bug

Although probabilistic choice can indeed be a nuisance in some cases (e.g., 42 decision-making by judges or medical professionals, where consistency is 43 important), its very ubiquity gives cause for pause. In addition to asking how 44 probabilistic choice can be eliminated, it is also worth asking why probabilistic 45 choice exists in the first place. Existing literature suggests that variability in 46 behaviour can have adaptive benefits. One comes from the organism's delib-47 erate decision to deviate from a previous course of action even when faced 48 with a similar situation. Such behavioural volatility could be optimal when the 49 organism needs to learn about a novel environment; it can also be advanta-50 geous against competitors. A second type of benefit comes from stochasticity 51 in information processing (which is usually not under the deliberate control of 52

the organism). This stochasticity allows the organism to adapt to an uncertain environment under cognitive constraints. We next discuss both types of
benefits in more detail.

56 Strategic use of probabilistic choice

Under some circumstances, it can be beneficial for an organism confronted 57 with the same situation to make a different choice. While some organisms 58 may simply have a preference for variety [1] or randomization [2], varying 59 choices across occasions is an important strategy for organisms learning about 60 their surroundings for the first time. The simplest approach is to start by 61 making random choices and see what feedback the environment provides. This 62 strategy has been shown to be the basis for learning songs in some bird species 63 [3], motor control in humans [4], and consumers getting into new markets in 64 online environments [5]. An organism engaging in exploration might employ 65 other strategies: they can choose an alternative deliberately (i.e., "directed 66 exploration" in contrast to "random exploration") or use a mix of the random 67 and directed approaches [for review, see 6]. 68

Probabilistic choice can also be beneficial in a competitive world. In fact, economic game theory is rooted in this idea [7]. To outsmart opponents in zero-sum games with a mixed-strategy equilibrium, the decision maker has to act unpredictably [8]. In the animal world, prey often adopts unpredictable or "Protean" behaviour to avoid being preyed on [9, 10]. If many competitors in the population imitate each other, it can be adaptive for agents to distribute their choices across alternatives when competing for resources [11].

76 Stochasticity in information processing

⁷⁷ Recent work in neuroscience has highlighted another benefit of probabilistic
⁷⁸ choice: It allows an organism to adapt optimally to a changing environment

while dealing with cognitive constraints. Consider a foraging animal. Foraging 70 for food is associated with a high level of uncertainty: the number of patches 80 can change, the amount of food in the patches can change, and something 81 completely unforeseen might happen, such as a new predator arriving in the 82 area. Ideally, the animal should make choices based on a rich representation 83 of its environment that considers different types of uncertainty and the proba-84 bility of unexpected events. However, because the animal's cognitive resources 85 are constrained, precise estimations are unfeasible. What kind of behaviour 86 would be adaptive under such circumstances? A purely exploitative strategy 87 (i.e., picking what is currently the best food patch) is appropriate only when 88 the probabilities or values of alternatives are stable. In volatile environments, 89 switching between alternatives allows the organism to balance the maximiza-90 tion of rewards against the prevailing cognitive constraints [12]. By switching 91 between patches, the animal can adjust optimally to a surprising outcome (i.e., 92 a predator) without dedicating resources to monitoring for such an event [13]. 93 Switching also allows the animal to adapt to the possibility of the availability 94 of food changing without having to explicitly incorporate this possibility into 95 the inference process [14]. 96

Note that in the research discussed above, it is implied that the stochastic-97 ity in behaviour is governed by processes that are not under deliberate control. 98 Specifically, the cognitive flexibility that allows the organism to quickly adapt 99 to its environment [15, 16] is thought to result from variability in brain activity 100 (i.e., the variance in different types of neural recordings). As Kloosterman and 101 colleagues put it: the "neural system avoids locking into a stereotypical, rhyth-102 mic pattern of activity, while instead continuously exploring its full dynamic 103 range to better prepare for unpredictably occurring events" [16, p. 2]. 104

¹⁰⁵ Behavioural variability as a diagnostic marker¹⁰⁶ in cognitive modelling

In cognitive modelling, probabilistic choice (and the associated stochasticity in 107 cognitive processes) has commonly been treated as something that dilutes and 108 obscures the actual behavioural process under investigation [17]. Yet recent 109 developments suggest that this approach may throw the baby out with the 110 bathwater, and that acknowledging stochasticity as a substantive element of 111 cognition can have genuine value for understanding cognition [18]. In what 112 follows, we showcase how a more principled approach to behavioural variability 113 can be used to compare and evaluate models, and can help explain behavioural 114 biases. 115

¹¹⁶ Using probabilistic choice for model comparison and¹¹⁷ development

Probabilistic choice can be used to compare theoretical predictions about spe-118 cific choice patterns with the observed empirical behaviour. In the context 119 of violations of **transparent dominance** in repeated choices, for example, 120 it has been pointed out that the predictions of some models of preferential 121 choice do not correspond to the observed rates: Some models overestimate the 122 rates; others underestimate them [19], indicating that the models' assump-123 tions accommodating stochasticity may be inadequate. Similarly, Birnbaum 124 used true and error theory [20] to estimate the rate of violations of **stochastic** 125 dominance in people's choices. He found that the empirical rates of viola-126 tions were inconsistent with the predictions of several of the existing models 127 of risky choice [21, 22]. 128

¹²⁹ Moreover, specific patterns of probabilistic choice can point to descriptive ¹³⁰ limitations of a model. For example, Loomes and Sugden noted that several prominent models, such as the random preference model, cannot account for asymmetric preference reversals [23]—the empirical observation that people are more likely to switch from a risky alternative to a safe one than the other way around. A similar dependency between consecutive decisions was found by Kubovy and Healy [24] in the context of categorization, where subsequent categorization responses were conditional on whether the current response was correct or not.

¹³⁸ Using response stochasticity to distinguish between

¹³⁹ judgement strategies

In 1955, Egon Brunswik proposed a distinction between intuitive and analyti-140 cal cognitive processes in judgement [25]. Intuitive processes are characterized 141 by noisy encoding and processing of perceptual information; analytical pro-142 cesses are based on a deterministic algorithm that implements an explicit 143 rule—for example, a mathematical equation. In an experiment where partic-144 ipants were asked to estimate the size of objects, the two types of process 145 resulted in markedly different distributions of errors: Intuitive processing led 146 to few precisely correct answers but to small errors on average, whereas ana-147 lytical processing led to precisely correct answers but also to large errors. 148 Recently, this approach was revived by Sundh and colleagues, who developed 149 it into a computational model [26]. Not only were they able to validate their 150 model within Brunswik's original setting, but they also used it to distinguish 151 between the two types of process in a different set of tasks. Thus, observed 152 response stochasticity can be highly valuable for identifying cognitive processes 153 and imply that a common approach of modelling using normally distributed 154

errors may misspecify the process underlying the response distribution. Ignoring these important differences can lead to incorrect conclusions about the underlying processes.

Stochasticity in information sampling can explain apparent behavioural biases

Recent research has demonstrated that a more principled approach to stochas-160 tic components of cognitive models can provide a simpler and more unifying 161 explanation for human judgement and choice in a variety of psychological 162 tasks. For instance, it has been shown that stochasticity in internal informa-163 tion sampling can explain patterns of intertemporal choice [12]. To illustrate, 164 temporal discounting may be the result of a person engaging in a "noisy" 165 simulation of future rewards (i.e., sampling of possible outcomes). To esti-166 mate the value of the future rewards, the person combines the results of the 167 simulations with their prior beliefs about the rewards. Because the future is 168 associated with uncertainty, the resulting valuation will rely more heavily on 169 the prior information, resulting in discounting of the reward value. Adopt-170 ing this perspective, Gershman and Bhui showed that the magnitude effect 171 in intertemporal choice—the phenomenon that people are more patient when 172 faced with options involving higher rewards—might be due to people investing 173 higher mental effort when faced with higher rewards, which increases precision 174 (i.e., reduces noise) during sampling, which in turn leads to less discounting. 175

Sampling and the stochasticity associated with it have also been proposed as an explanation of biases in probability judgement. An approach called Probability Theory plus Noise (PT+N) assumes that probability judgements largely follow the basic laws of probability theory but are distorted due to noisy information retrieval during sampling [27]. PT+N) provides a unifying account of

a variety of biases in probability judgements. For example, conservatism in 181 probability judgements—the phenomenon that people are reluctant to produce 182 probabilities of 0 and 1—may be the result of the erroneous retrieval of the 183 event complementary to the event in focus: When estimating the probability 184 of an event A, the person retrieves instances of $\neg A$, which leads to the esti-185 mated probability of A not being 0 (or 1). Building on this approach, Zhu and 186 colleagues [28] showed that the predictions of PT+N can be improved for con-187 ditional probability judgements when, instead of sampling instances of $A \cup B$ 188 (i.e., when both A and B are true) and B (i.e., when B is true), instances of 189 A|B are sampled (i.e., whether A is true or not conditional on B being true).¹ 190 Other work has focused on how stochasticity in behaviour might be linked 191 to the stimulus input and how this link might help explain biases in human 192 judgement of averages [30] and magnitude sensitivity in value-based decisions 193 [31]. Prat-Carrabin and Woodford [30] proposed that people calculating aver-194 ages weigh numbers differentially and in a non-linear manner due to the noisy 195 encoding of the stimuli. They argued that the amount of stochasticity during 196 the encoding of a stimulus might be linked with the probability of the stimulus 197 occurring during the experiment, and that less likely stimuli will be encoded 198 with more stochasticity. If so, the distribution of participants' estimates should 199 depend on the prior distribution of stimuli. The authors found empirical 200 support for this dependence. In a similar vein, Pirrone and colleagues [31] 201 have suggested a simpler explanation for the magnitude sensitivity observed 202 in value-based choices (i.e., that response times are lower when rewards are 203 higher). Previous research has suggested that relaxing assumptions of linear 204

¹Furthermore, Zhu and colleagues showed that the predictions of the PT+N approach are largely equivalent to an implementation of a Bayesian model where the posterior is approximated using the collected samples and the sampled information is adjusted for the (usually) small sample size by using a prior that reflects the inherent uncertainty of sampling and "a conception of probability estimates in a more general [...] sense" [29, p. 2844]. This approach provides a unifying account of a variety of biases in probability judgements.

utility or linear cost of time can account for this magnitude sensitivity. According to Pirrone and colleagues, the simpler explanation is that the stochasticity
associated with information accumulation is linked with the magnitude of the
rewards, and that higher rewards are associated with higher stochasticity.

²⁰⁹ Three origins of probabilistic choice

Despite the increasing interest in probabilistic choice (and behavioural vari-210 ability in general), the respective research is scattered across several fields 211 and tends not to take a comprehensive approach to probabilistic choice, that 212 acknowledges its multiple possible origins. In pursuit of a more encompassing 213 perspective, we propose an organizing framework that distinguishes and syn-214 thesizes three possible sources of probabilistic choice that have been discussed 215 in the literature: stochasticity in internal processing, reaction to uncertainty 216 in the environment, and implementation stochasticity. 217

We sketch the framework around a general description of the cognitive process (see Figure 1). First, the organism perceives information relevant to the current task. Second, they process this information, using memory and making any other necessary computations. Third, they make a choice based on the processed information and finally implement it behaviourally by committing to some action. In what follows, we describe these three sources of probabilistic choice and how they affect each stage of the cognitive process.

225 Stochasticity in internal processing

Research in psychology and neuroscience usually distinguishes two types of stochasticity that arise from internal processing within the cognitive system (this is similar to what is sometimes referred to as "Thurstonian" uncertainty; [32]): perceptual stochasticity and computational stochasticity [33]. The right



Fig. 1 Three origins of probabilistic choice.

side of Figure 1 shows how these two types relate to different stages of the
cognitive process.

The first type of stochasticity originates in the perceptual system and is the 232 result of physical phenomena (e.g., the activity of photons) or early perceptual 233 systems. It thus affects the information before it is processed. Several cognitive 234 models incorporate this type of stochasticity by assuming that probabilistic 235 choice is a result of attention processes. Specifically, the idea is that people 236 shift their attention stochastically between the alternatives [34] or between the 237 features of the alternatives [35, 36]. Other models identify the noisy percep-238 tion of information as the source of probabilistic choice. For example, it has 239 been suggested that probabilistic choice in the domain of risky choice can be 240 explained by stochasticity in the encoding of numerical magnitudes [37, 38]. 241

The second type of stochasticity from internal processing originates in computational processes—that is, in how sensory input is mapped onto an internal

representation after it has been encoded. Recent research in the domain of risky 244 choice has connected variability in the stochasticity of neural activity (e.g., 245 variability in blood oxygenation level-dependent activity) to the amount of 246 behavioural variability exhibited by participants [39, 40]. Kurtz-David and col-247 leagues have argued that stochasticity in neural processes results in distortions 248 in people's estimations of the value of alternatives. Memory processes, which 249 are known to be variable, may also contribute to this computational stochas-250 ticity [41]. Some models suggest that alternatives are evaluated based on 251 samples drawn from memory representations of the alternatives [42]. Because 252 the random nature of memory sampling leads to different samples of retrieved 253 memories across occasions, the estimated value is likewise variable. 254

²⁵⁵ Reaction to uncertainty in the environment

A second origin of probabilistic choice is the structure of the environment. The information available about the value of the alternatives is usually uncertain to some extent (this is sometimes referred to as "Brunswikian" uncertainty; [32]). Higher uncertainty is associated with more behavioural variability [43] and with lower maximization of reward [44]. The connection between environmental uncertainty and cognitive processing is shown on the left side of Figure 1.

Models that implement Bayesian computations using sampling illustrate how environmental uncertainty might feed into probabilistic choice. Consider again a foraging animal deciding which food patch to choose based on previous experience. According to Bayes' rule, the choice should be based on posterior beliefs that combine prior beliefs about the patches with the animal's experience. Estimating such posterior beliefs becomes intractable when the number of patches increases. It has therefore been argued that rather than attempting

to compute the posterior precisely, an animal approximates it by using random 270 sampling of relevant information from memory or the hypothesis space [28]. 271 Such sampling could lead to probabilistic choice. This suggestion is supported 272 by recent findings showing that uncertainty about visual stimuli is encoded 273 by the width of the probability distribution over the possible outcomes [45], 274 represented by either individual neuron spike behaviour across trials [46] or 275 a combined distribution of neuron pulls [47]. Furthermore, Prat-Carrabin and 276 colleagues [48] compared human inferences in a learning task with that of an 277 optimal Bayesian model. They found that although participants did not make 278 inferences according to the Bayesian model, their responses were qualitatively 279 consistent with it and that the behavioural variance was similar to that pre-280 dicted by the Bayesian model. Moreover, they showed that human inferences 281 are best explained by a model where the posterior is approximated by some 282 form of sampling (e.g., particle filters). 283

As another example, it has been proposed that probabilistic choice during 284 learning is the result of imprecise inference processes that help organisms adapt 285 to a changing and thus uncertain environment [13, 14, 49]. Consider again the 286 foraging example. An animal that approaches a patch and finds food there will 287 incorporate this information in their current representation of the patch. The 288 proposal is that the new information is incorporated only imprecisely (e.g., 289 the learning rate varies; [50]). As a consequence, there is some imprecision in 290 the estimated value of the alternative, leading to the possibility of a different 291 (possibly suboptimal) alternative being selected when the choice is repeated. It 292 has been argued that this imprecision helps to balance cognitive resources and 293 accuracy in the face of uncertainty. Specifically, the random element stemming 294 from the imprecision allows the animal to react to changes in the environment 295

without having to invest cognitive resources in the monitoring of such possiblechanges.

²⁹⁸ Stochasticity in behavioural implementation

The final origin of probabilistic choice involves variability that occurs when a mental representation is mapped onto a choice (see bottom left of Figure 1). This type of stochasticity is sometimes referred to as response noise [33]. Two mechanisms have been discussed in the literature. First, probabilistic choice can be the result of comparative processes between the alternatives [51], with the degree of stochasticity being a function of how similar the computed values for the alternatives [e.g., **Luce Choice Rule**; 52].

Second, choice can be probabilistic because the organism makes an imple-306 mentation error. In other words, the choice following from the computed values 307 is not implemented correctly. A common approach implements this by intro-308 ducing a parameter that expresses the probability that the implementation fails 309 [i.e., trembling hand error; 53]. Several factors that might lead to stochas-310 ticity in behavioural implementation (e.g., pressing the wrong button) have 311 been discussed in the literature, including cognitive load [54], time pressure 312 [53], and boredom [55]. 313

³¹⁴ Concluding remarks and future perspectives

Choice is one of the basic processes in cognition, and organisms provided with the same information about the available alternatives will not always make the same choice. Although the phenomenon of probabilistic choice is generally recognized as an important element of any model of cognition, it has commonly been treated as a peripheral, unsystematic factor that interferes with and distracts from the process proper. Yet it appears that this view is slowly

changing. In this article, we have reviewed recent developments across multiple 321 fields in the cognitive and behavioural sciences that acknowledge probabilistic 322 choice and the associated stochasticity of cognitive processes to be a multi-323 faceted and theoretically interesting element that can play a substantive role in 324 models of cognition. We have discussed both the possible functionality of prob-325 abilistic choice for decision-making and how it can be harnessed to test and 326 refine models of cognition. Moreover, we have sketched a conceptual framework 327 distinguishing three main origins of probabilistic choice: stochasticity within 328 internal processing, reaction to uncertainty in the environment, and imple-329 mentation stochasticity. Our review offers several new avenues for researchers 330 interested in probabilistic choice as well as general suggestions for cognitive 331 modellers. 332

The framework presented in the previous section illuminates the multi-333 ple sources that can contribute to probabilistic choice. More effort should be 334 directed at understanding the multi-faceted nature of behavioural variability-335 and especially the nature of the processes that lead to probabilistic choice as 336 well as their potential adaptive value. For example, although much work has 337 elaborated how environmental uncertainty might be reflected in cognitive and 338 neural processes, thus giving rise to probabilistic choice, it remains an open 339 question to what extent different types of uncertainty might result in different 340 patterns of probabilistic choice, trigger different cognitive processes, or require 341 different types of adaptation (see Box 2). See the Outstanding Questions for 342 more suggestions. 343

On a more general level, we argue that measuring and analyzing patterns of probabilistic choice (and associated stochasticity) should become a core part of behavioural research. First, on an empirical level, researchers should take

into account the complexity of probabilistic choice and its various possible ori-347 gins when designing experiments, and make sure that the aspects important 348 for the model(s) in question can be controlled. Second, on a theoretical level, 349 researchers should analyze the response distributions, as they can help to dis-350 tinguish between different cognitive mechanisms. Finally, on a methodological 351 level, researchers should take into account observed patterns of probabilistic 352 choice and contrast them with the model's predictions. It's high time to take 353 probabilistic choice seriously. 354

355 Acknowledgements

We are grateful for the discussions with and comments by the members of the
Center for Adaptive Rationality, Graham Loomes, and Nick Chater. We also
thank Susannah Goss for editing this manuscript.

359 References

- [1] Wallin, A., Swait, J. & Marley, A. A. Not just noise: A goal pursuit
 interpretation of stochastic choice. *Decision* 5, 253–271 (2018). https:
 //doi.org/10.1037/DEC0000077.
- ³⁶³ [2] Agranov, M. & Ortoleva, P. Revealed preferences for randomization: An
 ³⁶⁴ overview. AEA Papers and Proceedings 112, 426–30 (2022). https://doi.
 ³⁶⁵ org/10.1257/PANDP.20221093.
- [3] Olveczky, B. P., Otchy, T. M., Goldberg, J. H., Aronov, D. & Fee,
 M. S. Changes in the neural control of a complex motor sequence during learning. *Journal of Neurophysiology* **106**, 386–397 (2011). https:
 //doi.org/10.1152/jn.00018.2011.

- [4] Wu, H. G., Miyamoto, Y. R., Castro, L. N. G., Ölveczky, B. P. & Smith,
 M. A. Temporal structure of motor variability is dynamically regulated
 and predicts motor learning ability. *Nature Neuroscience* 17, 312–321
 (2014). https://doi.org/10.1038/nn.3616.
- [5] Schulz, E. & Gershman, S. J. The algorithmic architecture of exploration
 in the human brain. *Current Opinion in Neurobiology* 55, 7–14 (2019).
 https://doi.org/10.1016/J.CONB.2018.11.003 .
- [6] Wilson, R. C., Bonawitz, E., Costa, V. D. & Ebitz, R. B. Balancing
 exploration and exploitation with information and randomization. *Cur*-*rent Opinion in Behavioral Sciences* 38, 49–56 (2021). https://doi.org/
 10.1016/J.COBEHA.2020.10.001.
- [7] Icard, T. Why be random? Mind 130, 111–139 (2021). https://doi.org/
 10.1093/MIND/FZZ065.
- [8] Leyton-Brown, K. & Shoham, Y. Essentials of Game Theory (Springer
 International Publishing, 2008).
- [9] Humphries, D. A. & Driver, P. M. Protean defence by prey animals.
 Oecologia 5, 285–302 (1970). https://doi.org/10.1007/BF00815496.
- [10] Winter, G., Wirsching, L. & Schielzeth, H. Condition dependence of
 (un)predictability in escape behavior of a grasshopper species. *Behavioral Ecology* 741–750 (2023). https://doi.org/10.1093/BEHECO/ARAD047.
- [11] Schulze, C., van Ravenzwaaij, D. & Newell, B. R. Of matchers and maximizers: How competition shapes choice under risk and uncertainty. *Cog- nitive Psychology* 78, 78–98 (2015). https://doi.org/10.1016/j.cogpsych.
 2015.03.002 .

- [12] Gershman, S. J. & Bhui, R. Rationally inattentive intertemporal choice.
 Nature Communications 11, Article 3365 (2020). https://doi.org/10.
 1038/s41467-020-16852-y .
- [13] Findling, C., Skvortsova, V., Dromnelle, R., Palminteri, S. & Wyart, V.
 ³⁹⁷ Computational noise in reward-guided learning drives behavioral variabil³⁹⁹ ity in volatile environments. *Nature Neuroscience* 22, 2066–2077 (2019).
 ⁴⁰⁰ https://doi.org/10.1038/s41593-019-0518-9.
- [14] Findling, C., Chopin, N. & Koechlin, E. Imprecise neural computations as
 a source of adaptive behaviour in volatile environments. *Nature Human Behaviour* 5, 99–112 (2020). https://doi.org/10.1038/s41562-020-00971-z
 .
- [15] Grady, C. L. & Garrett, D. D. Brain signal variability is modulated
 as a function of internal and external demand in younger and older
 adults. *NeuroImage* 169, 510–523 (2018). https://doi.org/10.1016/J.
 NEUROIMAGE.2017.12.031.
- [16] Kloosterman, N. A., Kosciessa, J. Q., Lindenberger, U., Fahrenfort, J. J.
 & Garrett, D. D. Boosts in brain signal variability track liberal shifts in
 decision bias. *eLife* 9, Article e54201 (2020). https://doi.org/10.7554/
 ELIFE.54201.
- [17] McAllister, J. W. What do patterns in empirical data tell us about the
 structure of the world? Synthese 182, 73–87 (2011). https://doi.org/10.
 1007/S11229-009-9613-X.
- [18] Bogen, J. Noise in the world. *Philosophy of Science* 77, 778–791 (2010).
 https://doi.org/10.1086/656006 .

- [19] Loomes, G. Modelling the stochastic component of behaviour in experiments: Some issues for the interpretation of data. *Experimental Economics*8, 301–323 (2005). https://doi.org/10.1007/s10683-005-5372-9.
- ⁴²¹ [20] Birnbaum, M. H. Testing mixture models of transitive preference: Com⁴²² ment on Regenwetter, Dana, and Davis-Stober (2011). *Psychological*⁴²³ *Review* 118, 675–683 (2011). https://doi.org/10.1037/a0023852.
- ⁴²⁴ [21] Birnbaum, M. H. & Bahra, J. P. Separating response variability from
 ⁴²⁵ structural inconsistency to test models of risky decision making. Judg⁴²⁶ ment and Decision Making 7, 402–426 (2012). https://doi.org/10.1017/
 ⁴²⁷ S1930297500002758.
- ⁴²⁸ [22] Birnbaum, M. H. Testing transitivity of preference in individuals.
 ⁴²⁹ Decision 10, 153–180 (2022). https://doi.org/10.1037/DEC0000185.
- [23] Loomes, G. & Sugden, R. Testing different stochastic specifications of
 risky choice. *Economica* 65, 581–598 (1998). https://doi.org/10.1111/
 1468-0335.00147.
- [24] Kubovy, M. & Healy, A. F. The decision rule in probabilistic categorization: What it is and how it is learned. Journal of Experimental Psychology: *General* 106, 427–446 (1977). https://doi.org/10.1037/0096-3445.106.4.
 427.
- ⁴³⁷ [25] Brunswik, E. Representative design and probabilistic theory in a func⁴³⁸ tional psychology. *Psychological Review* **62**, 193–217 (1955). https:
 ⁴³⁹ //doi.org/10.1037/h0047470.
- [26] Sundh, J., Collsiöö, A., Millroth, P. & Juslin, P. Precise/not precise (pnp):
 A Brunswikian model that uses judgment error distributions to identify

20 Probabilistic Choice

- cognitive processes. *Psychonomic Bulletin & Review* 28, 351–373 (2021).
 https://doi.org/10.3758/s13423-020-01805-9.
- ⁴⁴⁴ [27] Howe, R. & Costello, F. Random variation and systematic biases in
 ⁴⁴⁵ probability estimation. *Cognitive Psychology* **123**, 101306 (2020). https:
 ⁴⁴⁶ //doi.org/10.1016/J.COGPSYCH.2020.101306.
- ⁴⁴⁷ [28] Zhu, J. Q., Sanborn, A. N. & Chater, N. The bayesian sampler: Generic
 ⁴⁴⁸ Bayesian inference causes incoherence in human probability judgments.
 ⁴⁴⁹ Psychological Review 127, 719–748 (2020). https://doi.org/10.1037/
 ⁴⁵⁰ REV0000190 .
- ⁴⁵¹ [29] Sundh, J., Zhu, J.-Q., Chater, N. & Sanborn, A. A unified explanation of
 ⁴⁵² variability and bias in human probability judgments: How computational
 ⁴⁵³ noise explains the mean-variance signature. Journal of Experimental
 ⁴⁵⁴ Psychology: General 152, 2842–2860 (2023). https://doi.org/10.1037/
 ⁴⁵⁵ XGE0001414 .
- [30] Prat-Carrabin, A. & Woodford, M. Efficient coding of numbers explains
 decision bias and noise. *Nature Human Behaviour* 6, 1142–1152 (2022).
 https://doi.org/10.1038/s41562-022-01352-4.
- [31] Pirrone, A., Reina, A. & Gobet, F. Input-dependent noise can explain
 magnitude-sensitivity in optimal value-based decision-making. Judgment
 and Decision Making 16, 1221–1233 (2021). https://doi.org/10.1017/
 \$1930297500008408.
- [32] Juslin, P. & Olsson, H. Thurstonian and brunswikian origins of uncertainty in judgment: A sampling model of confidence in sensory discrimination. *Psychological Review* 104, 344–366 (1997). https://doi.org/10.

466 1037/0033-295X.104.2.344.

- [33] Sanborn, A. et al. Noise in cognition: Bug or feature? PsyArXiv Published
 online on December 05, 2022 (2022). https://doi.org/10.31234/osf.io/
 438nd .
- ⁴⁷⁰ [34] Yang, X. & Krajbich, I. A dynamic computational model of gaze and
 ⁴⁷¹ choice in multi-attribute decisions. *Psychological Review* 130, 52–70
 ⁴⁷² (2022). https://doi.org/10.1037/REV0000350.
- 473 [35] Tversky, A. Elimination by aspects: A theory of choice. *Psychological* 474 *Review* **79**, 281–299 (1972). https://doi.org/10.1037/h0032955.
- [36] Usher, M. & McClelland, J. L. Loss aversion and inhibition in dynamical
 models of multialternative choice. *Psychological Review* 111, 757–769
 (2004). https://doi.org/10.1037/0033-295X.111.3.757 .
- ⁴⁷⁸ [37] Khaw, M. W., Li, Z. & Woodford, M. Cognitive imprecision and small⁴⁷⁹ stakes risk aversion. *The Review of Economic Studies* 88, 1979–2013
 ⁴⁸⁰ (2021). https://doi.org/10.1093/RESTUD/RDAA044 .
- [38] Garcia, M. B., Grueschow, M., Polania, R., Woodford, M. & Ruff, C.
 Individual risk attitudes arise from noise in neurocognitive magnitude
 representations. *Nature Human Behaviour* 7, 1551–1567 (2023). https:
 //doi.org/10.1038/s41562-023-01643-4.
- [39] Chew, B. et al. Endogenous fluctuations in the dopaminergic midbrain
 drive behavioral choice variability. Proceedings of the National Academy
 of Sciences of the United States of America 116, 18732–18737 (2019).
 https://doi.org/10.1073/pnas.1900872116.

- [40] Kurtz-David, V., Persitz, D., Webb, R. & Levy, D. J. The neural computation of inconsistent choice behavior. *Nature Communications 2019*10:1 10, 1–14 (2019). https://doi.org/10.1038/s41467-019-09343-2.
- [41] Kahana, M. J., Aggarwal, E. V. & Phan, T. D. The variability puzzle in human memory. Journal of Experimental Psychology: Learning,
 Memory, and Cognition 44, 1857–1863 (2018). https://doi.org/10.1037/
 xlm0000553.
- [42] Dai, J., Pleskac, T. J. & Pachur, T. Dynamic cognitive models of
 intertemporal choice. *Cognitive Psychology* 104, 29–56 (2018). https:
 //doi.org/10.1016/j.cogpsych.2018.03.001.
- [43] Lee, D. & Coricelli, G. An empirical test of the role of value certainty
 in decision making. *Frontiers in Psychology* 11, 574473 (2020). https:
 //doi.org/10.3389/FPSYG.2020.574473.
- [44] Gershman, S. J. Deconstructing the human algorithms for exploration.
 Cognition **173**, 34–42 (2018). https://doi.org/10.1016/J.COGNITION.
 2017.12.014 .
- [45] Bergen, R. S. & Jehee, J. F. Probabilistic representation in human visual
 cortex reflects uncertainty in serial decisions. *Journal of Neuroscience* 39,
 8164–8176 (2019). https://doi.org/10.1523/JNEUROSCI.3212-18.2019.
- ⁵⁰⁸ [46] Hénaff, O. J., Boundy-Singer, Z. M., Meding, K., Ziemba, C. M. & Goris,
- ⁵⁰⁹ R. L. T. Representation of visual uncertainty through neural gain variabil-
- ity. Nature Communications 11, 1–12 (2020). https://doi.org/10.1038/
 s41467-020-15533-0.

- ⁵¹² [47] Walker, E. Y., Cotton, R. J., Ma, W. J. & Tolias, A. S. A neural basis
 ⁵¹³ of probabilistic computation in visual cortex. *Nature Neuroscience* 23,
 ⁵¹⁴ 122–129 (2019). https://doi.org/10.1038/s41593-019-0554-5.
- [48] Prat-Carrabin, A., Wilson, R. C., Cohen, J. D. & da Silveira, R. A. Human
 inference in changing environments with temporal structure. *Psychological Review* 128, 879–912 (2021). https://doi.org/10.1037/REV0000276.
- [49] Findling, C. & Wyart, V. Computation noise in human learning and
 decision-making: origin, impact, function. *Current Opinion in Behavioral Sciences* 38, 124–132 (2021). https://doi.org/10.1016/J.COBEHA.2021.
 02.018.
- [50] Wyart, V. & Koechlin, E. Choice variability and suboptimality in uncertain environments. *Current Opinion in Behavioral Sciences* 11, 109–115
 (2016). https://doi.org/10.1016/J.COBEHA.2016.07.003 .
- [51] Woodford, M. Modeling imprecision in perception, valuation, and choice.
 Annual Review of Economics 12, 579–601 (2020). https://doi.org/10.
 1146/annurev-economics-102819-040518.
- ⁵²⁸ [52] Luce, R. D. On the possible psychophysical laws. *Psychological Review* ⁵²⁹ **66**, 81–95 (1959). https://doi.org/10.1037/h0043178.
- [53] Olschewski, S. & Rieskamp, J. Distinguishing three effects of time pressure
 on risk taking: Choice consistency, risk preference, and strategy selection.
 Journal of Behavioral Decision Making 34, 541–554 (2021). https://doi.
 org/10.1002/BDM.2228.
- ⁵³⁴ [54] Olschewski, S., Rieskamp, J. & Scheibehenne, B. Taxing cognitive capac⁵³⁵ ities reduces choice consistency rather than preference: A model-based

24 Probabilistic Choice

- test. Journal of Experimental Psychology: General 147, 462–484 (2018).
 https://doi.org/10.1037/xge0000403.
- [55] Yakobi, O. & Danckert, J. Boredom proneness is associated with noisy
 decision-making, not risk-taking. *Experimental Brain Research* 239,
 1807–1825 (2021). https://doi.org/10.1007/S00221-021-06098-5.
- ⁵⁴¹ [56] Waschke, L., Kloosterman, N. A., Obleser, J. & Garrett, D. D. Behavior
 needs neural variability. *Neuron* 109, 751–766 (2021). https://doi.org/
 10.1016/J.NEURON.2021.01.023 .

544 Glossary

Probabilistic choice: The empirical phenomenon that people given the
same evidence do not always make the same choice. Also known as an
'inconsistent' or 'stochastic' choice.

Stochasticity: A property of an element (or collection of elements) in a model contributing unsystematic variability to the model's predictions. It is usually implemented by assuming a random draw from a specified probability distribution.

Transparent dominance: When the worst outcome of alternative A is better than the best outcome of alternative B, then alternative A transparently dominates B. In other words, A is clearly the better alternative.

Stochastic dominance: When every possible outcome of alternative A
is at least as likely under alternative B and one outcome is more likely under
alternative A, then alternative A stochastically dominates alternative B.

Trembling hand error: Trembling hand error assumes that—irrespective of the difference in subjective valuation between the alternatives in a choice set—the alternative with the higher subjective valuation is selected with constant probability $1 - \epsilon$, where ϵ is the probability of making an error or that "the hand trembled."

Luce Choice Rule: This rule derives from the work of Duncan Luce and assumes that the probability of choosing alternative A is a function of the difference between the subjective valuation of alternative A and the sum of the subjective valuations of all alternatives in the choice set (including A).

⁵⁶⁷ Box 1: Probabilistic choice in cognitive models

Many formal cognitive models that accommodate the probabilistic nature of choice share a similar general structure, consisting of two components: a *core component* that specifies how the subjective value for each alternative is determined, and a *choice rule* that derives a probability that each alternative is chosen.

While both the core component and the choice rule have been used to 573 incorporate stochasticity, most models use just one of the components—only 574 a few assume stochasticity in both components. Proposals for how stochas-575 ticity can be incorporated in the core component vary considerably, from a 576 straightforward Gaussian error term to a random process representing infor-577 mation accumulation. Most models incorporating stochasticity in the choice 578 rule use one of four rules: Luce Choice Rule, softmax, probit, or the trembling 579 hand error. In the first three, the predicted choice probability is a function of 580 the relative evidence for each alternative. In the fourth, it is constant across 581 different sets of compared alternatives. 582

Both the different stochastic components and the many possible implementations of stochasticity can, in principle, be combined in any way. This has resulted in a great heterogeneity of approaches to probabilistic choice in

cognitive models. Often, there is no principled approach as to which implemen-586 tation of probabilistic choice is employed in a given model. At the same time, 587 this heterogeneity is not uniformly distributed across disciplines and fields: 588 Assumptions and approaches seem to be clustered, further suggesting that 589 they are guided by the specific conventions in a subfield rather than by general 590 principles of cognition. This fragmentation suggests that probabilistic choice is 591 often treated as an auxiliary aspect of the actual substantive theory of cogni-592 tion. In many cases, models are equipped with a stochastic component simply 593 to "accommodate human choice stochasticity" [44, p. 41], without providing 594 a functional and process-specific rationale, or based on a model comparison of 595 various probabilistic components. 596

⁵⁹⁷ Box 2: Types of uncertainty

Three types of uncertainty can be distinguished: *aleatory uncertainty, epistemic uncertainty* and *ambiguity*. Whereas aleatory uncertainty arises from objective physical features of the environment (e.g., the design of a die makes it inherently uncertain), both epistemic uncertainty and ambiguity arise from the agent's limited information about the environment.

Suppose a foraging animal knows that the current patch produces 10 berries and that there is a probability of 80% that they will be eaten by another animal. In other words, the animal knows the possible outcomes and their probabilities. Here, *aleatory uncertainty* would correspond to the animal being uncertain about whether there will be any food at the patch because there is an 80% chance that another animal has already eaten it.

Now, suppose the animal knows that 10 berries can be produced but does not know the probability that they will be eaten by another animal. In other words, the animal knows the possible outcomes but not their probabilities. Here, *epistemic uncertainty* would correspond to the animal being uncertain about whether the food will be there because there is some possibility it has already been eaten.

Finally, suppose the animal has limited information about the amount of 615 food and the probability it will be eaten by another animal, such that the 616 animal knows neither all possible outcomes nor how likely they are. Here, 617 *ambiguity* corresponds to the animal being uncertain about both the amount 618 of food that might be there and the probability that any food will be there. A 619 related concept to ambiguity is uncertainty about known/unknown unknowns. 620 The animal might have a set of hypotheses about what could interfere with 621 the food supply, with each hypothesis being more or less likely. For example, 622 the animal might think it is likely that another animal will eat the food, but 623 that it is less likely that insects will interfere with the food source, and very 624 unlikely that the weather will affect the supply. This is uncertainty about 625 known unknowns. It is also possible that hypotheses are extremely unlikely 626 and/or have not even been considered. This is uncertainty about unknown 627 unknowns. 628

629 Highlights

Probabilistic choice has long been treated as peripheral to the core processes
of decision-making. Recent developments challenge that view and instead
highlight the possible importance of probabilistic choice for understanding
cognition.

First, probabilistic choice has been shown to have adaptive benefits for the organism. Second, probabilistic choice (and the associated stochasticity) has been shown to serve as a diagnostic tool for testing, comparing, and refining cognitive models.

Toward a more structured perspective on probabilistic choice, we propose a framework that distinguishes three origins of probabilistic choice: stochasticity in the internal processing, in reaction to uncertainty in the environment, and during implementation of internal computations into a behaviour.

643 Outstanding questions

Do patterns of probabilistic choice differ depending on the origin of probabilistic choice? In addition to intuitive and analytic strategies of judgement,
what other cognitive strategies can be distinguished based on their predicted
response distributions?

Is the stochasticity that is due to internal processing the same that emerges
in response to uncertainty in the environment? And how does the amount of
uncertainty in the environment affect the amount of stochasticity in internal processing? For example, how does the variability in memory retrieval
change under uncertainty? Does memory retrieval become more stochastic,
resulting in more probabilistic choice?

In light of the evidence that higher variability in neuronal firing is sometimes associated with higher task performance [e.g., 56], what exactly is the mechanistic relationship between neural variability and probabilistic choice?
To what extent do different types of uncertainty result in different patterns of probabilistic choice, trigger different cognitive processes, or require different types of adaptivity?

 What are the empirical rates of implementation stochasticity across different tasks?