bt Business Today

Why do we queue for the latest iPhone? Devina Mehra explains the tribal instinct behind iPhone, luxury, investment FOMO

An iPhone queue, a luxury handbag waiting list and an investor chasing the latest market trend may seem unrelated. Why do people spend more for products they may not necessarily need, or rush into investments after others have made money? Devina Mehra says both behaviours can be traced to the same evolutionary instinct: the powerful human desire to belong.

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Devina Mehra said this is essentially the bandwagon effect—the tendency to follow what others are doing, partly because being outside the group can feel uncomfortable.

Why are consumers willing to queue for hours, spend heavily or even take loans to buy the latest iPhone when the new model may offer only incremental improvements? Devina Mehra, Founder and CMD of First Global, says the answer may have less to do with technology and more with an instinct deeply embedded in the human brain.

It’s not really about the iPhone

In a recent commentary, Mehra questioned why people rush to buy the latest iPhone and why luxury handbags can have waiting lists. She argued that the behaviour is not simply about being attracted to “bright, shiny objects”. Instead, it reflects the human desire to belong to a tribe.

According to Mehra, this instinct can be traced back to early human evolution, when survival was closely linked to being part of a group. Belonging to a tribe offered protection and improved the chances of survival, while being excluded could have serious consequences.

The tribal instinct

That evolutionary wiring, she said, continues to influence modern behaviour, even though the nature of the "tribe" has changed.

Today, the tribe could be a social circle, a professional group or a particular aspirational lifestyle. Owning the latest iPhone, carrying a luxury handbag or using a particular brand can become a way of signalling that a person belongs to a particular group.

Mehra pointed out that this explains why functionality alone cannot account for some consumer choices. A newer smartphone may not dramatically change what a person can do, but owning it can provide a sense of identification with a desired group.

From iPhone queues to investment FOMO

The same behavioural pattern, she said, extends beyond consumption and into investing.

In financial markets, investors can feel compelled to follow the crowd when a particular asset, sector or investment theme becomes popular. If "everyone" appears to be making money in a particular area, staying out can create an intense fear of missing out, or FOMO.

This is essentially the bandwagon effect—the tendency to follow what others are doing, partly because being outside the group can feel uncomfortable.

Devina Mehra
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Why do so many queue up for & take out loans to buy the latest iPhone when it gives little additional functionality?

Why do luxury bags have a waiting list?

Is it that human beings are attracted to bright shining objects?

Actually, it isn't about the objects at all; it is Show more

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Why people line up for hours to get the latest iPhone?

Is it really about the phone? Or something deeper?

Turns out, it's not just about tech.🧠

It's about how our brains work.

How? Read the full article, link in the thread below.

What do you think makes people splurge on

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What does buying Gucci bags or iPhones have to do with survival?

Our need to identify with a tribe by behaving like others can be traced back to early human evolution

DEVINA MEHRA
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A couple of weeks ago, I was on live television. It turned out to be the day of Apple's iPhone 16 launch and the anchor showed me the crowd of people queuing outside a Apple store and asked me when I was going to buy it. As a never-switched-from-Android user, I knew the answer. Incidentally, this column is being dictated using the Google speech-to-text keyboard on an Android phone.

But this set me thinking.

First of all, most people queuing outside the store would barely be able to tell you how the newest launch differs from the iPhone's previous generation. Also, there are some statistics showing that 70% of iPhones are bought on credit in India. So, why are people willing to stretch themselves financially for something that barely gives them any additional functionality?

And it is not just about iPhones. Earlier this year, I read a LinkedIn post

evolution. I have written and spoken extensively about various cognitive biases—mostly deriving from Daniel Kahneman's work.

As the psychologist also mentions, no matter how well we understand these biases intellectually, we are unable to get rid of them from our thinking and behaviour. Kahneman spent a lifetime studying these and won an Economics Nobel prize in 2002 for his work in precisely this area, but also said that for all his research and study in this field, his own decision-making had barely changed.

These biases are practically impossible to get rid of because they are hard-wired into us through tens of thousands of years of human evolution. They literally helped us survive as a species through the millennia.

Biases exist because they served a purpose. Human evolution has no interest in the health of our portfolio or our career—it is essentially geared towards two major areas: procreation and survival.

But where do expensive phones and fancy bags come in?

And it is not even about branded goods on which you are spending a lot of money. In another set of circumstances and people, Tumi and Gucci bags may be an absolute no-no and the only acceptable attire may be a ragged *kurta* and torn *jhola*. And, trust me, you will follow that unwritten dress code equally assiduously.

What is driving us is not that we want bright shiny objects or that we want to live beyond our means.

The key is that we want to belong—

for choosing not to follow the group. To be thrown out of a tribe meant that you would not be able to procreate for sure and may not have been able to easily survive either.

We are products of ancestors who won the survival game by belonging to a tribe, and that remains hardwired into us humans—whatever we define as our tribe.

We want to do things that conform with tribal behaviour and it is extremely uncomfortable to not fit in or be pushed out of the tribe. The need to belong is extremely strong.

Intellectually, we do understand that not owning an iPhone 16 will not harm us, physically or otherwise. But for our brain, it is panic time if we do not belong in the set of people we hang out with.

In the investing world, this translates to a desire to jump onto the latest bandwagon, the area where 'everyone' is making money. Else, there is an intense feeling of FOMO (fear of missing out). More on this another time.

Evolution is a hacker. It does not seek to optimize. It wants to expend minimum energy on ensuring we get to the next generation for gene transmission. Hence, the brain takes a number of short-cuts. For example, a number of optical illusions rely on the fact that our brains assume that light comes from above, which was a good enough thumb rule for several thousand years.

Believe it or not, iPhone 16 and Tumi bag purchases—not to mention Telegram groups that discuss markets—are linked with our hunter-gatherer ancestors living in caves.

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Why understanding our biases may not be enough

Knowing that these biases exist does not necessarily make them disappear. Mehra points to psychologist and Nobel laureate Daniel Kahneman, who spent a lifetime studying cognitive biases but acknowledged that all his research had barely changed his own decision-making.

The reason, she argues, is that these tendencies are not recent habits that can simply be unlearned. They are hardwired into humans through thousands of years of evolution, when staying with the tribe could determine whether an individual survived and reproduced.

Mehra describes evolution as a “hacker”—it does not seek to optimise human behaviour, but relies on shortcuts that were good enough to ensure survival and pass genes to the next generation.

That leaves modern humans with instincts designed for a very different world. The same impulse that once encouraged our ancestors to stick with the tribe can today show up in an iPhone queue, the desire for a luxury bag or the rush to join an investment trend because everyone else appears to be making money.

And recognising that instinct may not be enough to escape it. The products and markets have changed dramatically; the brain responding to them, Mehra’s argument suggests, has changed far less.