EASIEST

Applying
Behavioural Economics
to your Cause

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Applying Behavioural Economics to your Cause

By Bernard Ross

This booklet is an introduction to the **EASIEST** framework, developed by =mc consulting's DecisionScience team, and now used by many leading public bodies, charities and INGOs worldwide to help design and deliver their campaign, advocacy and fundraising programmes.

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About the author

Bernard is director of the DecisionScience team within =mc consulting, a management consultancy working worldwide for ethical organisations – **www.managementcentre.co.uk.** He is the author of a number of award-winning books including **Change for Good**, the leading work on behavioural economics for social good with Omar Mahmoud, Global Chief of Market Knowledge at UNICEF International. He has created global strategies for many of the world's largest INGOs including the Red Cross, Amnesty, World Animal Protection, SightSavers and UNICEF. He's raised money to refurbish the one of France's most famous monuments, to house the world's largest dinosaur in Argentina, and to save the last 800 great apes in Africa. You can reach him at **b.ross@managementcentre.co.uk**

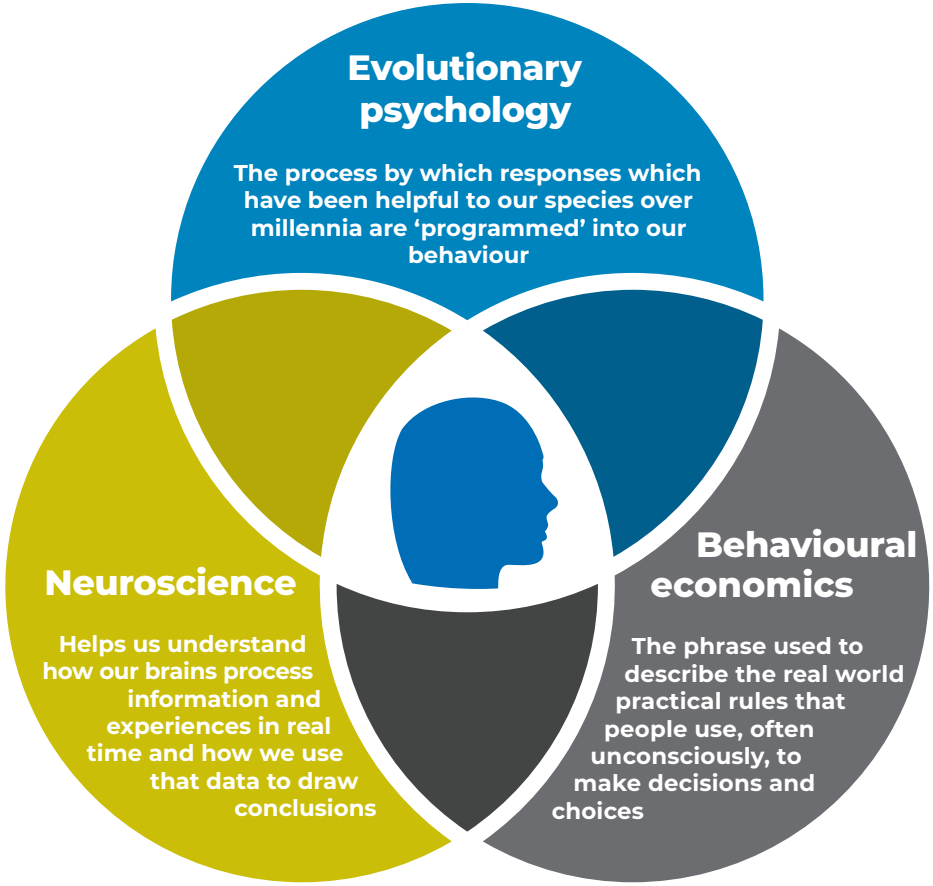
About the booklet

This booklet explains the **EASIEST** framework. Linked to it are a masterclass, a number of training options and the book, **Change for Good**. The book and trainings show how other NfPs – from Medecins Sans Frontiers to UNICEF International and from the Royal Opera House in UK to MEF Museum in Patagonia – have adapted and incorporated these powerful ideas.

By using them successfully and systematically, you too can make a massive difference to the way you improve the world by helping groups and individuals to make positive choices to support, to make a donation, to engage with a campaign, to change their behaviour.

What's Decision Science?

Decision Science is the study of how we make choices and commit to certain actions. It combines three disciplines – neuroscience, evolutionary psychology, and behavioural economics. This booklet focusses on behavioural economics, which says that people's choices are constrained by the amount of information presented to them, their preferences for certain kinds of information, their capacities, and the short time normally available for decisions.



"People are to thinking as cats are to swimming. We can do it if we have to but we'd rather not."

Daniel Kahneman, *Thinking Fast and Slow*, 2002. Nobel Prize for Economics

Watch out for Friction

A key idea in decision science is the importance of avoiding friction – that is any element that gets in the way of someone adopting the behaviour you want – to make a donation, to sign a petition, to engage as a volunteer, to improve their health choice. Examples of friction include overly complicated forms to fill in, processes that are too complex, webpages that take too long to load, or even offering people so many choices that their brains freeze. When applied, the **EASIEST** formula helps you overcome friction.

Many of the principles and techniques outlined here are already routinely used in the commercial world to persuade us to buy products or services. In fact, business may be as much as 10 years ahead of not-for-profit organisations in implementing the findings from research in this field.[1]

"Heuristics are cognitive shortcuts or rules of thumb that simplify decisions. They substitute a difficult question with an easier one. A cognitive bias is a systematic – not random – error in thinking, in the sense that a judgment deviates from what's considered desirable in terms of accepted norms or correct in terms of formal logic."

Adapted from Daniel Kahneman, *Maps of bounded rationality: Psychology for behavioral economics.* The American Economic Review.

The **EASIEST** checklist is designed to put into an easily applicable format the fundamental principles underlying the three disciplines decision science draws on. It also forms a simple, memorable Nudge checklist so you can incorporate these principles into your work. The checklist helps avoid the temptation to copy a few 'cool' examples of heuristics such as anchoring and try to apply them as a one-size-fits-all solution. Any one heuristic might, or might not, work but this approach is not very systematic[2] and avoids the issue that the appropriate sequencing of choices – decision architecture – is essential. By using **EASIEST** you have a systematic approach that can turn you into a bona fide decision scientist creating effective decision architectures for good.

1 There is some good news. Not-for-profits and public authorities are off the starting block. We have included here and in the linked book and seminar examples of good or excellent 'social' applications from health, social justice and, of course, from fundraising, where the connections to marketing are perhaps strongest.

2 Indeed, this is what fundraisers are doing when they run simple A vs. B testing. They keep on trying out variations of text, pictures, and gift amounts in the hope of hitting on an effective way to increase contribution, retention, or some other factor. This can work, just as you might hit a bull's eye in a game of 'darts in the dark.' But it's not very systematic.

The Importance of Good Decision Architecture

There can be unintended consequences when decision science principles are applied crudely or inappropriately. For example, you may have heard of childcare nurseries introducing fines for parents who were not on time to collect their children. The *intention* was to stop the parents turning up late. What happened, however, was that parents began to see the lateness fine of, say, £20 or $20 as a reasonable price for flexibility and an extra hour or so of childcare.[3] Trying to normalise certain behaviour, 'turn up on time', by the crude use of what's called the avoid loss heuristic expressed as a fine, didn't work. The loss wasn't great enough, and the price to 'turn up late' seemed OK.

This is a great example of the difference between traditional economics and behavioral economics. Traditional economics relies on incentives (discounts, special offers) and penalties (price increases, taxes, fines). In this example, traditional economics had the reverse effect because it didn't take into account people's deeper psychology.

In another unhappy example, the Petrified Forest National Park in Arizona also inadvertently nudged visitors in the wrong direction. Park Rangers put up signs explaining that 'many visitors' removed petrified wood, which was damaging to the park's ecosystem. Sadly, this new sign seemed to encourage removal more than the previous one warning visitors not to take it. The new sign inadvertently signaled a bad social norm, and visitors found it more acceptable to break the 'no removal' rule because they were told many others did. Message: don't normalize negative behavior.

3 For a wider ranging set of examples of this challenge see A Fine Is A Price, Uri Gneezy and Also Rustichini http://rady.ucsd.edu/faculty/directory/gneezy/pub/docs/fine.pdf

There are also, of course, effective examples of good decision architecture. In Scandinavia, for example, there have been a number of interesting experiments to improve driving including:

- **Changing the measurement unit.** In Stockholm, fuel economy information was presented showing the impact of a slower speed as krona per kilometre saved to encourage sensible driving.

- **Giving feedback.** Roadside machines giving drivers immediate feedback about their speed. Drivers got a flashing 'slow down' and then a 'thanks for slowing down' plus a smiley emoji if they did. The result was drivers reducing speed by an average of 10-15%.

- **Offering reinforcing rewards.** Again in Stockholm, average speeds dropped from 32 to 25 km/h when drivers staying within the speed limit over a given stretch of road were entered into a lottery.

"A nudge [ ] is any aspect of the choice architecture that alters people's behavior in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates. Putting fruit at eye level counts as a nudge. Banning junk food does not."

Richard Thaler and Cass Sunstein *Nudge: Improving Decisions About Health, Wealth, and Happiness*

To avoid the kind of mistakes made by the Petrified Forest, the children's nursery and others, you need not just a grasp of one or more specific heuristics but also an understanding of the basic principles behind decision architecture. Remember, decision architecture is technically the sequence and type of heuristics used to encourage a target audience to adopt a specific behaviour.

Using such a sequence and selection effectively will help you – whether you're an advocacy specialist, social campaigner, marketeer or fundraiser – to come up with your own hypothesis on how to change behaviour in a testable and systematic way. ('Testable' is a key element of decision architecture too. You may want to test a number of different approaches – heuristics and sequences – to see which works best.)

CASE STUDY

Securing Higher Tips

The systematic application of decision architecture

What does decision architecture mean in practice? Here's a simple example in a study published in the *Journal of Applied Psychology.* Here we can clearly see the impact of a thought-through sequence of actions designed to drive a specific outcome – a decision architecture – at work. A research team studied the impact on levels of tips to waiters when mints were offered to diners at the end of a meal. There were two complementary studies, each with a related conclusion. The first showed that customers who were given 'free' after dinner mints at the end of a meal tipped more than those who were not. The second showed that the value of the tips varied with the number of sweets given and how they were given.

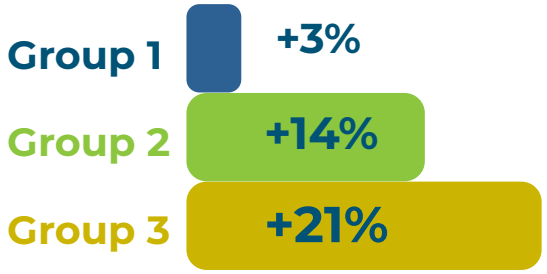
In this experiment a control group of diners were not given any mints. This set the standard for 'normal' tipping.

Three other groups were each given a different decision sequence:

- **Group 1** – **mints + bill:** the waiter supplied a gift of mints to the customers with the bill, but without mentioning the mints. So, customers could choose to see these as a special gift or simply part of the normal process.
- **Group 2** – **mints + mention them + present bill:** in this case the waiter presented the mints as an 'extra' and mentioned this to the diners. The bill was then brought separately.
- **Group 3** – **mint 1 + mention them + bill + mint 2:** here the waiter brought the bill, with some mints. After a pause, he offered the diners a second mint, making it clear he was favouring them.

In each case the level of service provided during the meal, the food quality, and even the total number of mints was exactly the same. But the 'architecture' of the sequence made a massive difference.

Giving a low-cost mint plus variable behaviour increased the level of tips over the control group by:



There are three general principles at work here: **Framing** (is the mint part of a normal process or a special gift for a valued group of customers?), **Reciprocity**[4] (the waiter gave us a gift, we must give him/her back something), and **Nudging** (a small action can trigger a much bigger reaction).

This study demonstrates the direct measurable impact – the desired behaviour – that a small series of systematically applied influence steps can have.[5] Many not-for-profit bodies could apply the same kind of thinking.

4 Reciprocity is an evolutionary and social rule we share as humans. Essentially if I do something for you then you should do something for me. Think of the guilt you feel if you are bought a Christmas present but don't buy the person one.

5 To be even more successful, earlier in the meal the waiter might also have followed Robert Cialdini's advice to waiters on influence:

- **Be likeable:** approach the diners and build rapport – perhaps ask what the occasion was, or check who was fond of meat, fish or vegetarian, etc. This could also extend to being attentive towards all the guests – and maybe saying "great choice" to a dish selection.
- **Emphasise authority:** check what wine variety or type the party like and then suggest wine X and perhaps an alternative choice Y – even, "Y is just as good, but a better value than X." This also primes and anchors a 'reasonable' price for wine.
- **Suggest scarcity:** mention that some of the special dishes often sold out by 19.30. And to secure the specials it would be good to order early. Maybe offer to go and check the situation in the kitchen.

In this way, additional techniques can be combined in sequence to deliver an efficient decision architecture. And increase tips.

Thinking more about goals

In the waiter example above part of the reason for success is that the waiter is clear on his or her goal – increased tips. The architecture of 'mints + bill' is shaped by that. But it's also important to think about what the goal or motivation is of the individual or group you're trying to influence. And in this case the waiter has done that by making them feel like a special and engaging group.

More generally the target market's goal could be:

Everyone has goals – desires, ambitions, needs. If the proposition we offer and the way we offer it helps, or appears to help, deliver those goals, then the consumer is likely to follow our course of action and to achieve the result we want.

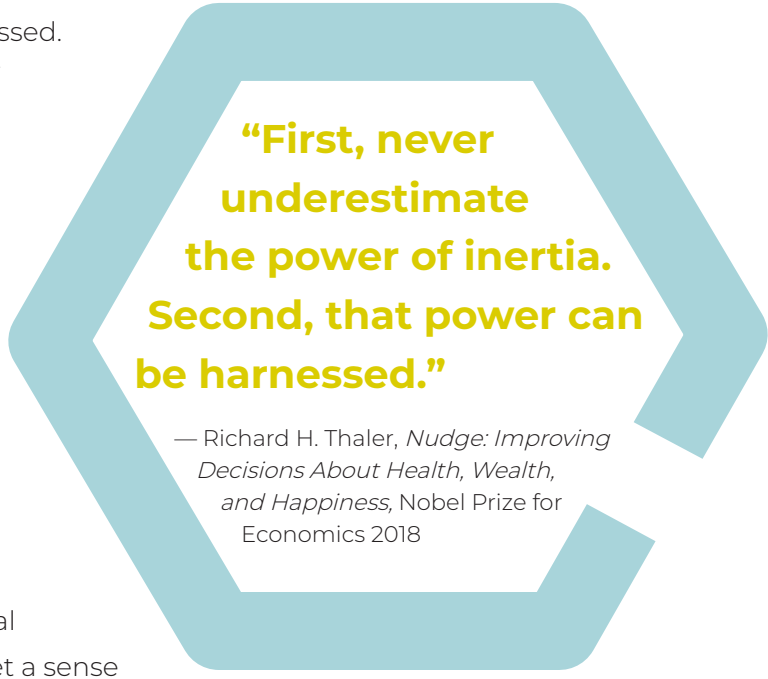
Not-for-profit organisations, possibly due to the fact they usually work for 'noble' causes, often make the mistake of only focussing on *their own* goals, and how *they* operate, e.g. "We help bring support to people in need," "We deliver medicine to the sick," rather than focussing on the goals of the supporter: "I want to feel I made a difference to poor people." "I want to improve the health chances of women." (It is tempting to think of the old analogy of a power drill company selling strength and speed and the consumer wanting a neat round hole.) Supporters want to feel agency – a sense of their ability to do or achieve something. Your proposition should involve that. The two important principles here are the IKEA Effect (having a sense of agency and contribution to the project) and the Need for Completion (seeing a project come to conclusion, thanks partly to my contribution).

As a member of Homo sapiens species you are a goal-seeker. Even the most hipster or digitally native of modern humans operates using what is basically a 200,000-year-old brain. At one level, everyone's most fundamental goal is survival. This involves two complementary dynamics, promotion and prevention. Promotion is seeking food, sex, company, etc. It means you need to go out looking for, and getting, dinner. Prevention is avoiding risks and dangers. It is avoiding becoming dinner.

Both of these then branch out into more specific drives. Promotion becomes adventure, excitement, exploration, etc. Prevention becomes security, care, trust, etc. Make sure when designing your very clever decision architecture to identify and, as fully as possible, meet the goal or goals of the target audience.

What's in it for me?

It's important to stress that the goals connection probably isn't a System 2 'considered' one. Once you have received a communication your brain – in a microsecond and without being aware of it – compares the offer with how closely it matches your goals. If there's a good match, then a 'go' decision is taken. If the match is not clear or awkward, then the 'no' or 'think about it' – System 2 – button is pressed. Timing and desire are key. If our goal at the moment of receiving a buy-a-chocolate bar signal is to receive an 'energy boost', then a particular kind of chocolate bar has preference. But if the incoming signal is that of a 'luxurious indulgence' chocolate bar such as a Bounty Bar, there will be a negative response. In a social sector setting, if I want to get a sense of belonging by donating to 'people like me,' but the fundraising images are of people I cannot relate to, I may decline to help. If there is a mismatch I may, at best, look for data that leads me to a more rational System 2 decision.



Avoid Friction

Make it the EASIEST of decisions

Your task as a change agent, fundraiser or a campaigner is to help make as easy as possible a decision that involves a fast and implicit cost/benefit analysis against a goal. The *cost* can be the money paid to buy a product, the level of donation needed, or the time or effort required to engage with the campaign. The *benefit* is the emotional reward or practical payoff that we get. Job one is to make sure you target the right goals as explicitly as you can.

Keeping in mind the behaviour you want and the target audience's goals, you have to apply appropriate principles or specific heuristics. We've categorised these as Ethical, Attractive, Social, Info-lite, Emotional, Story-fied, and Time-based. We work though them in the table below.

Element	Principles at work
Ethical Ensure that your approach fits with your values and those of your organisation. Avoid manipulating the supporter's feelings or behaviour in a way that might lead them to regret their support or to consider you as unethical.	· Be clear about the desired reaction/response/goal you want – and begin by considering how to achieve that most easily. · Consider how well the *approach* you adopt fits with the values and beliefs of your organisation, your beneficiaries and your supporters. · Consider if the *outcome* fits broadly whether the audience's/supporter's goals and beliefs. · Establish any risks – consider whether the media or a regulator be concerned about this. Avoid any technique that appears exploitative or manipulative. · Avoid engaging with individuals who are especially vulnerable or ensure their interests are protected. · Put in place a supporter charter that guarantees rights.
Attractive Increase supporter motivation to do something. Make it seem like something that fits naturally and easily with what they want to do. Frame the desired action in a way that is positive to the target audience. Make it simple to do, so that the target audience does not notice or mind the effort.	· Connect to any of the shared basic human drives – survival, power, territoriality, nurturance, sex. · Offer individuals a sense of ownership and value – an emotional and physical attachment to something. · There's often a gap between sensible intentions and what people actually do. Always have an emotional call to action. · Engage the audience's attention using a number of stimuli: colour, images, sounds and even smells. · Build in rewards and even small sanctions, if appropriate – remember that the possibility of loss is a key driver towards a choice. · Create agency. Enable people to do or complete something. Make it feel like their choice. · Always call for specific action. If there is a choice make it clear which option you want. · Make whatever you want people to do friction free – make forms quick to fill in; remove obstacles; make it fast. Avoid cognitive load. Stop people overthinking things. · Encourage people – offer perceived incentives, explain possible missed opportunities – to get them to act now where possible. · Reinforce all of the above using three linked techniques: framing, anchoring and priming.

Social

We are motivated by social comparisons and engagement – make whatever you want seem normal and popular. Connect people and encourage them to use their connections. Seek endorsement or confirmation from popular experts or respected figures.

- Build in personalisation where possible – make any message seem aimed at the specific individual. Names are especially important.
- Encourage people to publicly commit to action or beliefs, especially in communication with their peers and friends.
- Offer ways to spread your message and desired action from peer-to-peer, e.g. using social media.
- Harness influencer power: Consider who to refer to as being involved – peers, aspirational figures, celebrities, etc.
- Demonstrate the momentum of what you are doing in terms of other people's engagement – through tweets, Facebook, etc.
- Notice common social norms and build on the ones that key into your preferred action.
- Avoid messages that offer the possibility of bystander inaction: don't normalise negative behaviour.

Info-lite

You need to give people enough of the right kind of information to make a decision.
Avoid overload of information and especially too much choice – it leads to confusion or inaction.

- Don't offer too much information – only offer enough to make a decision.
- Make perception simple and relevant – be careful with words, images, structure etc. to make it accessible and understandable.
- Use all the senses in delivering information – smell, taste, sight, touch etc. – but be aware most perception is visual.
- When it's not possible to link to senses directly, employ sensory transfer – using one sense to stimulate another.
- Prioritise key and powerful information at the beginning and end of a process.
- Be aware we respond to what is in front of us. Don't be too subtle.
- Embed salience in your messaging – make key ideas noticeable and relevant.
- Use brevity and repetition to ensure that the message arrives and survives in the audience's brain for easy recall.

Emotional

Link as directly as you can to the fast System 1 part of us which is often led by emotions not rationality. Emotion is what makes *us* act.
Build *empathy* – our ability to identify emotionally with the situation of individuals or groups we are being asked to support.

- Be clear about the desired emotional reaction you want – happiness? fear? anger? surprise?
- Use sound, smell, touch, as well as images, especially faces, if possible, to evoke emotion.
- Create narratives/stories that make emotional sense of why something is happening. Link it to the supporter's feelings.
- Create connections between the supporter and those you seek to help so the supporter can empathise or identify with them.
- Present an identifiable victim that the audience can connect to at some level – a child, a parent, a doctor, a fellow Muslim, etc.
- Create opportunities to match or mirror the experience of others – for example, by using point of view images.
- Ask the audience to use their imagination and their emotional intelligence to understand the 'other' point of view.
- Give people information in a way that motivates them – in chunks, at key times, matching their feelings.
- Offer individuals a sense of ownership and value – an emotional and physical attachment to something.

Story-fied

The story heuristic is about our need to look for patterns -– even where there are none. We also seek evidence of progress or completeness. Create processes and messages which reinforce this sense.

- If you can, link what you're doing to one of the 'classic' story themes: a journey, a quest, etc. But don't be formulaic about it.
- Engage people in your story – give them agency in it – allow them to create some of the story. "Imagine you could..."
- Create sequence. Even if it's just "This person is in trouble. If you did this, they would safe. You would both be happy."
- Show progress, where possible – we like to see advances. Find ways to illustrate progress with maps and infographics.
- Identify who are the heroes or heroines in your story – don't make it the organisation. Make it the supporter, the beneficiary, or the field worker.
- Depending on the context, the hero is the supporter or beneficiary. The organization is the mentor or facilitator.
- Make your stories like parables – brief and to the point, with key learning clear.
- Align any stories you use with your overall brand image and values – "We are caring, bold, innovative..." etc.

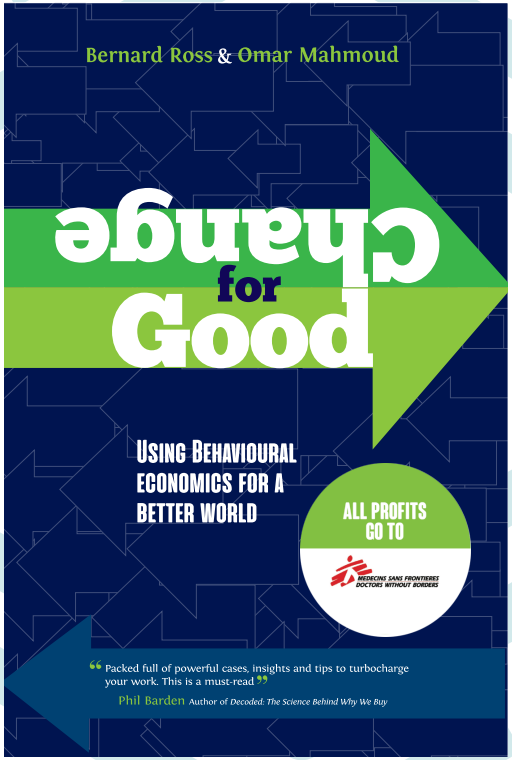
Time-based

One of key factors affecting decisions is how the sense of time is conveyed, and how we perceive time.
People indulge in hyperbolic discounting: evidence shows that present rewards are valued more than future ones. Once rewards are very distant in time, they cease to be valuable.

- Don't frame decisions distant in time. Prefer decisions where there is an immediate pay off – even if it's only perceptual.
- Where you can, offer a planned response or default. (You've made a valuable gift. Would you like to make it a regular one?)
- Create a set of choices in advance – people are more likely to follow this.
- Be aware that critical progress points are *a)* at the beginning of a project, indicating success in overcoming inertia.
- And *b)* towards the end of a project, promising completion. Both progress points can deliver a strong emotional impact.
- Real time updating about something gives it a sense of urgency – where you can provide this, do so.
- Engage people when they are most likely to be receptive – time of day, year, point in their life, etc.
- Be aware of the importance of peak experience – people remember the beginning, and especially the end, of events.

Want to find out more about Decision Science for social good?

Try **Change for Good** by Bernard Ross and Omar Mahmoud Available on Amazon.



"An outstanding book at the leading edge of a topic of critical relevance for how social purpose organisations can increase their impact."

Michael Adamson
Chief Executive. British Red Cross

About the DecisionScience Team

DecisionScience www.decisionscience.org.uk is a specialist team within **=mc consulting** bringing behaviour change to social purpose organisations – charities, INGOs, public bodies, social enterprises and ethical companies worldwide.

We offer:

- Training for teams
- Briefings for senior managers and frontline staff
- Advice on campaign design
- Experiment design and insight

Our customers for training and consultancy include:

Alzheimer's Association USA, Barnardo's UK, Edinburgh Zoo, International Step-by-Step Association (ISSA) Holland, MSF, Oxford University development network, FGV – Sao Paulo School of Business Administration, Smile Train, SoS Children's Villages, Trussell Trust UK, US Olympic Team, UNICEF UK, and more.

In partnership with Ogilvy Consulting, the Arts Council of England, and the national arts fundraising school we organised the world's largest field experiment on decision science and fundraising in the arts. Eleven leading arts, culture and heritage organisations – from the Royal Opera House to York Museum – explored how decision science could help them improve fundraising income. You can find out more at **www.decisionscience.org.uk**

DecisionScience

To bring a one-day masterclass, a seminar or a presentation sharing insights on how to make use of decision science to your organisation contact Clare Segal, director =mc consulting, **c.segal@managementcentre.co.uk**

For consultancy advice on how decision science could help you achieve your organisational goals contact: Bernard Ross, director =mc consulting, **b.ross@managementcentre.co.uk**