

Applying Behavioural Economics to Move to a More Sustainable Future

How Behavioural Economics can combine human-centred approaches and quantitative data collection

Human-centred analytics to enhance policy effectiveness session



Some Questions and Some Suggestions...

1. Which examples of combining human-centred research with quantitative data collection and analysis are most appropriate?

✓ Behavioural Economics

2. How can behavioural change advisories be introduced without consumers perceiving them to be controlling?

✓ Respect, Autonomy, Co-design, Transparency

3. How are SEAI integrating Behavioural Economics to encourage sustainable behaviours in Ireland?

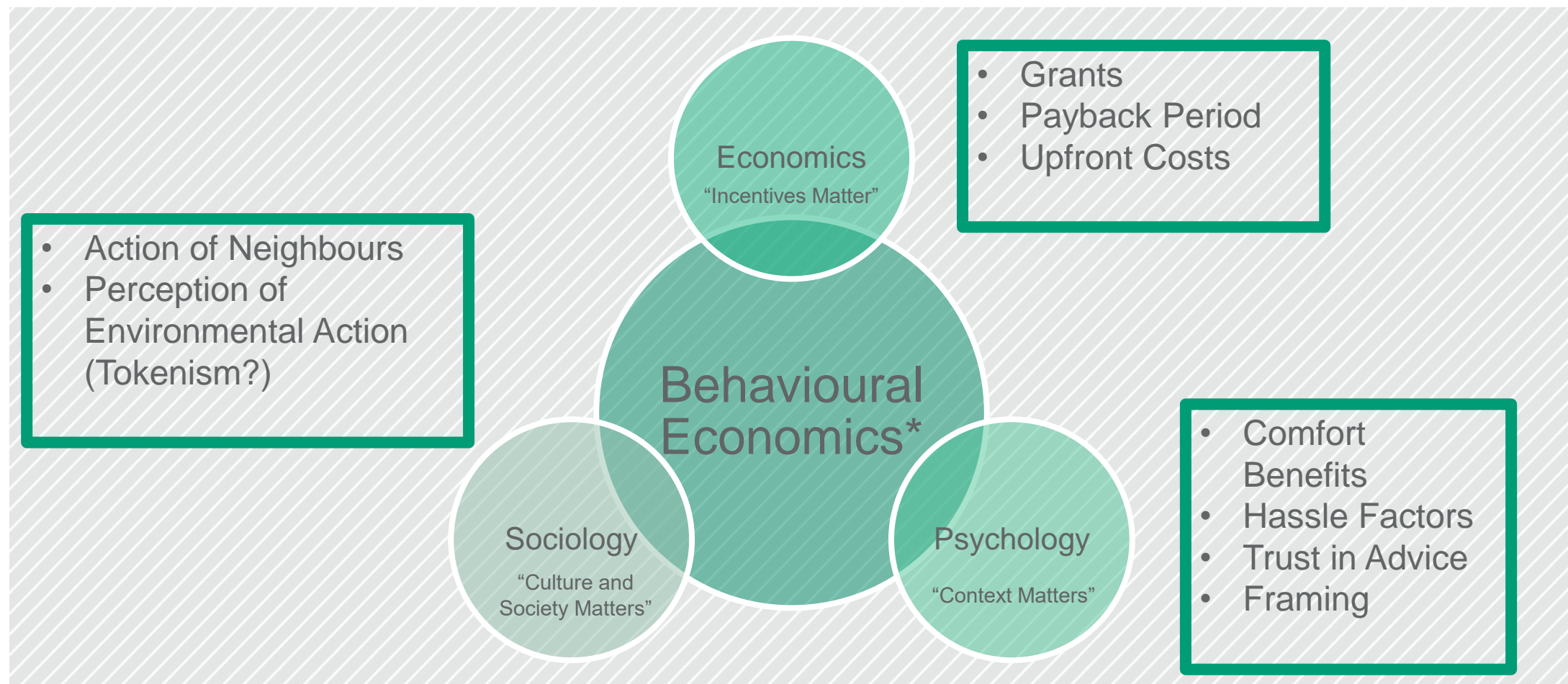
✓ A Phased Approach

Human Centred & Quantitative

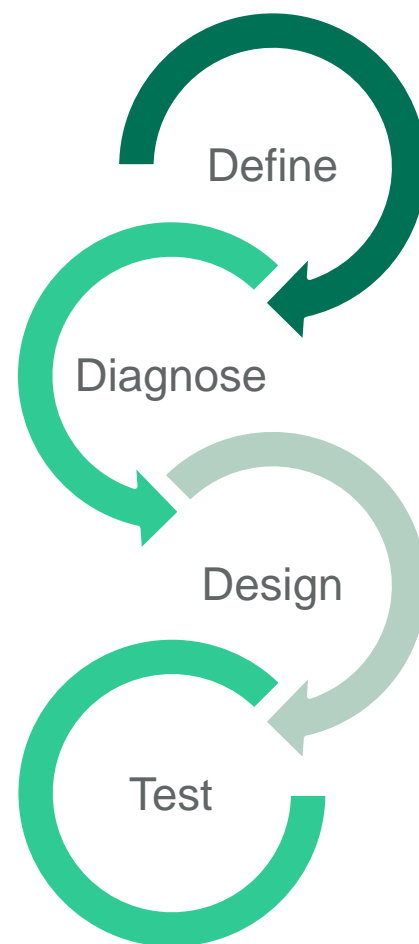


How Behavioural Economics can provide human centred policies based on robust evidence

What is Behavioural Economics*?



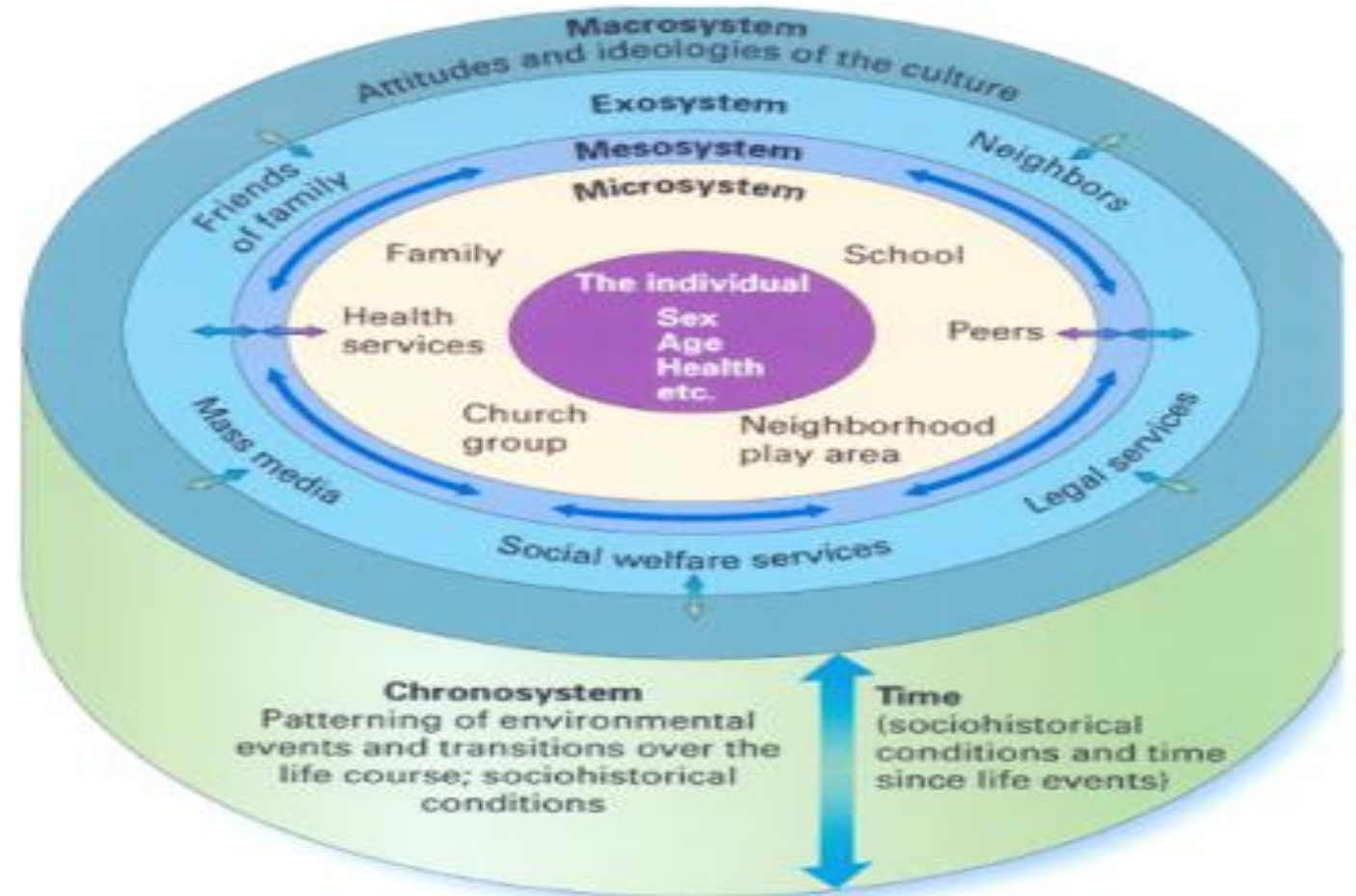
Changing Behaviour in 4 Steps...



Define

- Who's behaviour are we changing?
 - Who do they interact with?
- What context does the behaviour take place in?
- What existing interventions are in place?

What's the context?



What's the problem?

Broad Problem:

To increase completed Better Energy Home grant funded works among applicants whose application has already been accepted by the SEAI, *by reducing drop-out from initial contact (DOW) through to completion of works and return of compliance documentation.*

Assuming Solution

Target

Specific Problem Statement:

To increase the number of BEH grant funded works completed, *by 10%*, among active BEH applicants who applied within the last 8 months with a greater than 18% chance of abandonment, and *by 5%* by applicants with a less-than-18% chance of abandonment, *as measured by the number of completed works in the treatment group compared to the control group.*

Specify
Measurement &
Outcome

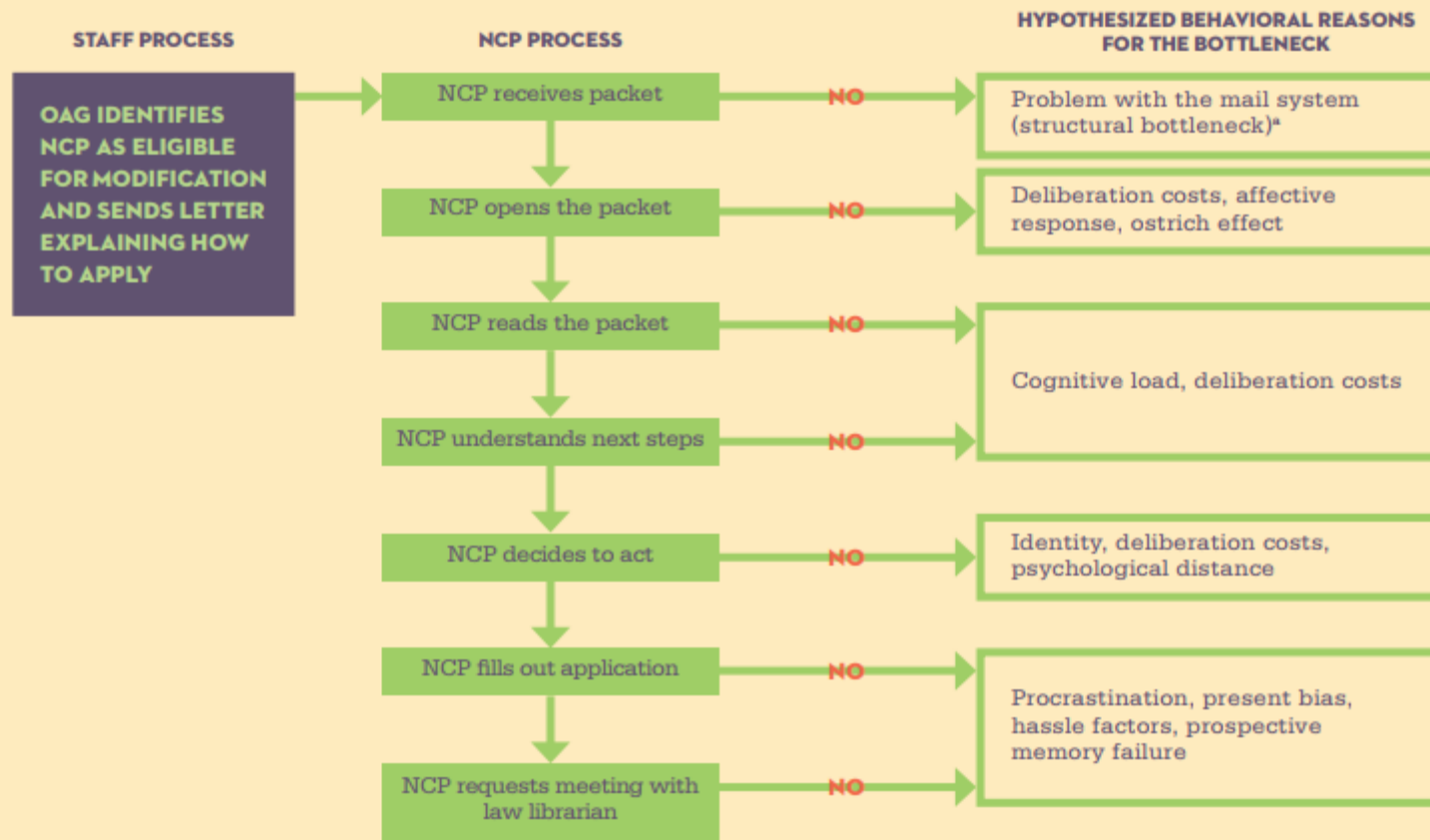
Define

What type of behaviour are we trying to change?

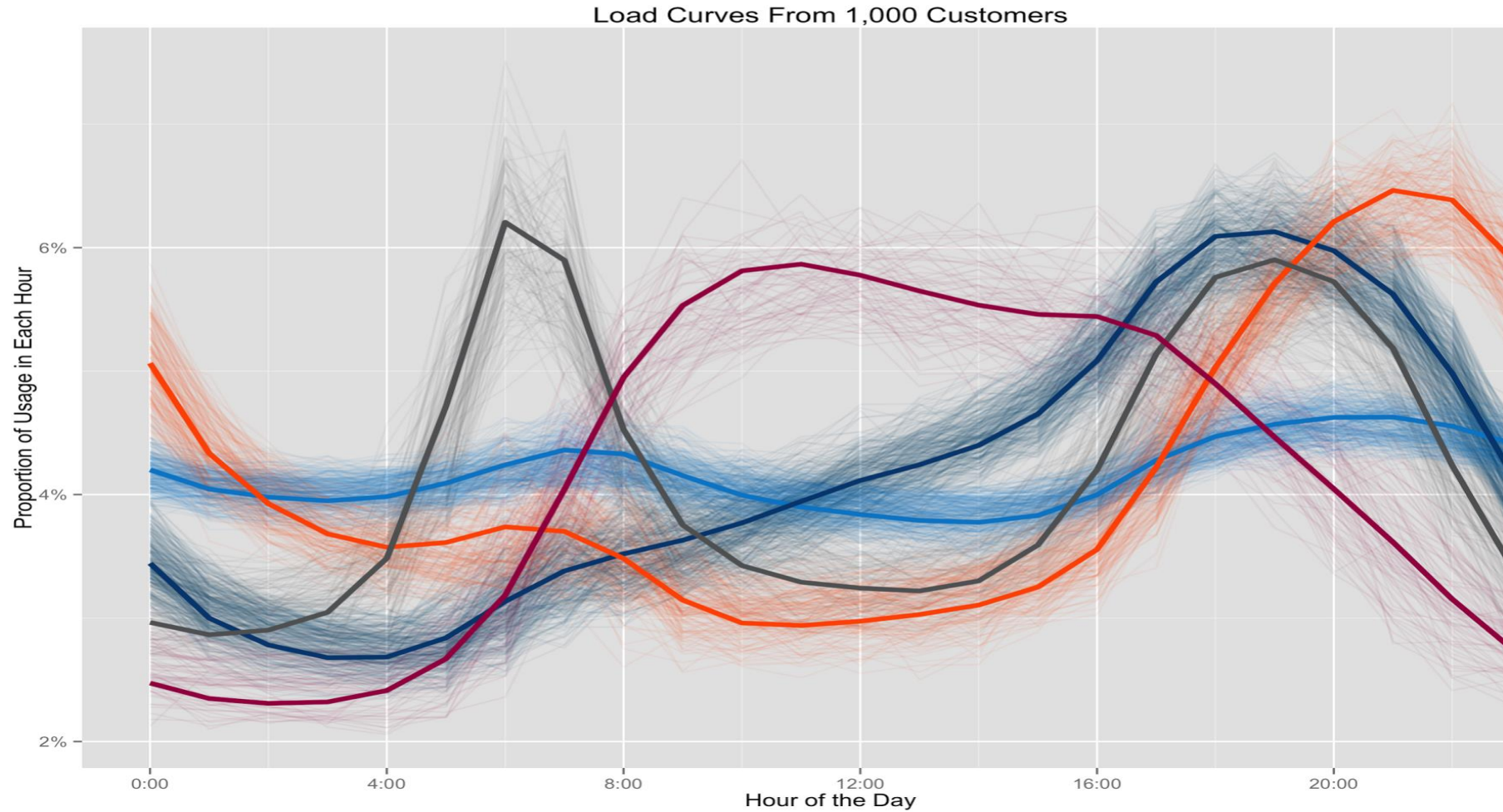


Identifying Behavioural Barriers

FIGURE 3.1
BEHAVIORAL MAP FOR REQUESTING MODIFICATION OF A CHILD SUPPORT ORDER
TEXAS OFFICE OF THE ATTORNEY GENERAL – CHILD SUPPORT DIVISION



Behavioural Segmentation



Source: Opower (2014)

Diagnose

Understanding the Person and Their Context



How can we change the behaviour?

TABLE 2.1
CONNECTION OF BEHAVIORAL DIAGNOSIS TO INTERVENTION DESIGN

| HYPOTHESIZED BEHAVIORAL CONCEPT THAT COULD EXPLAIN A BOTTLENECK | PROPOSED INTERVENTION | | | | | | | | | |
|---|-------------------------|--------------------|----------------------------------|-----------------|------------------|------------------|----------------------------|-----------------------------|-------------------------------|---|
| | Change Choice Set | Reframe Choices | Reduce/ Categorize Choices | Use Defaults | Force Choices | Use Reminders | Promote Plan- making | Remove Hassle Factors | Change Comparison Group | Change Identity Priming Elements |
| Mental accounting | ✓ | | | | | | | | | |
| Loss aversion | | ✓ | | | | | | | | |
| Discounting | | ✓ | | | | | | | | |
| Choice conflict | | | ✓ | ✓ | ✓ | | | | | |
| Procrastination | | | | ✓ | ✓ | ✓ | ✓ | | | |
| Automaticity, forgetting | | | | ✓ | ✓ | ✓ | ✓ | | | |
| Hassle factors | | | | ✓ | ✓ | | ✓ | ✓ | | |
| Social norms | | | | | | | | | ✓ | |
| Identity | | | | | | | | | | ✓ |

SOURCE: This table is adapted from a graphic created by ideas42.

Design

How can we change the behaviour?

Angles

Can you slant or angle things so some actions are easier than others?

Some cigarette bins are sold to authorities using the sloping top as a feature, discouraging people leaving litter on top



Converging & diverging

Can you channel people so they come together (or split up)?

Gates (and gatehouses) channel visitors through a narrow opening, allowing a toll to be levied, or to help control potential threats



Conveyor belts

Can you bring a feature to the users, or move the users to where you want them to be?

Moving walkways in airports help travellers move more quickly, but also prevent people blocking corridors, especially in groups



Feature deletion

What would happen if you simply took away features you don't want people to use?

Various politicians have proposed simply removing standby buttons from consumer electronics



Hiding things

Can you hide functions or elements you'd prefer people didn't use?

These church hall heating controls have been hidden (leaving only the timer button visible)



Material properties

Can you use the properties of different materials to make some actions more comfortable than others?

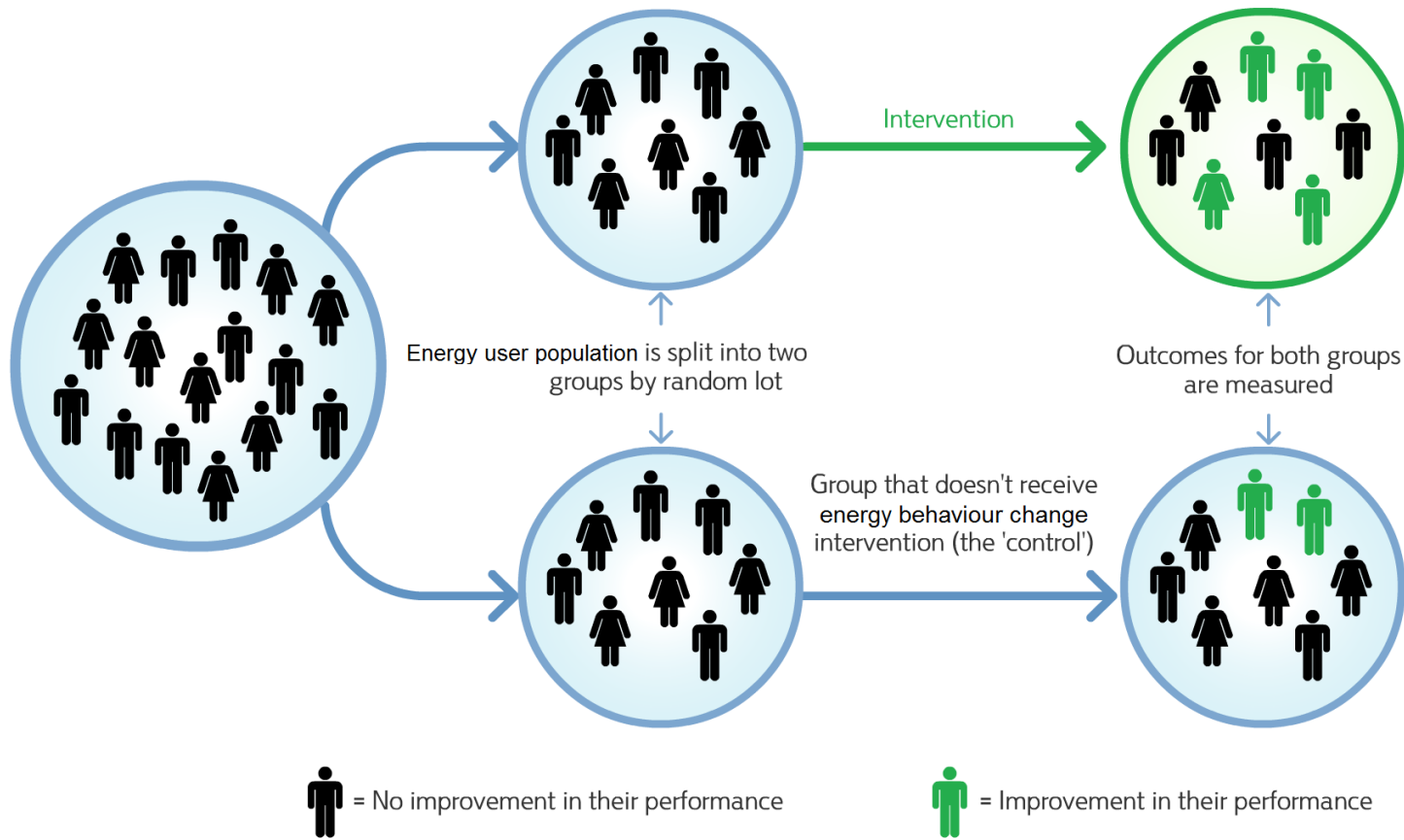
Rough-textured paving can act as a subtle barrier between cycle and pedestrian routes



The importance of prototyping...



How do we know it works?



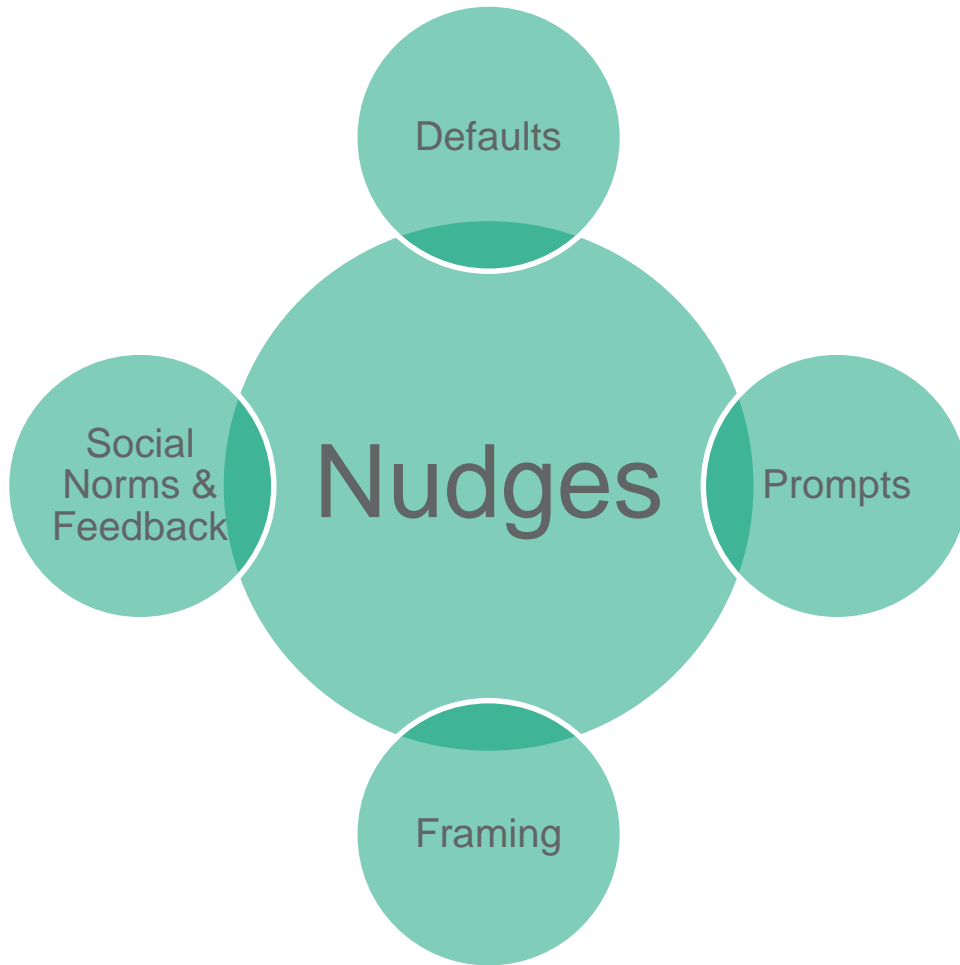
Respecting Consumers

How can behavioural change advisories be introduced without consumers perceiving them to be controlling?



Nudging

- A nudge is any change to a choice architecture that influences people's choice without restricting any options or significantly altering the financial incentives involved.
- To qualify as a nudge, any such change must be easy to avoid.
- Often involves simplification



However, nudges often aren't enough...

Co-Design



Embedding Fairness and Respect

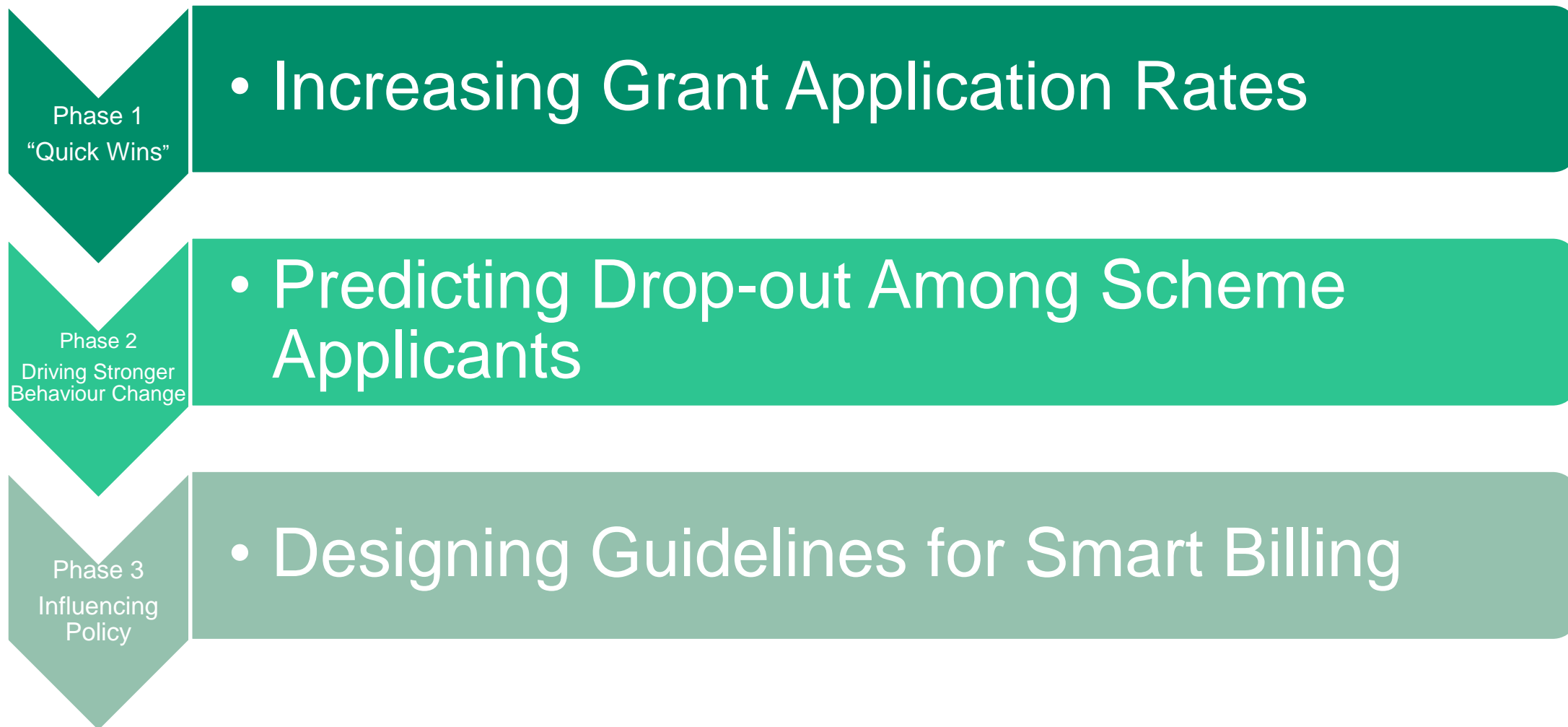


A Phased Approach

Applying Behavioural Economics at the Sustainable Energy
Authority of Ireland



A Phased Approach



Thank you

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