

Behavioural insights and service design

Jobs Australia Conference – 27 August 2014

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Why behavioural insights?

Influence behaviour in ways that are

- more effective
- and less costly

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Australian National University Structure of presentation

- Key insights
- Nudges
- Choice architecture
- Paternalism
- Future research
- Limitations of nudges
- Summary



Australian National University Key insights (1)

- People are not completely rational
- People exhibit predictable biases such as:
 - time discounting
 - loss aversion

Australian National University Key insights (2)

- We make decisions based on how the world appears, not how it is.
- Framing effects are powerful.
- The decisions we make depend on what we're paying attention to.
- Fairness matters to us.
- Intrinsic motivations can be undermined by rewards.

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Framing

Would you choose the operation:

- If 90% of patients are alive after 5 years?
- If 10% of patients are dead within 5 years?

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Nudges

- Decisions are influenced by seemingly irrelevant features of the decision-making context.
- Choice architecture matters
- · Defaults matter
- Nudges steer people towards the best option
- Libertarian paternalism

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Future research

- Still lots more to be discovered
- Increasing need to prove the effectiveness of programs
- Growing enthusiasm for randomised controlled trials

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Australian National Limitations of Nudges

- Potential for unscrupulous use of nudges
- Sometimes solving a problem requires a shove, not a nudge
- Sometimes people need better choices, not better choice architecture



Take home messages

Get the choice architecture right.

Think about:

- Defaults
- Framing
- Loss aversion
- Time discounting
 - Complexity
 - •Fairness



Contact us

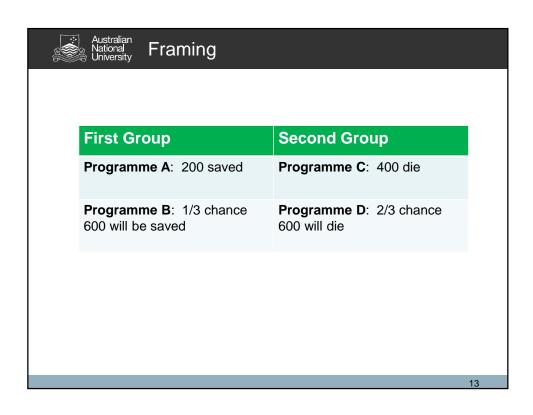
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System 1 • Fast thinking • Effortless • Automatic • Emotional • Impulsive System 2 • Slow thinking • Effortful • Deliberative • Calculating • Assesses carefully	 Fast thinking Effortless Automatic Emotional Slow thinking Effortful Deliberative Calculating 	 Fast thinking Effortless Automatic Emotional Slow thinking Effortful Deliberative Calculating 	Australian National University Thinking	g, fast and slow	
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