Keynote Presentation:
Why nudges are not enough

Professor Jeff French
Why Nudges are not enough

Thanks for the help and input

Jeff French

Social Marketing a standard tool to guide all:

Social Policy
Strategy
Tactics
Delivery
My thesis

Nudges should not be seen as the default solution to social change

New understanding forces us to reassess the exchange concept

Social marketing can add value to the selection and design of all social interventions

Social Marketing is key to strategic analysis and selection

A fundamental shift in approach?

Behavioural Economics

Richard Thaler

Cass R. Sunstein

Nudge

Improving Decisions About Health, Wealth, and Happiness
This is an important challenge to us

Do you know this book?

Have you read it?

Fallacy of the ‘Rational economic man theory’
Classical economics & Neo-classical economics

Rational Choice Theory

Maximising utility
Homo economicus ‘Rational Economic Man’ & woman!

Humans seen as: rational & narrowly self-interested actors

Confidence, Control, Power, Fun, Hope, Love, Sex!
The rational exchange

- Psychological cost
- Social cost
- Financial cost
- Physical cost
- Time cost

vs

- Psychological benefit
- Social benefit
- Financial benefit
- Physical benefit
- Time benefit

Incentives or disincentives to reduce or increase
BUT

95% of thinking happens in our unconscious

The neural tug of war
‘Choice Architecture’

Mindless choosing

D’oh, the donuts are wayy over there.

Think I’ll have fruit.

My cunning choice architecture will soon have Homer eating healthy.

Healthy fresh fruit.
Nudges can be characterised as:

1. Positive or only minor penalties
2. Avoidable
3. Passive, and easy, i.e. require little effort
4. Low cost, to both the person and to the organisation utilizing them

“Putting fruit at eye level counts as a nudge. Banning junk food does not”.
The value/cost exchange matrix © Primary Forms of intervention

Active Decision
Conscious / Considered

Incentive Reward

Nudge

Disincentive Punish

Automatic / Unconscious Passive Decision

Examples

Default saving Schemes

Default: Organ Donation?

Opt in
Opt out
The current context for our work

Self evident failure in some areas of policy
Complex messy societal challenges

- alcohol
- climate change
- recycling
- theft
- violence
- poverty
- inequality
- obesity
- pollution
- drug use
- sexual health
- smoking
- HIV / Aids

‘Get more from less’

Beat Credit Crunch: Shopping on a Budget
A dramatic transformation

Put your hands up generation LX
you are the ‘Charmed Generation’ Typically, people born between 1950 and 1970

You want it how you want it
The lead actor in the film of your own life

- A belief that people can make their own history
- A significant shift in the way that people perceive the role of the state

‘Serve the people better’

Relevant whatever the party, whatever the country
Democracy refreshed

A new politics of the common good

More demanding idea of what it means to be a citizen

Governments Nudged into Nudging

- Some Governments like Liberal Paternalism and Nudging because:
  - Simple concept
  - Promise of easy solutions
  - Low cost solutions
  - Light touch change
But there are 5 big problems with this thinking

1. Top down and controlling (Paradox)
2. Does not engage or empower
3. Individualistic, does not address causality
4. Driven by understanding but not insight
5. No account of other new understanding
Understanding and knowledge

The New Landscape of success

**New (And not so new) Thinking**
- Complex systems thinking
- Social Design
- Sustainable Development
- Liberal Paternalism
- Behavioural economics
- Social Networking
- Inequality / Spirit Level
- Genetic markers for behaviour
- Social Norming
- Social Capital
- Social Maths
- Urban design
- Crowd behaviour
- Neural science, behaviour info processing
- Dual Systems theory
- Public Value
- Corporate Social Value
- Evolutionary psychology
- Co creation
- Process Reengineering
- Behavioural Geography
- Communications science
- Neo Materialism V Psycho social theory of inequality and harm

**New (And not so new) Interventions**
- Health coalition building
- Social Design
- Integrated approaches to inequality reduction
- Solutogenic analysis
- Default options solutions
- Policy integration, whole systems solutions
- Assets Mapping and community asset building
- Community planning and design
- PROMS
- Corporate Social Value
- Peer support interventions
- VFM, ROSI, CBA and Social Return on Investment SORI
- Critical thinking schemes
- Social media
- Demarketing (Anti Marketing)
- Social Proofing
- Social Franchising
- Co creation
- Social design
- Resilience development
- Mindless choice solutions
- Incentives and conditional cash payments
- Neural Marketing
- Viral Marketing
OK so what should we do?

Can we use nudges?
The value/cost exchange matrix

4 Primary Forms of intervention

Active Decision
Conscious / Considered

Incentive
Reward

Disincentive
Punish

Automatic / Unconscious
Passive Decision

Incentive Reward

eg: Reward for not smoking
eg: A Fine

Nudge

Hug

Smack

Shove

eg: A default saving scheme
eg: Restrictions on sale time and age for alcohol
More than just Carrots and Sticks

Law Education

de-CIDES© influencing behaviour framework©

5 primary Types of intervention

- Control
- Inform
- Design
- Educate
- Support
The Social Change Intervention Matrix®

<table>
<thead>
<tr>
<th>Control</th>
<th>Inform</th>
<th>Design</th>
<th>Educate</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hug</td>
<td>Nudge</td>
<td>Smack</td>
<td>Shove</td>
<td>Smack</td>
</tr>
</tbody>
</table>

Smack
Control
Nudge
Design

Shove
Control
The value/cost exchange matrix

© 4 Primary Forms of intervention

Social Marketing
Traditional
Focus

Active Decision
Conscious / Considered

Incentive Reward

Hug

Disincentive Punish

Automatic / Unconscious Passive Decision

Nudge

Smack

So should we be worried by behavioural economics and nudging?
NO:
2011 a great year for Social Marketing!

- Our 2nd dedicated Social Marketing Journal
- The inception of the Global Social Marketing Association
- Australian Social Marketing Association
- New UK Social Marketing National Strategy
- Social Marketing in the US Healthy People 2020 strategy
- 2nd World Social Marketing Conference
- Over twenty social marketing text books
- Growing number of Social Marketing Conferences
- Etc.....................

Social marketing a multi disciplinary transtheoretical applied field,

We use Nudges when the ethics, insight evidence and data indicate we should
SM concepts and systematic planning =

Elegant solutions to complex problems

Social marketing also adds value in selecting and designing all the elements in social change programmes
Customer, evidence, data and insight driven = The Social Marketing Value Add

How it feels
the fatal conceit

They don’t, but the people do

The State and Experts know best
Social marketing is a deeply respectful, democratic, empowering and compassionate way to work that will be demanded by citizens.

The power of the people is the power of social marketing.
The Toronto Nudge

You are all automatically enrolled for the World Conference
April 2013 Toronto
We will bill you!

Only Joking

Many Thanks

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Questions

Please wait for the microphone and state your name and organisation before asking your question.