BEHAVIORAL SCIENCE STORIES

SHORT COLLECTION
OF CASE STUDIES
FROM AROUND THE WORLD

meta-decisions

This short collection of case studies was put together to showcase the application of behavioral insights across a range of behavioral problems, from policy to business. All case studies are the result of professional work carried by prominent behavioral scientists, and featured in open source format. Information is drawn directly from the source, which is referenced (including link) at the end of each case study.

Melina

Dr Melina Moleskis

PhD Managerial Decision Science, MBA Strategy

Behavioral economist | Corporate trainer | Professor

Founder at meta-decisions

Reducing insurance fraud

The Challenge

According to UK govt's Insurance Fraud Taskforce, fraud in insurance clams is costing the UK insurance industry approximately 1 billion pounds per year. For many insurers it is a multi-million pound problem. It causes the premiums of honest customers to be higher than they should be, creating further issues of customer dissatisfaction and trust.

The Solution

To deal with the problem, the UK Taskforce recruited behavioral experts to understand and test interventions that could be used in insurer's communications to reduce opportunistic fraud.

They tested 18 different nudges based on behavioral science insights, such as:

- **Social norms**: people tend to behave according to society norms, and will follow the behavior of others. The message design could debunk myth of 'everyone is doing it' by providing statistics of honest form completion.

- **Self-consistenc**y: we seek internal consistency in the way we behave, that is with our past behavior as well as with our beliefs. The message design could have the honest declaration (typically at the end of forms) at the beginning.

- **Priming**: our choices can be unconsciously influenced by immediate context. In this case, the message design could heighten sensitivity of seriousness with the use of authority (police) logos.

- **Framing**: we are influenced by the way information is presented. Debunk myth of 'victimless crime' by presenting the negative consequences of lying/exaggerating.

- **Reciprocity**: we tend to reciprocate good actions from others such as gifts. Debunk myth of 'insurers are the enemy' by having up-front honesty pledge by insurer.

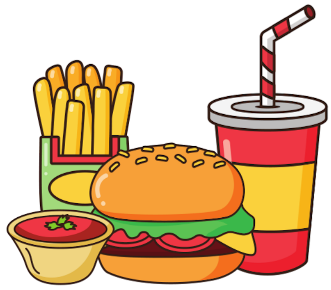
Results

The 18 nudges had an average effectiveness of 36% in reducing fraud. The most effective message, which brought 70% reduction, read like this:

> **Did you know?**
>
> **95%** of insurance customers fill in their forms fairly and accurately, and make honest insurance claims – **be one of them.**

Source: DecTech & UK Insurance Fraud Taskforce

Nudging children to healthier eating



The Challenge

We are what we eat, and that goes double for kids. The eating patterns we develop as children stick with us for life, which means that kids whose nutritional needs aren't being met today may be set up for more severe health problems tomorrow. As of 2018, nearly one in five children and adolescents in the U.S. is considered to be obese.

The Solution

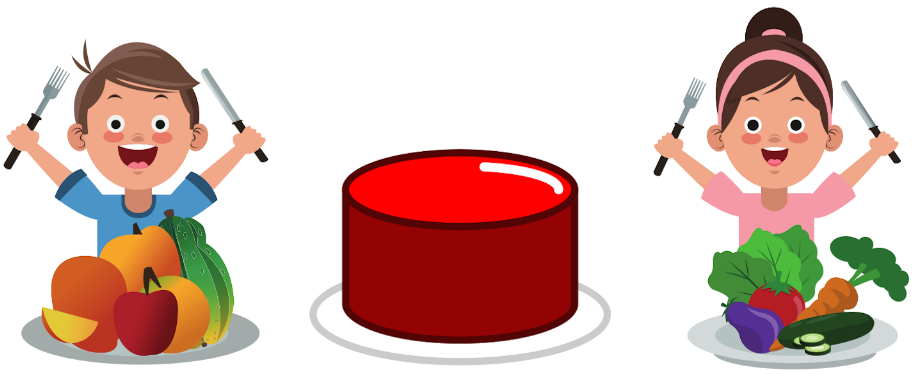
The Decision Lab (TDL) collaborated with one of the world's largest fast-food chains to tackle this problem. They wanted to understand how the choice architecture of their restaurants could be modified to encourage healthier decisions among kids and their parents.

TDL investigated the behavioral design of some of the client's nearby restaurants by looking at how the customer journey unfolded across the various sales channels where interactions took place: at the counter, at sales kiosks, at the drive-thru window, and so on. They also surveyed parents about the relationship they (and their kids) had with fast food, and interviewed the restaurant crew to get insights from both the demand and supply sides.

Some of the ultimate recommendations were adjustments to sales systems and internal policies. For example, a simple change to the POS design and a minor modification to staff training protocols would eliminate one of the biggest barriers to ordering healthier kids' meals, while also making ordering faster and more efficient.

They also recommended some UI updates on customer-facing sales kiosks, redesigning particular screens where they found customers were likely being nudged towards less healthy options.

In order to make ordering healthy food more exciting, they introduced a big red button. It works like this: if kids pick a healthy menu item, they get to hit a big red button, which then plays a congratulatory message.



Results

The big red button and the other interventions boosted healthy ordering by 20% and 40% respectively.

Source: The Decision Lab

Reducing water consumption

The Challenge

Water is a precious resource. The government of Belén, Costa Rica wanted citizens to reduce water consumption.

The Solution

Using social norms as well as plan-making can provide effective "nudges" to motivate people to save water. Customer water bills were modified in one of three ways:

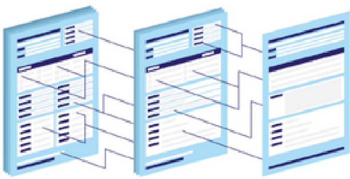
- The first compared the customer's consumption with the neighbourhood average and gave a happy face or a frowning face rating.
- The second did the same thing but using the city-wide average.
- The third asked customers to write their water consumption on a provided postcard that included the city average and to check off any of six tips to reduce water consumption.

Results

While peer data on city-wide comparisons showed no statistical significance, the neighbourhood comparison and postcard groups registered a 4% to 5% reduction in water use. Extended to the entire city, this translates to the equivalent of 6,720 cubic meters saved per month, or 188,000 showers!

Source: OECD Behavioral Insights & Public Policy

Designing government forms



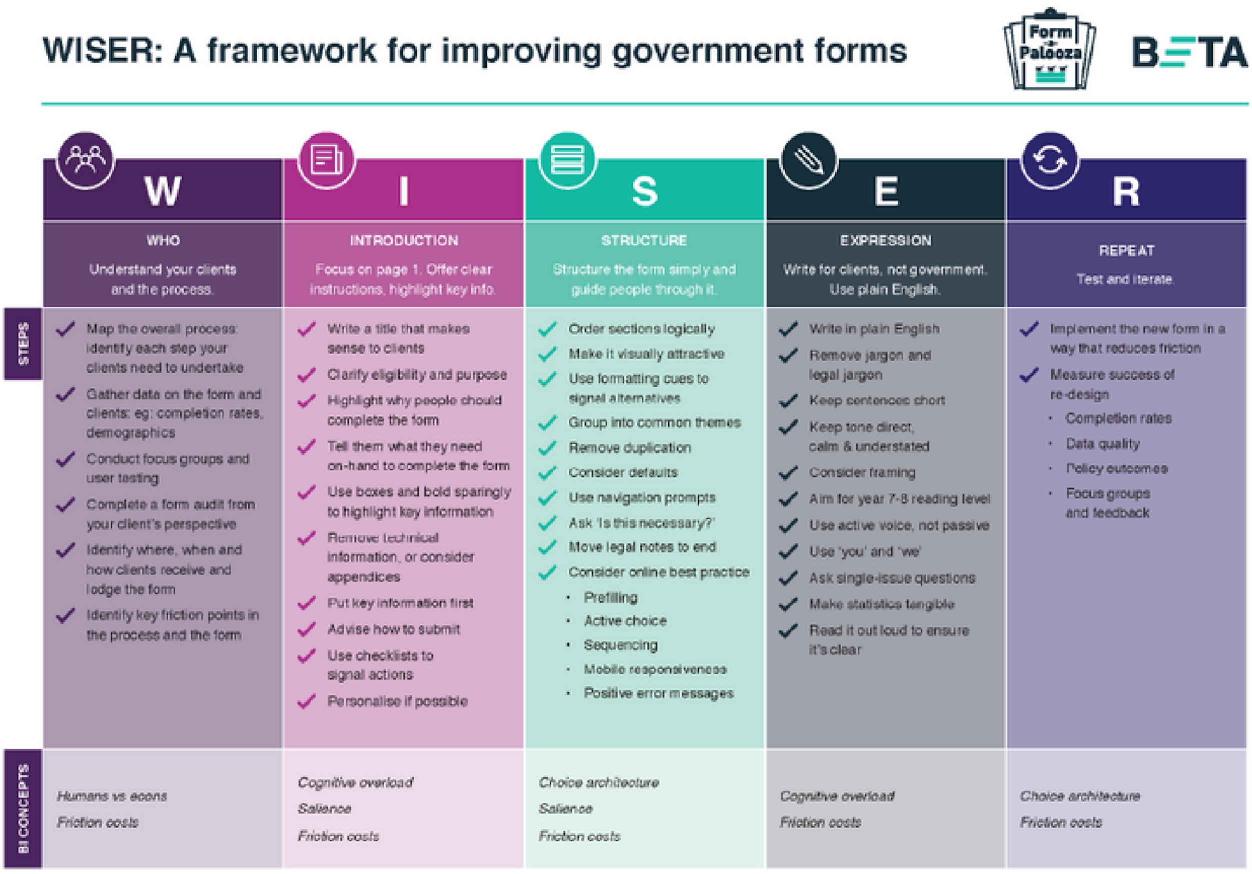
The Challenge

Forms are everywhere. They are still the most common interaction between citizens and government, and can be a frustrating experience for the agencies and citizens involved. Designing a government form might sound simple, but it is deceptively difficult. Agencies must collect large quantities of information via simple, user-friendly, multi-channel forms while meeting legal and practical constraints. And these forms must work for diverse individuals with complex needs and circumstances. For clients, a poorly-designed form can delay or prevent their access to essential services and payments.

The Solution

The Australian government created a "Better Practice Guide" for designing government forms, based on insights from behavioral science. The guide offers a systematic approach to improving government forms that takes into account how people make decisions and interpret information. Its purpose it to make forms easier, simpler and more human.

Here is the high level framework:



Source: Behavioural Economics Team of the Australian Government

Selecting learning materials for schools

The Challenge

Little is known about how school districts choose learning materials. For education policy, school curricula are very important considering the massive effect these choices have on students' learning outcomes and future trajectories. Differences in curriculum are a huge contributor to achievement gaps. Switching to better learning materials is one of the most impactful and affordable ways to improve outcomes at school. Studies show that the results of higher-quality learning materials are equivalent to students ranking up to 12% higher on standardized tests. These impacts are far-reaching, from college admissions prospects, to earning potential, to quality of life. On top of this, prices don't differ significantly between high- and low-quality curricula.

The Solution

The Decision Lab partnered with the Gates Foundation to map out the curriculum purchasing process in the US from start to end. They explored why district officials make the choices they do by conducting hundreds of surveys with school district leaders.
After a deep dive into their decision-making processes, they mapped out the entire journey that district leaders went on when selecting learning materials, including **key touchpoints where people become most susceptible to bias.**

They found that at many points along the way, **information overload** and **confusing criteria** for evaluating learning materials pushed administrators to rely on heuristics to pick their schools' curricula, instead of on more important indicators of quality.

To help school administrators make the most informed decisions possible, they developed 15 pilot interventions to remove the barriers to evidence-based choices in curriculum selection. For example, here are a couple of the ways they recommended purchasers simplify their decision-making process:

- Create curriculum evaluation "cheat sheets" to make information easily accessible and reduce information overload.
- Facilitate the creation of social norms by leveraging the influence of teacher role models and leaders.
- Make training and development opportunities more accessible to reduce the influence of the status quo in curriculum adoption decisions.

They then tested the solutions with 13 school districts in California who signed up to participate in a year-long cohort.

Results

The interventions helped unite school district administrators and teachers in the curriculum selection process by creating a shared vision. They also helped engage some of the most important stakeholders in curriculum selection: students and their parents.

Source: The Decision Lab

Fundraising for preserving nature

The Nature Conservancy

Protecting nature. Preserving life.™

The Challenge

The Nature Conservancy (TNC) was embarking on a campaign to protect roughly 9% of California's land mass, or almost 10,000,000 acres.

Traditionally, TNC had been very successful by purchasing endangered land in the name of donors. By specifying which endangered lands they were purchasing on behalf of the donor, TNC made donors aware of exactly where their contributions were going. Donors could see concrete results from their contributions. The program turned big, abstract numbers into motivating, concrete objects.

However, purchasing 9% of California was well out of the realm of financial possibility for TNC. They had to do something else; they had to purchase contracts with landowners that were called "conservation easements". TNC would pay landowners a certain amount of money to not develop or harm the land. While this is an effective way to protect land, it's not particularly exciting for donors. In addition, the numbers involved were so big (10,000,000 acres) that the plan seemed doomed by the demotivational power of statistics.

The Solution

TNC broke the different environments it wanted to save up into distinct "landscapes." Instead of saying, "We're going to protect 50,000 acres this year", they changed the message to "We're going to protect the Redwood Highlands this year."

By giving specific land areas a name and an associated picture, they created **personas** around the different land areas they aimed to save. In this way, they could tell donors that they had successfully "saved the Redwood Highlands."

They successfully harnessed the power of **concreteness** to turn large, boring numbers into emotionally stimulating, scenic landscapes that needed to be saved.

Results

With a new name, the landscape became real to environmentalists, a tangible "eco-celebrity" suddenly worth preserving.

Source: Heath, C., & Heath, D. (2007). Made to Stick: Why Some Ideas Survive and Others Die. New York: Random House.

Help users appreciate long-term results

Google

The Challenge

Google AdWords users face the same problem as many dieters. They don't see immediate results from their efforts. As with any form of advertising, a user designs an ad, posts it, then waits to see how it performs. Will people click on it? It's not immediately obvious if they created a successful, engaging ad or a boring ad that people will skip over.

Getting good at creating ads often takes trial and error. A new user isn't an ad-creating prodigy the first time they make an ad. Their first ad may not see great success, but if they learn from it they can start making their ads progressively better.

However, it's hard to do something difficult and not see any immediate result from your work – whether it's dieting or advertising. Without seeing immediate, positive ad results, some new AdWords users were churning in their first two months using the product.

The Solution

They needed to close the **intention-action gap** – the difference between what people say they want to do and what they actually do. Humans naturally have limited attention spans. We want to make successful ads, but if we don't see good results quickly we get discouraged.

They hypothesized that converting AdWords customers from a short-time mindset (I need to see results ASAP!) to a long-term mindset (I am investing to get a great return in the future) would lead to a higher retention rate.

They tested this hypothesis within Google's call center. When new AdWords customers called for the first time, they randomly assigned them into one of two groups. One group was business as usual – they were the control group. The other half of the new callers – the treatment group – was told they got to participate in a special plan. They were part of "My 3 Month AdWord Expert Access Plan."

They specifically chose three months to create a long-term mindset at the beginning of the callers' AdWords experience. Instead of expecting a perfect first ad, now they would have a mental benchmark that advertising requires time to learn. Over time, they could figure out which value propositions, keywords, and creative content work best.

During the call for those in the treatment group, AdWords representatives repeated the "three months" phrase often and asked customers about their long-term advertising goals. The expert then set up a series of five future calls that would be used to help the customer optimize their account for free. On the first call, the customer pre-committed to these future dates, further cementing the idea that this was a product that deserved a longer-term approach.

Results

Success! The group that had the three-month program stuck around longer. Retention rates for AdWords users in the "3-Month Expert Access Program" group increased by 14 percent.

Source: Irrational Labs

Attracting and keeping clients

The Challenge

A major financial institution was experiencing an increase in attrition among its business banking clients. They hired BeThink to help.

The Solution

Through in-depth discovery, the consultants saw that the current onboarding process was ill-defined and did not account for the nuances of human behavior.

Through research, they came up with various insights that could potentially be used to help the bank achieve their customer acquisition and retention objectives.

Leveraging industry insights and behavioral economics insights, they recommended a series of strategic steps, including:

- Utilizing Personalization: Personalization increases satisfaction and lifetime value, but it can also be hard to scale in an authentic way.
- Optimizing Scripting by applying specific message framing tactics to effectively share the concrete value and results they provide.
- Improving Product Adoption: They created a plan to better engage clients with additional products within the first six months, to strengthen the relationship and avoid having them purchase from competing institutions.
- Increasing Engagement through a sustainable communication plan that included social media, telephone, text, direct mail, and more.

In the end, they designed a comprehensive, 365-day onboarding roadmap that detailed exactly when and how to contact each new business banking client. The roadmap included:

- Tips and tactics for client onboarding from the first meeting onwards
- Specific communication timelines and tactics over the first full year
- Rationales for engaging clients in specific ways at specific times
- Scripting suggestions designed to increase personalization and value perception
- Specific steps to create more value for clients by offering additional products and services
- Recommendations for evaluation and improvement cycles

Results

The new onboarding strategy and experience was responsible for landing—and keeping—56% more business banking clients over the last two years.

Source: BeThink Solutions

Reducing gift waste

The Challenge

Every year in the UK, over two billion pounds is spent on unwanted gifts.

We've all done it. Hastily added that present to the shopping basket for our nearest and dearest: 'I'm sure they'll like it, I know them better than anyone'. Well unfortunately, research shows we're likely to be shopping on autopilot. And we're not alone, a whopping 70% of us admit to receiving a gift we will never use.

TK Maxx set out to help the UK and Ireland to break free of their shopping biases, and 'gift different' for Christmas 2019.

The Solution

The first step was to unearth the behavioral biases that influence our gifting behavior. For example,

- present bias suggests that we prefer shorter term gains over larger benefits in the future. When shopping, we focus on gifts that will give immediate pleasure – the bouquet of flowers in bloom rather than the bouquet of buds, even though the recipient would be able to appreciate the buds for longer.
- The false consensus effect suggests we think that our beliefs and preferences are the same as others. For example, men are more likely to buy electrical items as gifts, whereas females are more likely to buy beauty products – showing they choose items that resonate more with themselves. Sound familiar?

Armed with ten of these buying biases the consultants further explored the UK and Ireland's buying behaviors and attitudes around gifting.

They then devised ten psychologically informed questions that gifters could pose to their loved ones to uncover some helpful gifting clues.

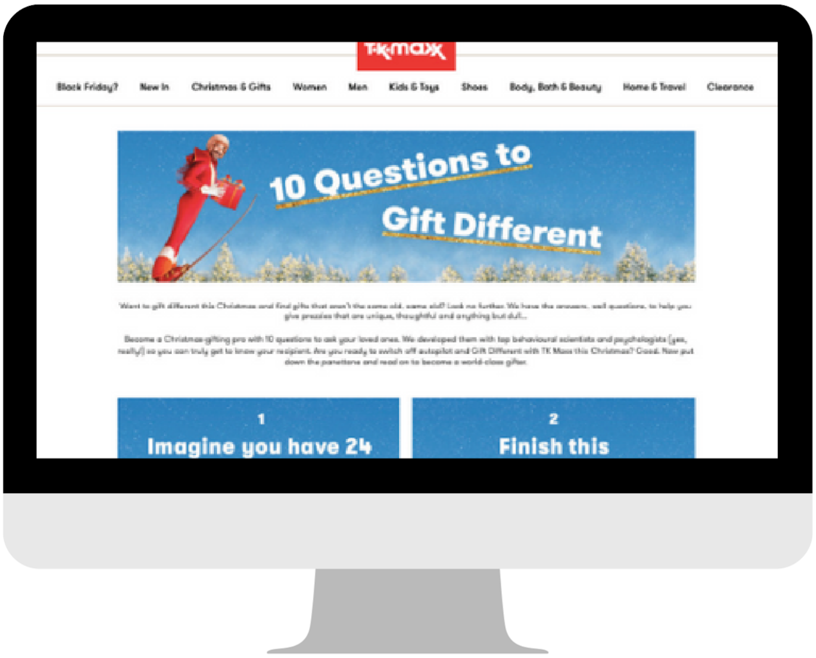
But the questions still needed to keep the surprise of receiving a gift. To ensure this, they researched techniques used by different professionals to elicit and unearth information. For example,

- Negotiators use framing techniques to swap out key words that might have negative associations, with more positive frames. For example: 'Can we talk' is replaced by 'Can we speak' (talk may have negative associations 'talk is cheap').
- Doctors use more concrete words to encourage patients to talk about health issues. For example asking 'Is there something else you want to address in the visit today?' (rather than the broader 'anything') increases the likelihood of patients speaking up.
- Hypothetical questions such as 'What if...' or 'Would you rather...?' suspend reality for the respondent, and help them think more broadly in different contexts or situations.

These question techniques helped to produce a question framework that encouraged people to think broadly, refine their preferences and finally help them look positively to the future.

Results

The 'Gift Different' PR Campaign was launched in November 2019 and featured these 10 questions:



THE FINAL TEN 'GIFT DIFFERENT' QUESTION SET IS SHOWN BELOW:

Question Structure	#	Question	Question Strategy:	Technique used:
Diverge questions: Helping people to think broadly and outside the box.	1	**Imagine you have 24 hours to do anything you want. Sky's the limit. What would you do?**	Future experiences	Hypothetical question / Open question
	2	**Finish this sentence: 'I'm the world's unknown expert in...'**	Unknown interests	Sentence prompt
Converge questions: Helping people to refine their preferences and focus on specific details	3	**This Christmas you decide to donate everything you own except three items. What do you keep?**	Values	Hypothetical question Constraints
	4	**What's the one thing could you watch or read about forever and never get bored of?**	Unknown interests	Concreteness & constraints.
	5	**Name something people assume you like, but you secretly don't?**	'Me time' & items used	Concreteness Mindreading question
	6	**What's the one thing you own that you still haven't used and why?**	'Me time' & items used	Concreteness & constraints.
	7	**Not including me, who's the best gift giver you know? Why?**	Values	Probing.
	8	**When was the last time someone did something thoughtful for you?**	Values	Reflection on past experiences.
	9	**What's the best gift you've ever given someone, other than me?**	Type of gift giver	Reflection on past experiences.
Finish on a high: Helping people to look to the future and finish with a positive mindset.	10	**Share what are you looking forward to most next year...**	Future experiences	Temporal question.

Source: Ogilvy Consulting, The Annual for 2020

Sharing knowledge internally

The Challenge

The World Bank has more than 10,000 employees in 120 offices worldwide. The organization has amassed one of the largest bodies of development knowledge in the world. In the context of its goals for 2030, the Bank recognizes the enormous opportunity of improving on-the-ground results by increasing the effective capture, sharing, curation and reuse of this knowledge. However, the same realities that yielded this massive amount of information also pose significant challenges to managing it and deriving value from it.

The Solution

Research confirmed the existence of five key structural barriers to knowledge sharing (KS) at the World Bank:

- Training: Lack of formal training opportunities
- Performance evaluation: KS unconnected to Overall Performance Evaluations
- Time allocation: Insufficient time to execute KS
- Prioritization: Lack of KS prioritization by managers
- Budgeting: Lack of explicit budgeting to support KS

In addition, 5 critical behavioral barriers were identified:

- Endowment effect: Lack of personal ownership
- Social norms: Insufficient KS norms
- System justification bias: Insufficient peer pressure
- Salience: Lack of KS visibility
- Discounting: Disconnect between KS and career goals

To address these barriers, three drivers of change were defined that are likely to lead to more knowledge sharing in the World Bank:

- A. Making knowledge sharing more social through desire for inclusion, social support, following formal norms, participation in management and consistency with beliefs and actions.
- B. Making knowledge sharing easier through increased ease of processing, identifying and remembering information.
- C. Linking knowledge sharing to self-development through individual-group value alignment, status, personal recognition/ visibility, accomplishment and confidence.

Source: The World Bank

Designing bid documents

The Challenge

How do you design bid documents for clients that simultaneously: (1) convey the technical details required AND (2) are easy to read and understand?

One company facing this dilemma reached out to Cowry Consulting to get help for creating behaviorally compelling bid documents for presenting technical logistics solutions to their clients. The wanted bid documents that maximized the impact and fully demonstrated the value of their proposals.

The Solution

The consultants first identified some key psychological reasons (barriers) why the documents weren't as impactful as they could be. Notably:

- The design of document did not lend well to **cognitive processing**. It contained little whitespace, and did not easily allow the reader to read through key points & summary statements. This was likely due to the dual nature of the documents (used also as presentation).
- The document did not feel **personalized** to the different stakeholders and decision-makers who were reading it. They were left asking “which bits are relevant to me and my role?"

Then they used behavioral design to improve readability and comprehension. For instance:

- **Cognitive Easing** – In order to reduce cognitive overload and enable key stakeholders to flick through the document with more ease, they highlighted key messages and outcomes, and pulled out the most relevant material onto a separate section.

- **Saliency** – imagery and icons were used to aid processing of the document. Where important information was laid out, they used salient colors and icons to draw attention to that section of the document.

Finally, they ran an experiment to understand how much more effective the new documents were.

Results

17% increase in recall of key information

81% preference for the new bid document vs 29% for the previous

13% increase in intent to make purchase decision

Source: Cowry Consulting

This collection is regularly updated.

Check back soon for more stories.

Until then, happy decisions.

Melina

Dr Melina Moleskis

PhD Managerial Decision Science, MBA Strategy

Behavioral economist | Corporate trainer | Professor

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