

How  
**SMALL CHANGES**  
can make  
**BIG DIFFERENCES**

# Content

- How do we make decisions?
- How can nudging improve our choices?
- How does DG HAN apply nudging?
  - *Step 1: collecting behavioral insights*
  - *Step 2: measure design*
- Effective nudging techniques in a policy context

# How do we make decisions?

## Homo Economicus?

“...a human being who desires to possess wealth, and who is capable of judging the comparative efficacy of means for obtaining that end.”

- *John Stuart Mill, 1836*

...how do we explain *non take-up*?

# Two ways of thinking

## Reflective System

- Deliberate
- Self-conscious

*The assumption that everybody will figure out how much they have to save and then will just implement that plan is obviously preposterous.*

## Automatic System

- Fast
- Instinctively

- Richard Thaler



# Automatic System Thinking

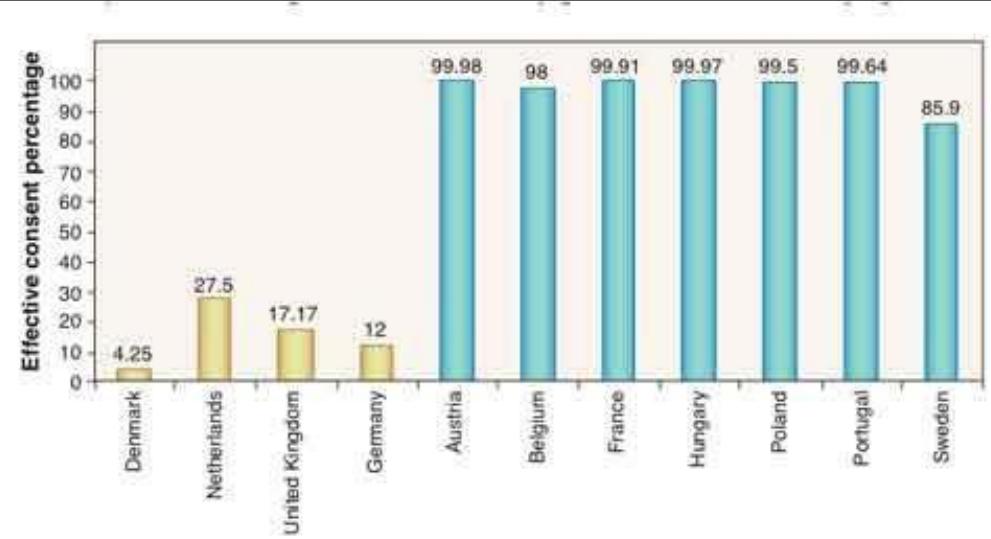
We are constantly influenced by:

- Social environment
- Impulses
- Short term gains
- Status quo bias - defaults
- Risk & loss aversion
- Salience

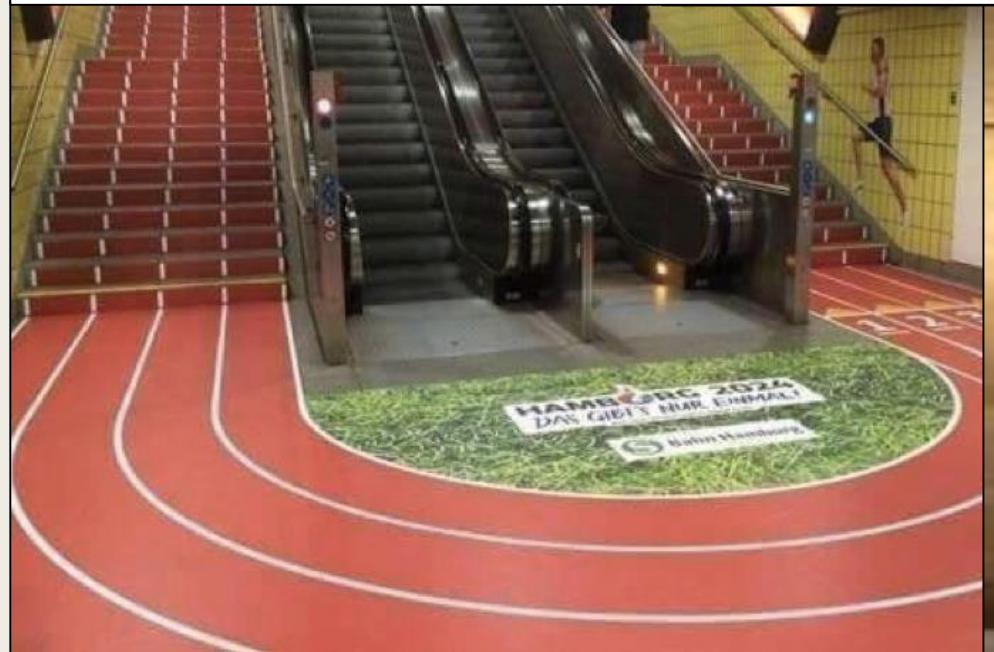


We make choices that are not  
in our best interests

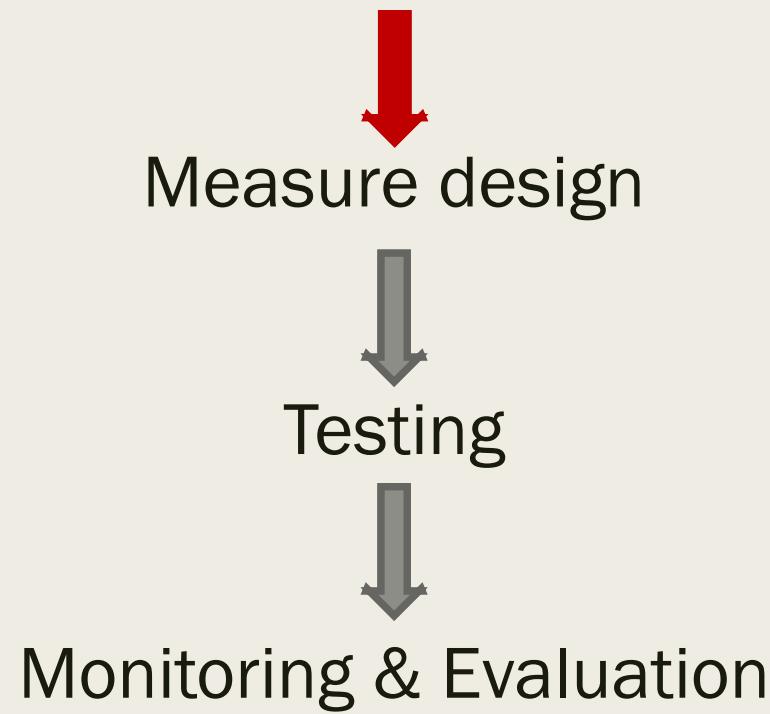
But... we are *predictably irrational*



Effective consent rates, by country. Explicit consent (opt-in, gold) and presumed consent (opt-out, blue).



# Collecting behavioral insights



# Collecting behavioral insights



Bottom-up approach

Who is our target audience?

Why are they making the decision not to take up their rights?

Are they making this choice consciously or unconsciously?

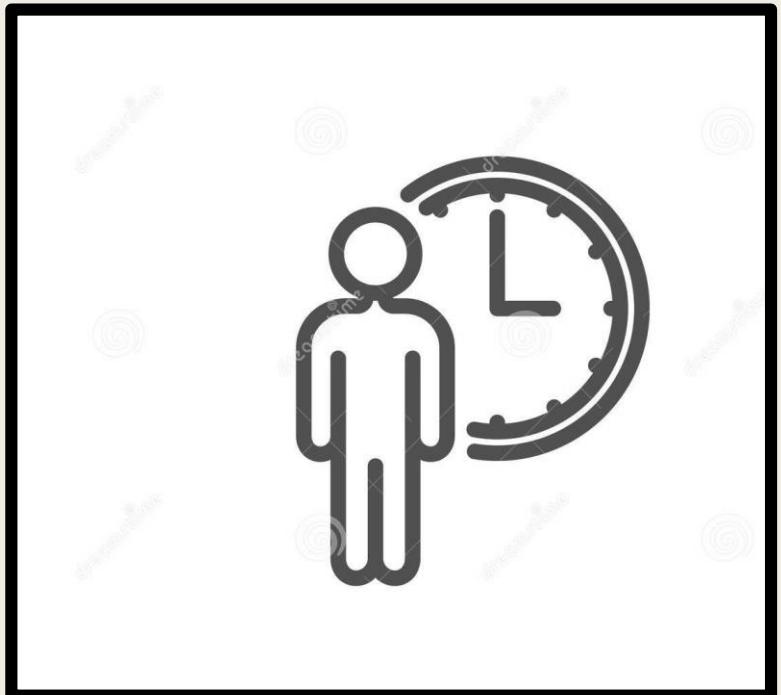
What factors influence their behavior?

**Get to know them!**

# How does DG HAN apply nudging?

## STEP 1: Collecting Behavioral Insights

No-show medical appointment



People forget  
They do not have the means to come  
They don't see the value of this step  
They think it's pointless

# STEP 1: Collecting Behavioral Insights

Channel choice



65+

No computer (skills)

Don't speak the language

*Specific audience!*

## STEP 2: Measure Design

When you know **what** (unconsciously) influences the behavior of people, you can use these insights to **change** the choice architecture in order to help them make better choices.

# STEP 2: Measure Design

- Forgetting
  - We send a reminder
  - We ask them explicitly to write the appointment in their agenda
- No means to come
  - We proactively give them a list of transport possibilities
- Don't see the value of this step
  - We add a timeline on the appointment letter + add a leaflet with an explanation
- Think it's hopeless
  - We emphasize what they already did right and how close they are to the end of the process
- Don't understand the letter
  - We change the lay-out and use colors, symbols... to make it more clear

# Effective nudging techniques in a policy context

## ■ Communication

- *Make it personal*
- *Reciprocity*
- *Avoid information over-*

## ■ Default setting

### ~~— Social norm~~

Dag 0

Typebrief

Ancien\_NN

controleNieuw

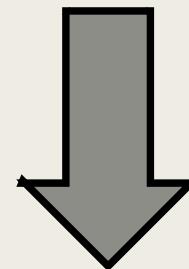
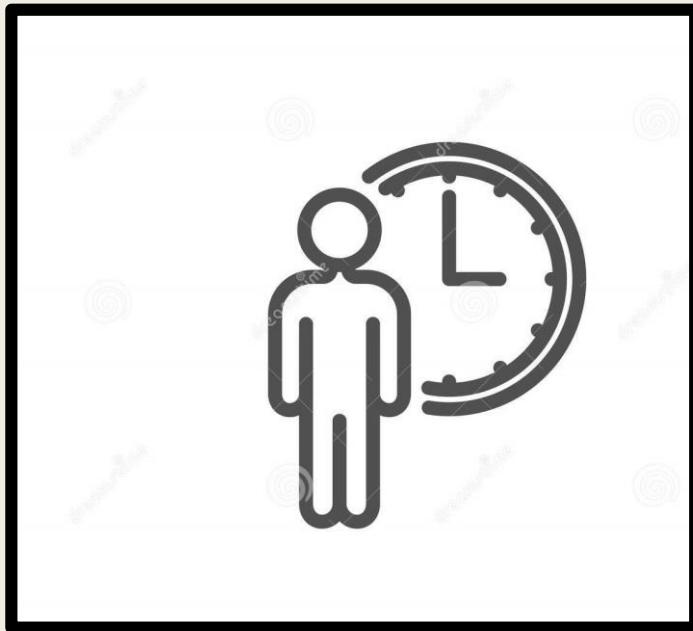
socialNorm



treatment).

The study found that households provided with both the norm and the information reduced consumption by 9%, an effect almost twice as big as when they were given the social norm alone. The reduction in energy usage was also longer lasting among those households that received the norms and information combination.

The results demonstrate that norms are most effective when combined with basic information. Yet there is a lower and diminishing effect of combining



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