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**Community
Housing
Cymru**

BEHAVIOURAL INSIGHTS

EVIDENCE-BASED BEHAVIOUR CHANGE IN SOCIAL HOUSING

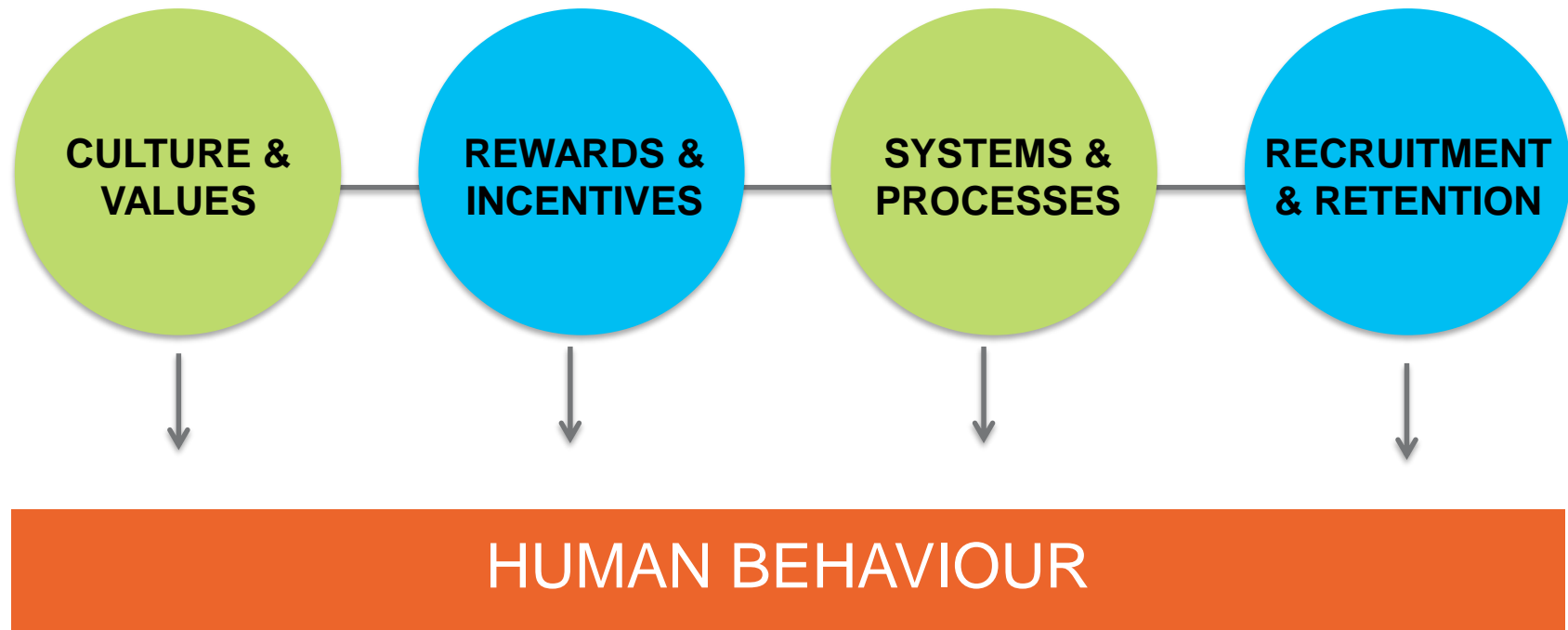
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07912110078



WHY BEHAVIOUR CHANGE?



Whatever business you think you're in, you're actually in the **behaviour change** business



WHY BEHAVIOUR CHANGE?



Adopted with gusto by governments around the world...
led by our very own Behavioural Insights Team.



WHY BEHAVIOUR CHANGE?

Wednesday 12 October 2011

The Telegraph

HOME NEWS SPORT FINANCE COMMENT BLOGS

Columnists Personal View Telegraph View Letters Can

Boris Johnson Peter Osborne Benedict Brogan Charles Mo

Alasdair Palmer

David Cameron is nudging us in the right direction

September 15, 2011 12:11 am

PM's nudgers score notable successes

By George Parker, Political Editor

Nudge unit praised



The Government's new 'nudge' to change people's behaviour rather than legislation has been the first report on its work. The unit's successes include organ donation and Financial Times reports.

Comment: A Nudge Unit – the new 'must have' for health insurers?

Monday 10 October 2011 by Marcia Reid

Send to Colleague Printer Friendly Format Email the Editor

Interested in this topic? Set up a custom email alert and we'll tell you every time we write more

There is an opportunity for health and protection. Effective things can come from silly places. Even if you're wrong about how something works, it might still work.

Cameron Nudges people to do right thing

By George Parker, Political Editor

THE TIMES Columnists

News Opinion Business Money Sport Life Arts Puzzles Papers

Give us a nudge and we'll behave ourselves

Daniel Finkelstein



WHY BEHAVIOUR CHANGE?



And more recently by private sector by the private sector:
the rise of the Chief Behavioural Officer (CBO)



WHY BEHAVIOUR CHANGE?



Classical economics
'Homo Economicus':
How we behave in theory.

Behavioural economics
'Homer Economicus':
How we behave in reality



It's behaviour Jim, but not as we know it:
The predictable **irrationality** of human behaviour.

INTENTION-ACTION GAP



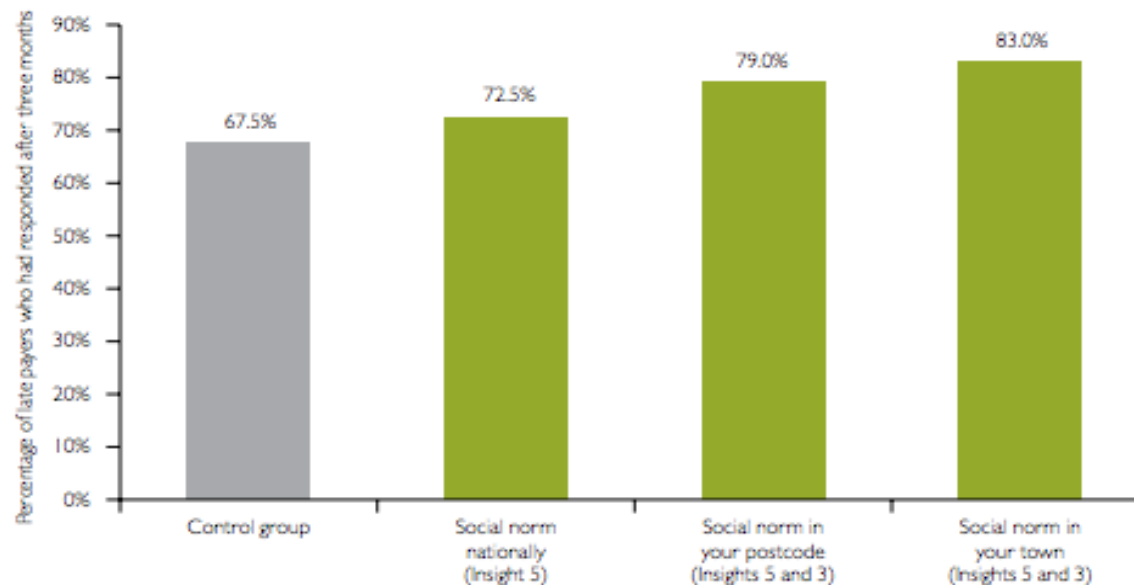
Attitudes and intentions are weak predictors of behaviour. Behaviours predict behaviours



EVIDENCE-BASED BEHAVIOUR CHANGE

When citizens were told that most people pay their tax on time, payment rates significantly increased.

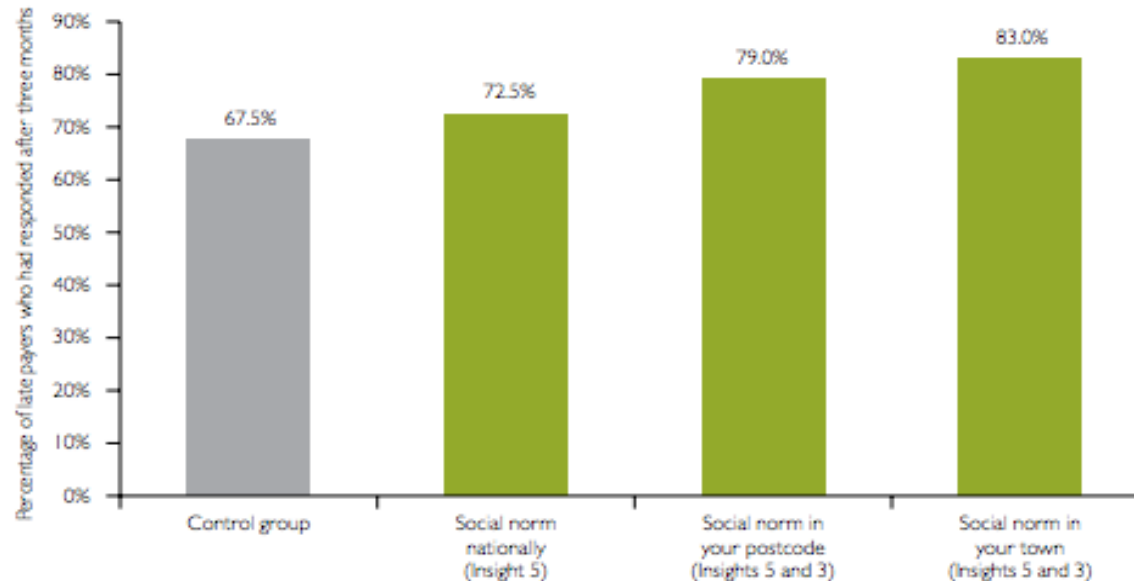
Trial 1a: Using social norms to increase tax debt payments



EVIDENCE-BASED BEHAVIOUR CHANGE

When citizens were told that most people pay their tax on time, payment rates significantly increased.

Trial 1a: Using social norms to increase tax debt payments



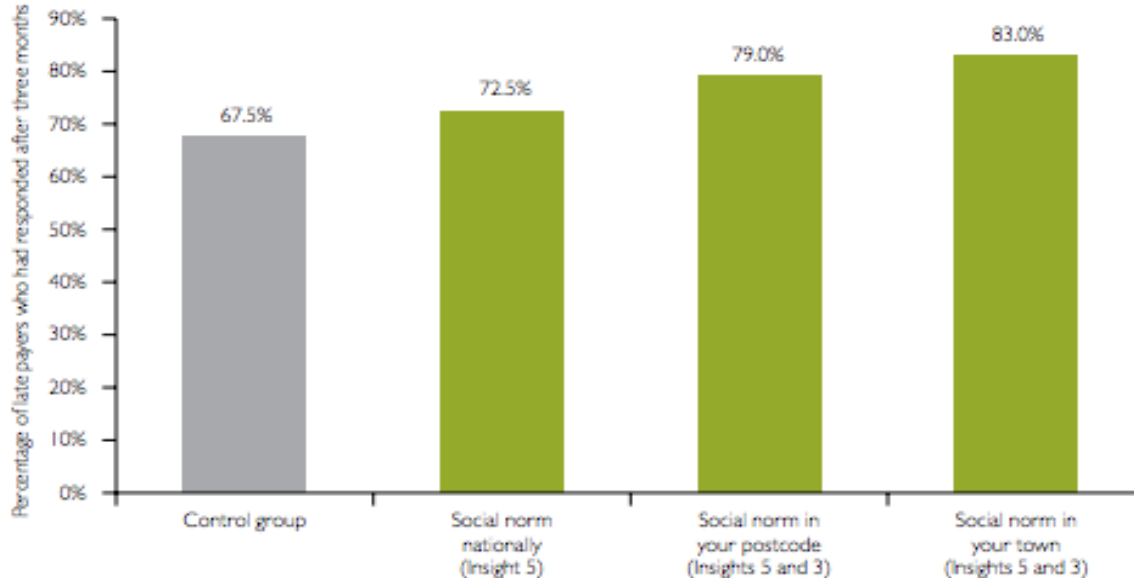
Social Norms



EVIDENCE-BASED BEHAVIOUR CHANGE

When citizens were told that most people pay their tax on time, payment rates significantly increased.

Trial 1a: Using social norms to increase tax debt payments

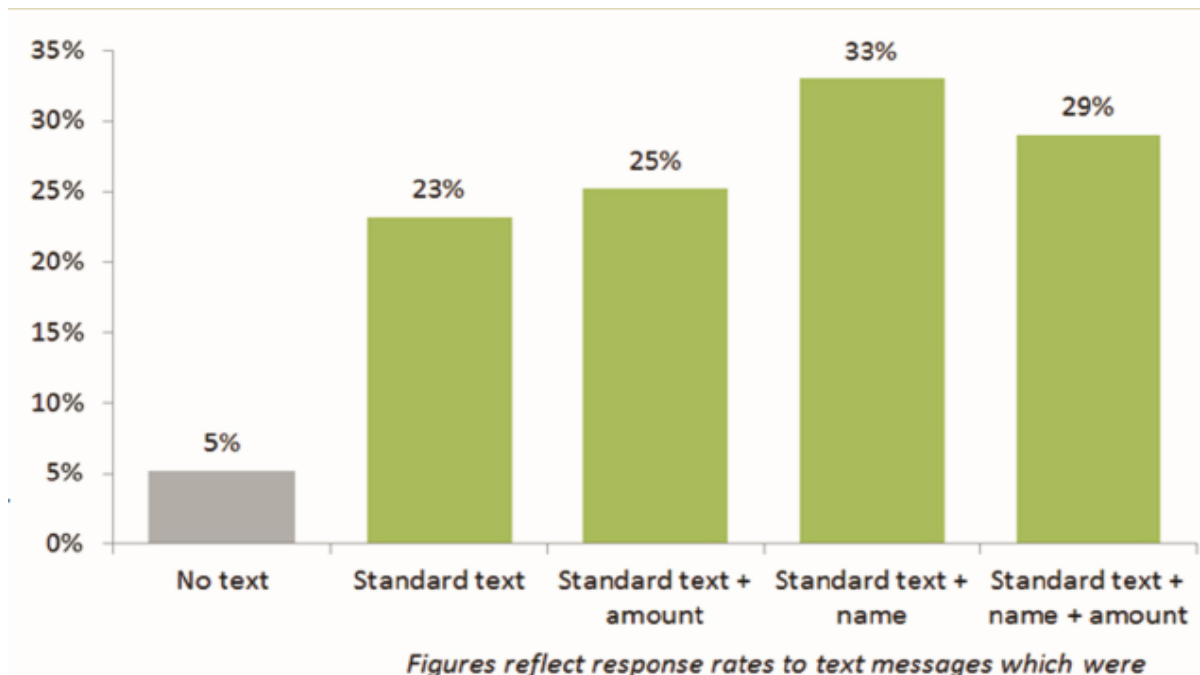


£210m of revenue brought forward in 2012/13 alone.



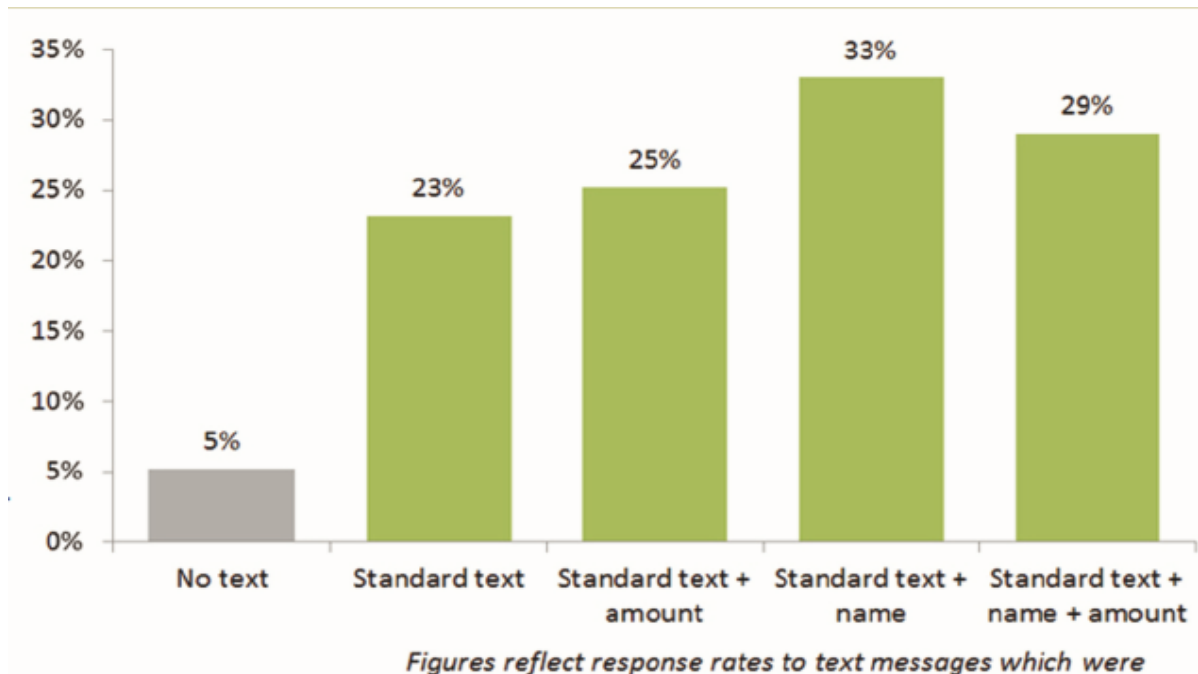
EVIDENCE-BASED BEHAVIOUR CHANGE

When people who were late with court fine received reminder text messages, payments went up by 28%



EVIDENCE-BASED BEHAVIOUR CHANGE

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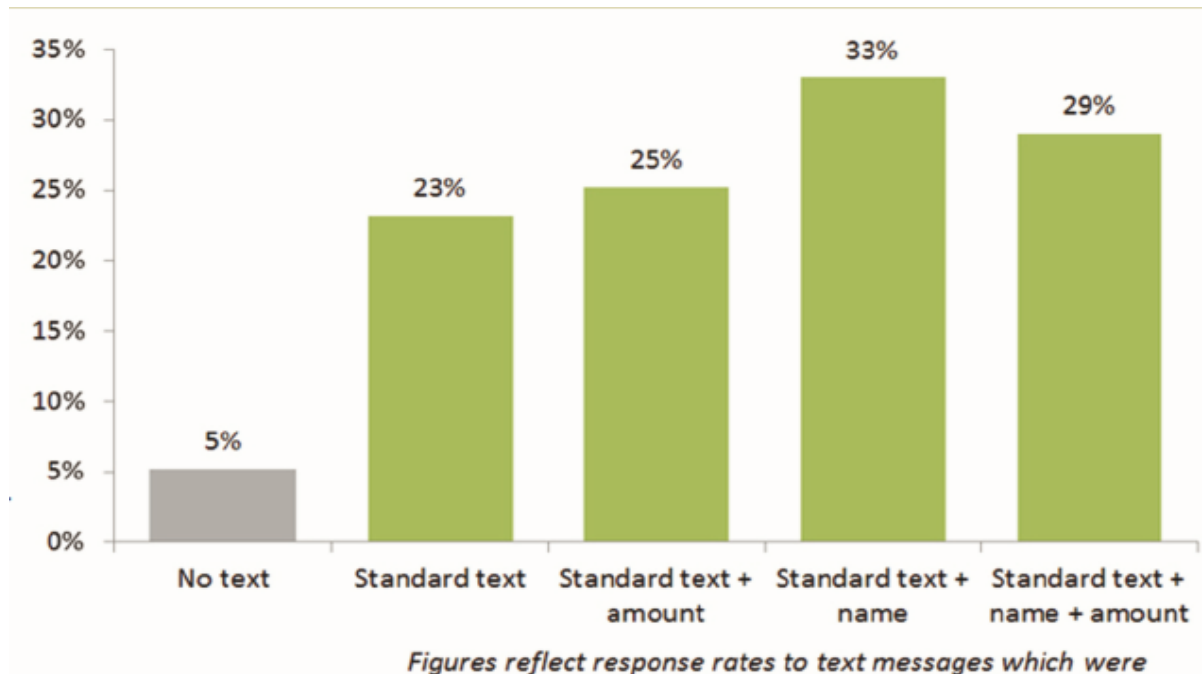


Saliency



EVIDENCE-BASED BEHAVIOUR CHANGE

When people who were late with court fine received reminder text messages, payments went up by 28%

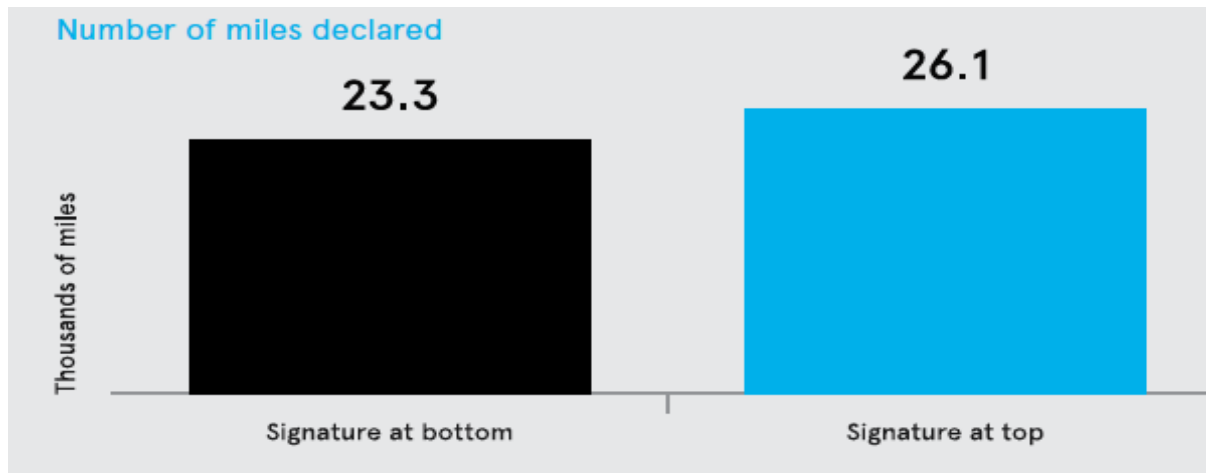


£30m per year in
saved in escalation
activity



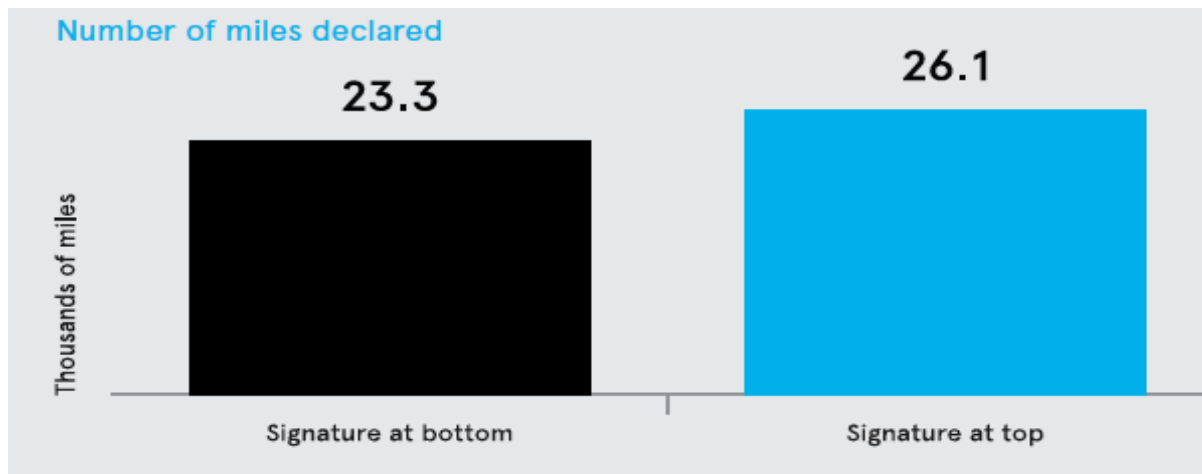
EVIDENCE-BASED BEHAVIOUR CHANGE

Drivers reported having driven around 10% more miles when they signed their name before filling in an insurance form, rather than after.



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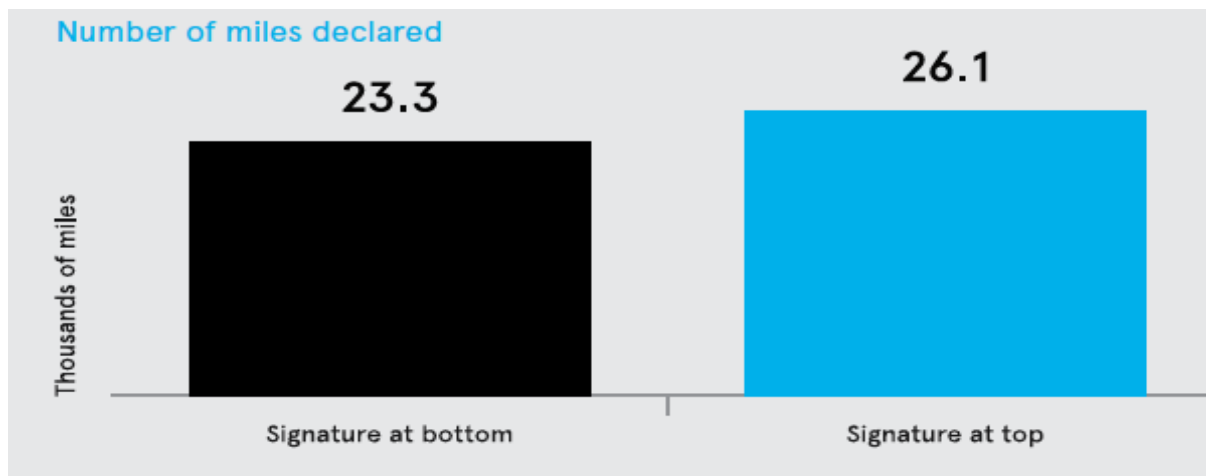


Commitment



EVIDENCE-BASED BEHAVIOUR CHANGE

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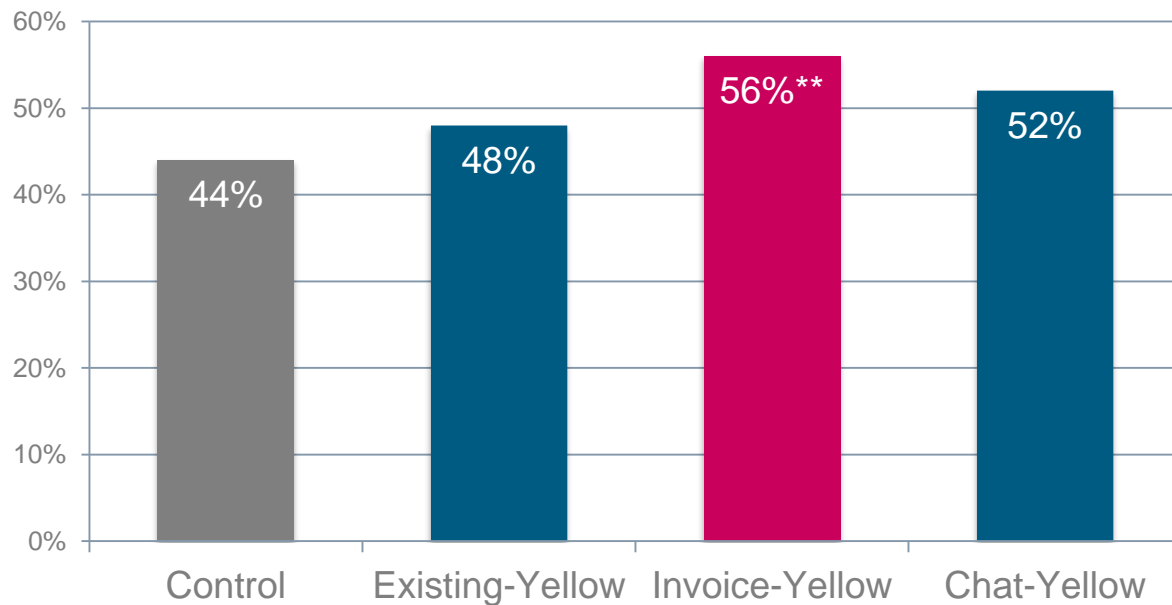
\$97 extra per policy



NUDGING YOUR WAY... TO REDUCED ARREARS

PAYMENT RATES

Proportion of tenants who made a payment:
entire trial



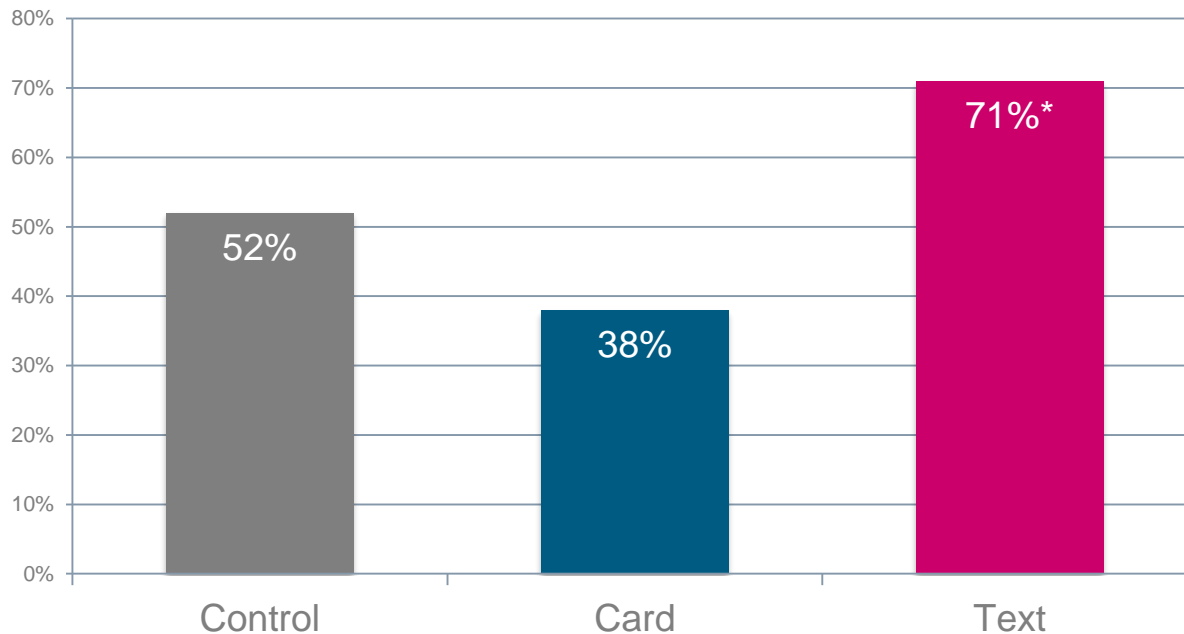
Reframing Letter 1 led to a **12% increase in payments.**



NUDGING YOUR WAY... TO REDUCED ARREARS

PAYMENT AGREEMENTS

Proportion of tenants who overpaid
against 'amount due'



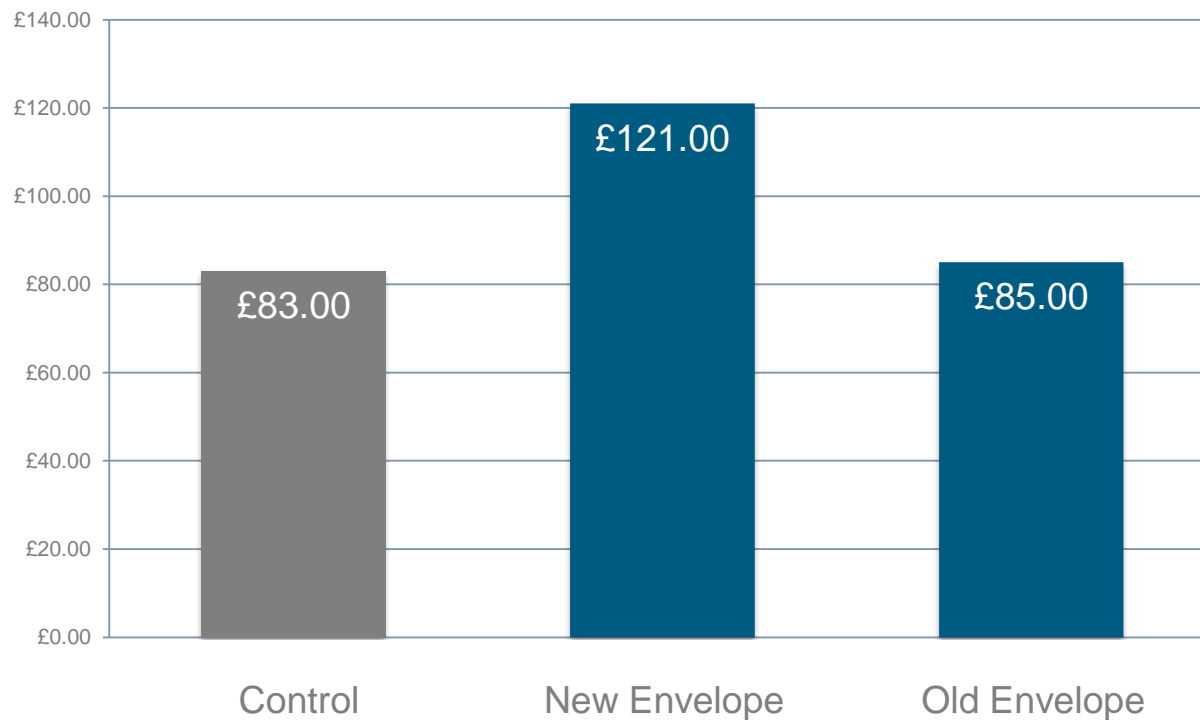
Thank tenants for
keeping up repayment
agreements resulted in
**71% of them further
increasing the amount
they paid to reduce
their debt.**



NUDGING YOUR WAY... TO REDUCED ARREARS

REVENUE

Average payments per tenant within 7 days of
intervention



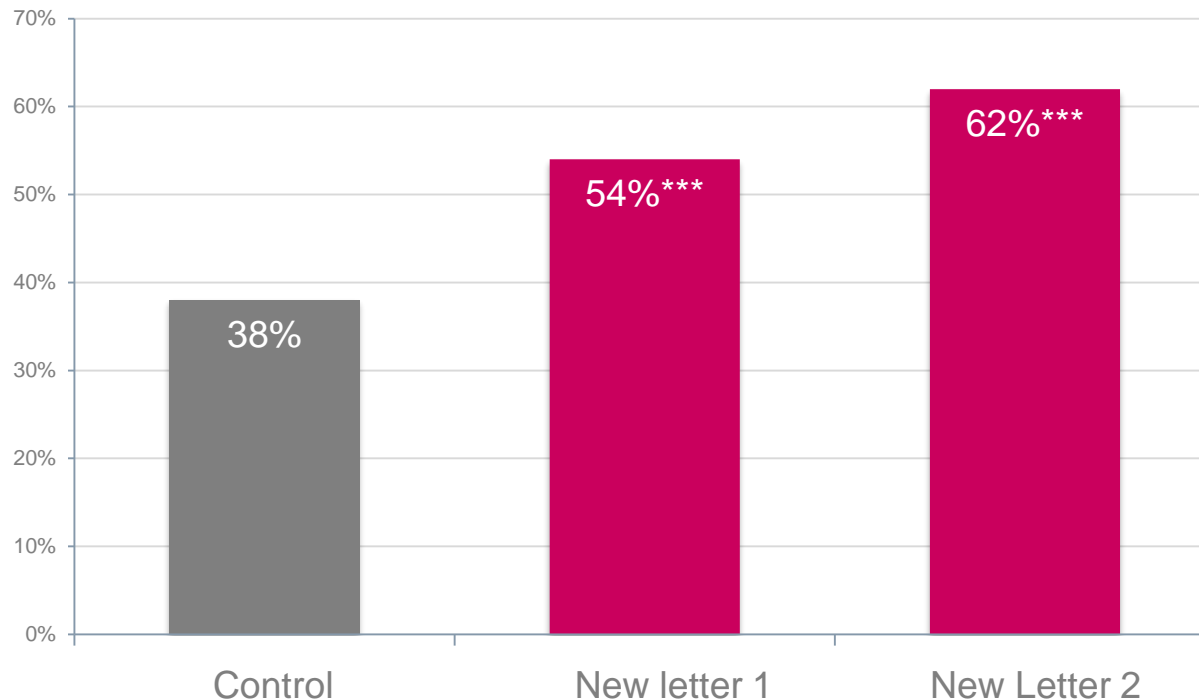
Changes to an
envelope **increased**
revenue by 46%



NUDGING YOUR WAY... TO REDUCED ARREARS

ENGAGEMENT

Proportion of tenants that made contact following intervention



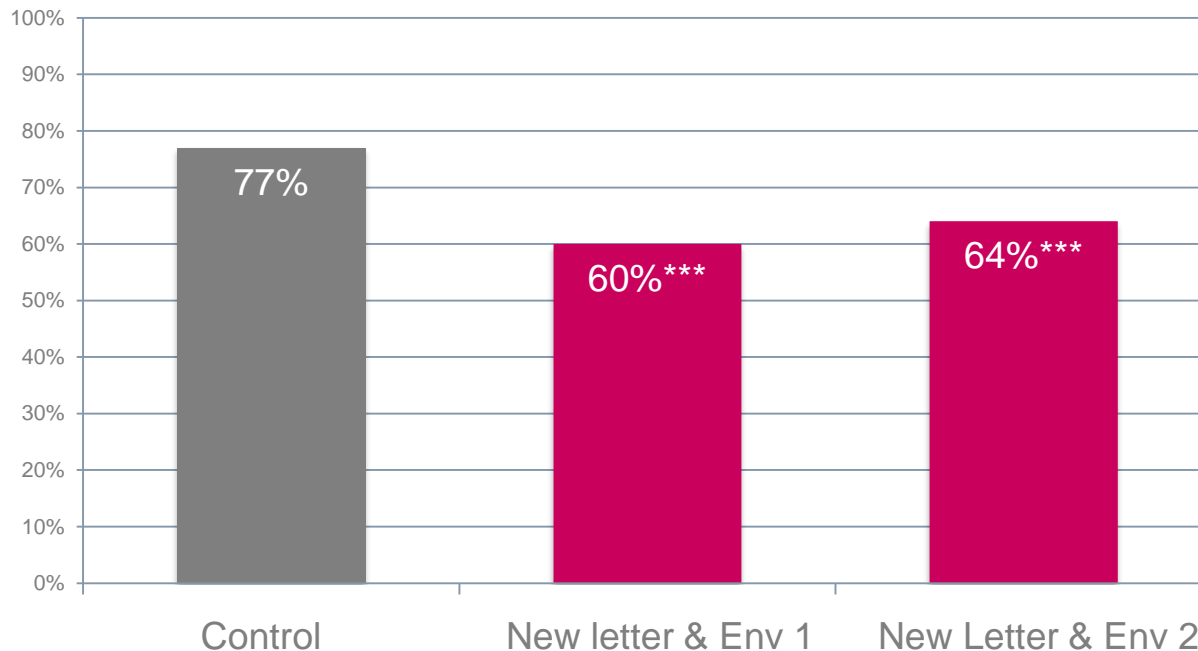
Simplifying the layout of a letter using basic information design resulted **24% higher tenant engagement.**



NUDGING YOUR WAY... TO REDUCED ARREARS

ENGAGEMENT

Proportion of tenants that made contact following intervention

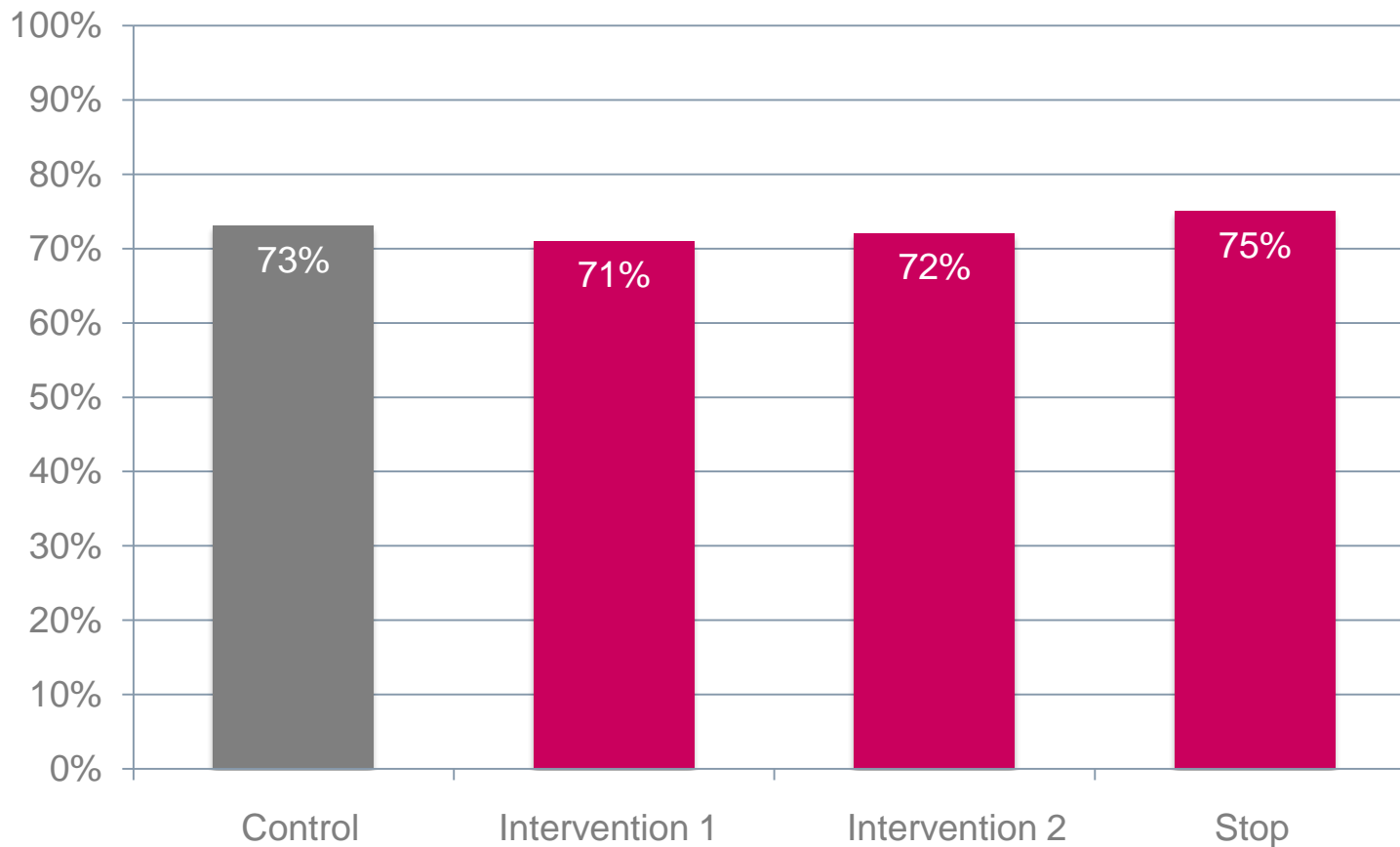


Adding just 1 extra message to arrears comms resulted in **significantly less tenant engagement—the desired result for a channel-shift agenda.**



NUDGING YOUR WAY... TO REDUCED ARREARS

Proportion of tenants that made payment: entire trial



EVIDENCE-BASED BEHAVIOUR CHANGE

Evidence based behaviour change

- Policies
- Procedures
- Strategy
- Vision
- Ethos

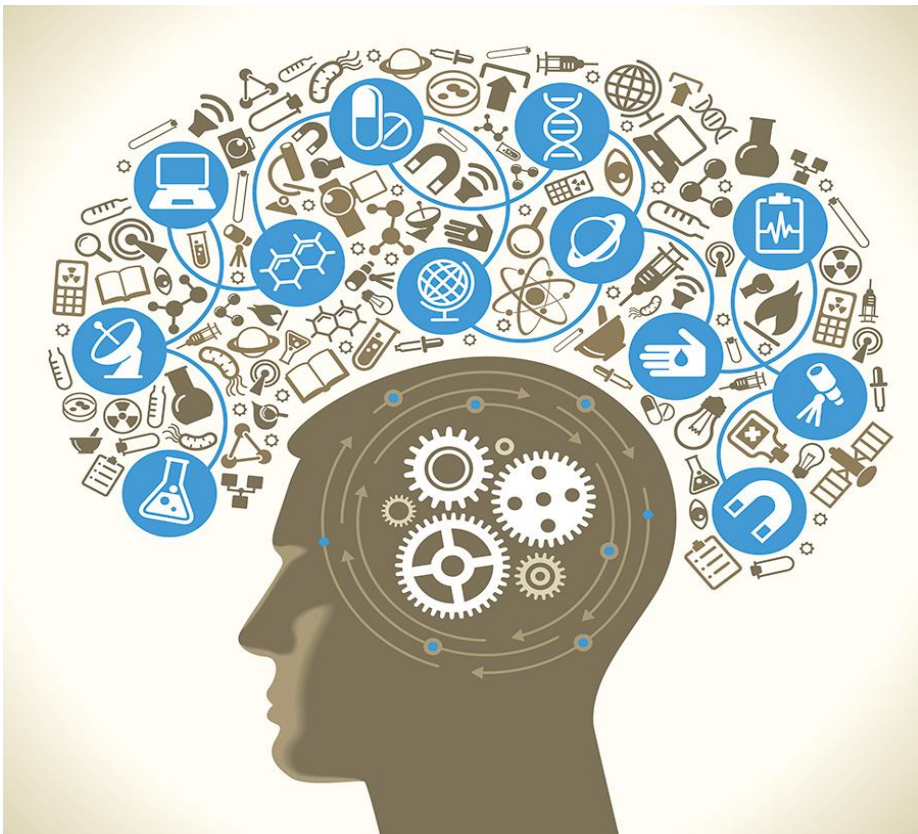
Behaviour change opportunities

- Colleague and workforce?
- ASB?
- Downsizing?
- End of tenancy?
- Call centre enquiry handling?
- Ownership and accountability?
- Repairs demand?





EVIDENCE-BASED BEHAVIOUR CHANGE



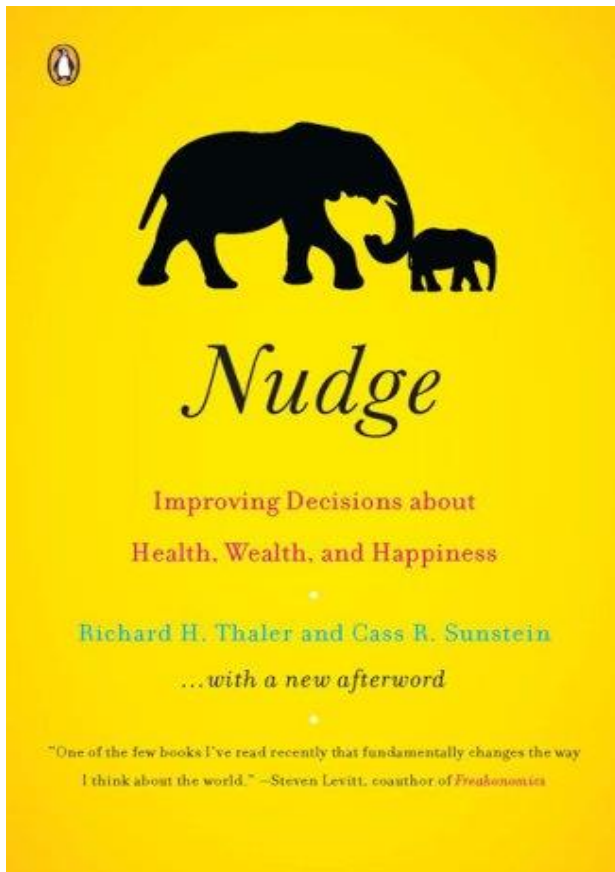
DATA ANALYSIS +
BEHAVIOURAL INSIGHTS +
RIGOROUS
TESTING

=

EVIDENCE-BASED POLICIES
AND SERVICES



THE RISE OF BEHAVIOURAL INSIGHTS



Let's get things moving with the **Nudge**.

“...any aspect of the choice architecture that alters people’s behavior in a predictable way without forbidding any options or significantly changing their economic incentives.

To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates. Putting fruit at eye level counts as a nudge. Banning junk food does not.”



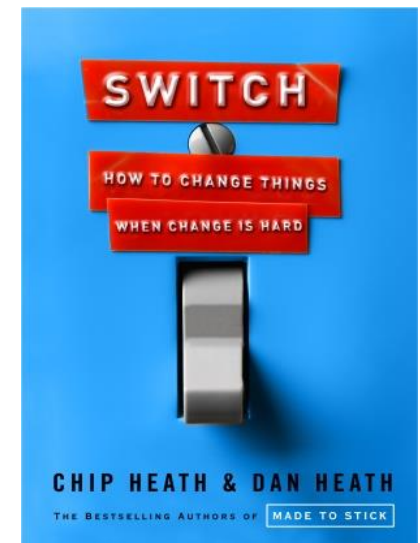
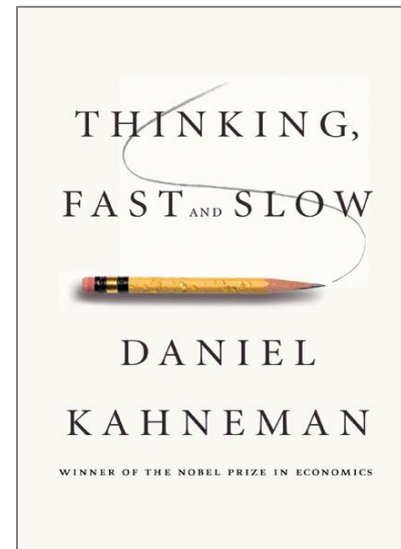
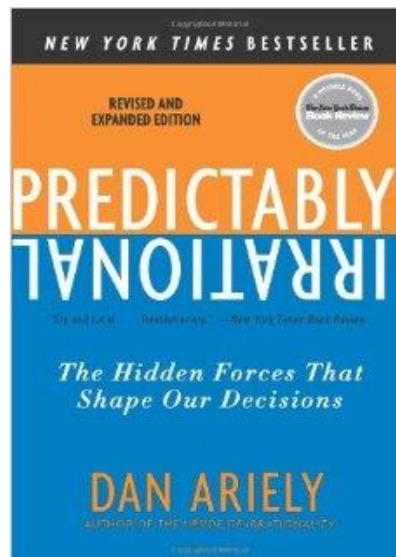
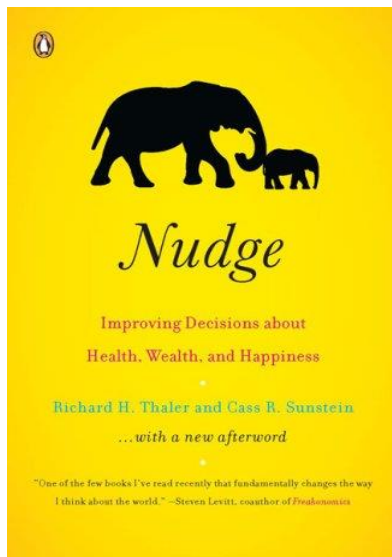
THE RISE OF BEHAVIOURAL INSIGHTS

ENVIRONMENTAL NUDGES: EXAMPLES



THE RISE OF BEHAVIOURAL INSIGHTS

MADE ACCESSIBLE BY POPULAR LITERATURE



THE RISE OF BEHAVIOURAL INSIGHTS

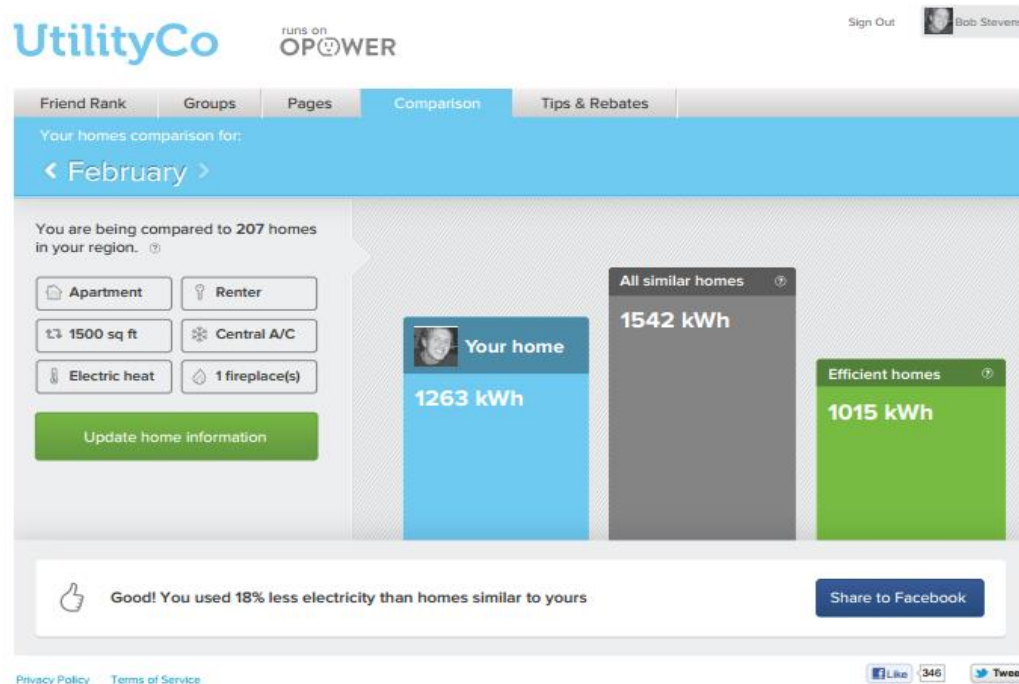
Our ability to make rational decisions is limited by a vast range of systematic errors.

Ambiguity effect // Anchoring or focalism // Anthropomorphism // Attentional bias // Automation bias // Availability heuristic // Availability cascade // Backfire effect // Bandwagon effect // Base rate fallacy or Base rate neglect // Belief bias // Bias blind spot // Cheerleader effect // Choice-supportive bias // Clustering illusion // Confirmation bias // Congruence bias // Conjunction fallacy // Regressive bias // Conservatism (Bayesian) // Contrast effect // Curse of knowledge // Decoy effect // Denomination effect // Disposition effect // Distinction bias // Dunning-Kruger effect // Duration neglect // Empathy gap // Endowment effect // Essentialism // Exaggerated expectation // Experimenter's or expectation bias // Focusing effect // Forer effect or Barnum effect // Framing effect // Frequency illusion // Functional fixedness // Gambler's fallacy // Hard-easy effect // Hindsight bias // Hot-hand fallacy // Hyperbolic discounting // Identifiable victim effect // IKEA effect // Illusion of control // Illusion of validity // Illusory correlation // Impact bias // Information bias // Insensitivity to sample size // Irrational escalation // Less-is-better effect // Loss aversion // Mere exposure effect // Money illusion // Moral credential effect // Negativity effect // Negativity bias // Neglect of probability // Normalcy bias // Not invented here // Observer-expectancy effect // Omission bias // Optimism bias // Ostrich effect // Outcome bias // Overconfidence effect // Pareidolia // Parkinson's Law of Triviality // Pessimism bias // Planning fallacy // Post-purchase rationalization // Pro-innovation bias // Pseudocertainty effect // Reactance // Reactive devaluation // Recency illusion // Restraint bias // Rhyme as reason effect // Risk compensation // Peltzman effect // Selective perception // Semmelweis reflex // Social comparison bias // Social desirability bias // Status quo bias // Stereotyping // Subadditivity effect // Subjective validation // Survivorship bias // Time-saving bias // Unit bias // Weber-Fechner law // Well travelled road effect // Zero-risk bias // Zero-sum heuristic // // Social biases[edit] // Most of these biases are labeled as attributional biases. // // Name // Actor-observer bias // Defensive attribution hypothesis // Egocentric bias // Extrinsic incentives bias // False consensus effect // Forer effect (aka Barnum effect) // Fundamental attribution error // Group attribution error // Halo effect // Illusion of asymmetric insight // Illusion of external agency // Illusion of transparency // Illusory superiority // Ingroup bias // Just-world hypothesis // Moral luck // Naïve cynicism // Naïve realism // Outgroup homogeneity bias // Projection bias // Self-serving bias // Shared information bias // System justification // Trait ascription bias // Ultimate attribution error // Worse-than-average effect // // Memory errors and biases[edit] // Main article: List of memory biases // In psychology and cognitive science, a memory bias is a cognitive bias that either enhances or impairs the recall of a memory (either the chances that the memory will be recalled at all, or the amount of time it takes for it to be recalled, or both), or that alters the content of a reported memory. There are many types of memory bias, including: // // Name // Bizarreness effect // Choice-supportive bias // Change bias // Childhood amnesia // Conservatism or Regressive bias // Consistency bias // Context effect // Cross-race effect // Cryptomnesia // Egocentric bias // Fading affect bias // False memory // Generation effect (Self-generation effect) // Google effect // Hindsight bias // Humor effect // Illusion of truth effect // Illusory correlation // Lag effect // Leveling and Sharpening // Levels-of-processing effect // List-length effect // Misinformation effect // Modality effect // Mood-congruent memory bias // Next-in-line effect // Part-list cueing effect // Peak-end rule // Persistence // Picture superiority effect // Positivity effect // Primacy effect, Recency effect & Serial position effect // Processing difficulty effect // Reminiscence bump // Rosy retrospection // Self-relevance effect // Source confusion // Spacing effect // Spotlight effect // Stereotypical bias // Suffix effect // Suggestibility // Telescoping effect // Testing effect // Tip of the tongue phenomenon // Travis Syndrome // Verbatim effect // Von Restorff effect // Zeigarnik effect //



THE RISE OF BEHAVIOURAL INSIGHTS

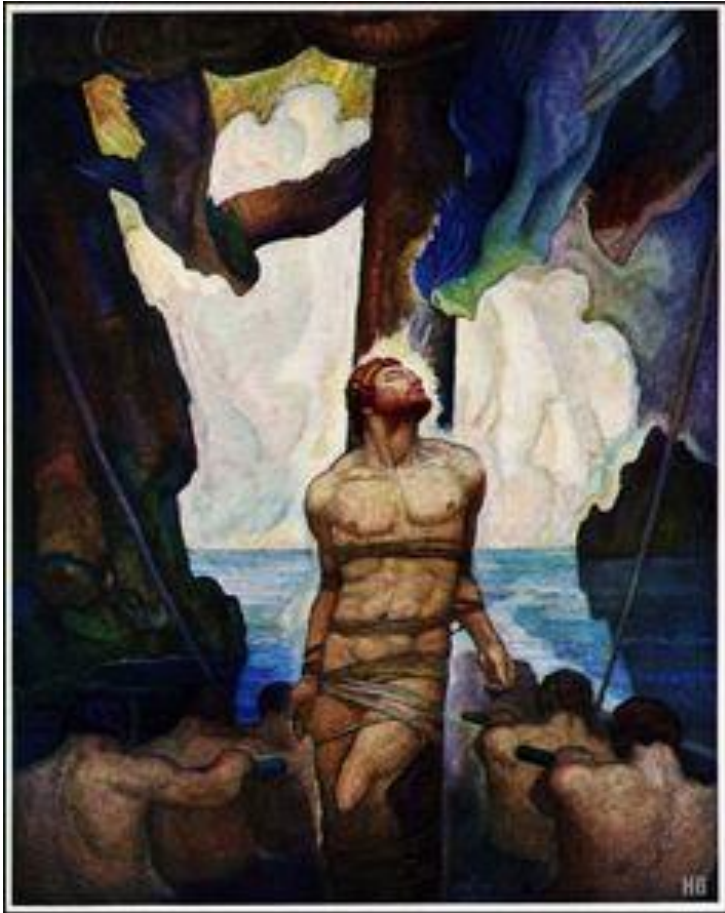
Much of our behaviour is driven by emotional (internal) or social (external) dynamics... not 'rational' self interest.



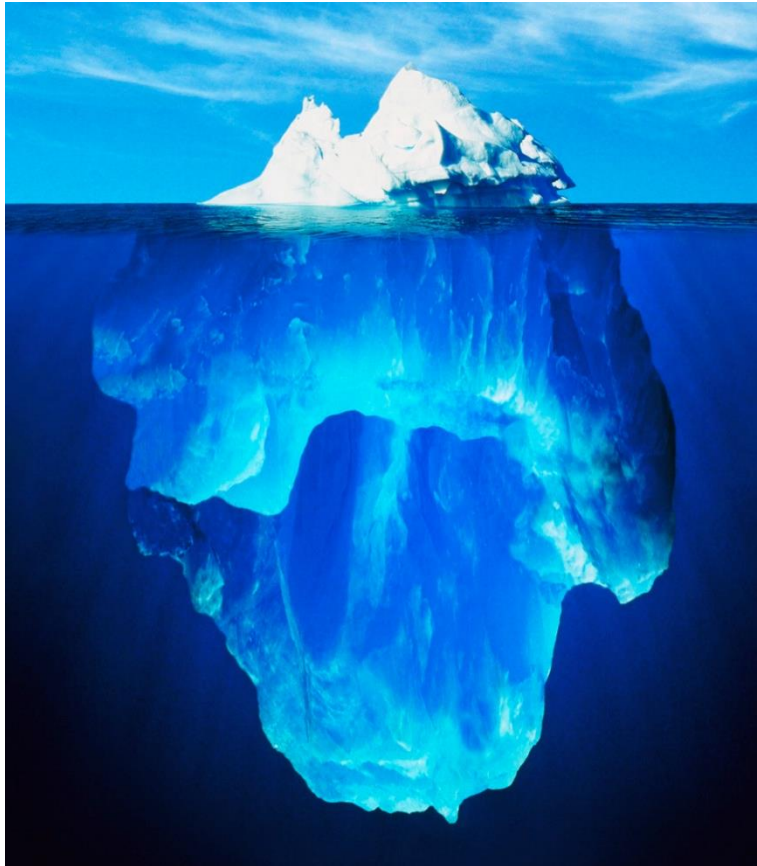
OP@WER



THE LIMITATIONS OF THE HUMAN CONDITION



EVIDENCE-BASED BEHAVIOUR CHANGE

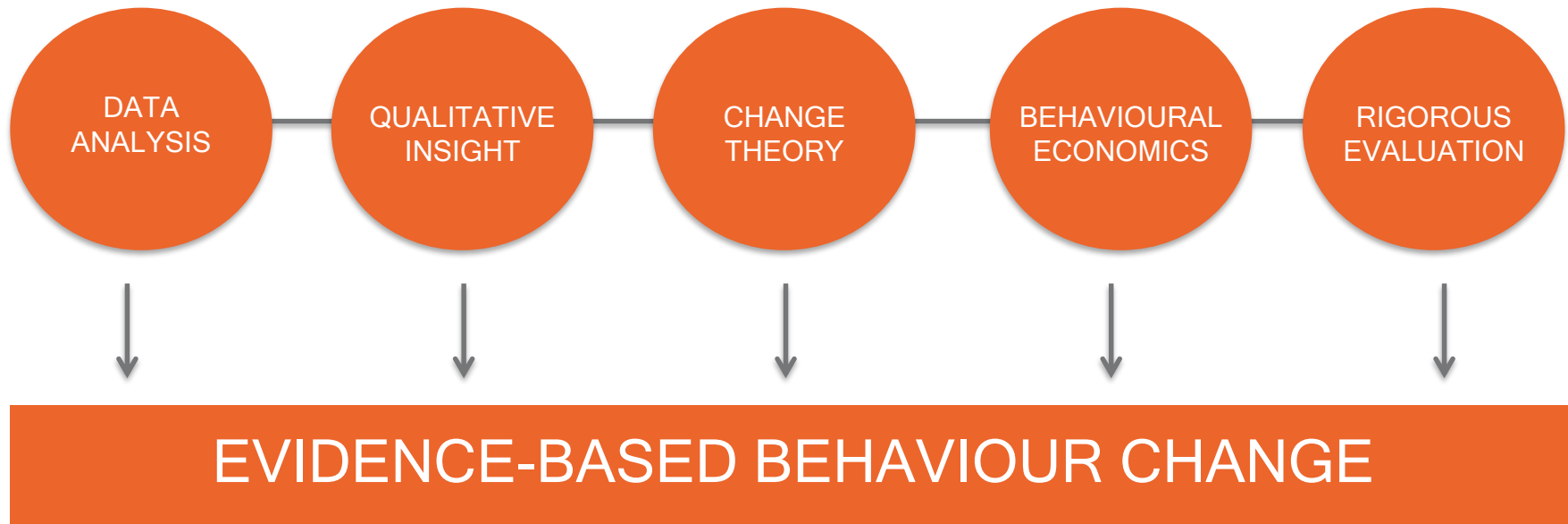


Small changes
and big impacts

Hard work



A BEHAVIOURAL INSIGHTS APPROACH



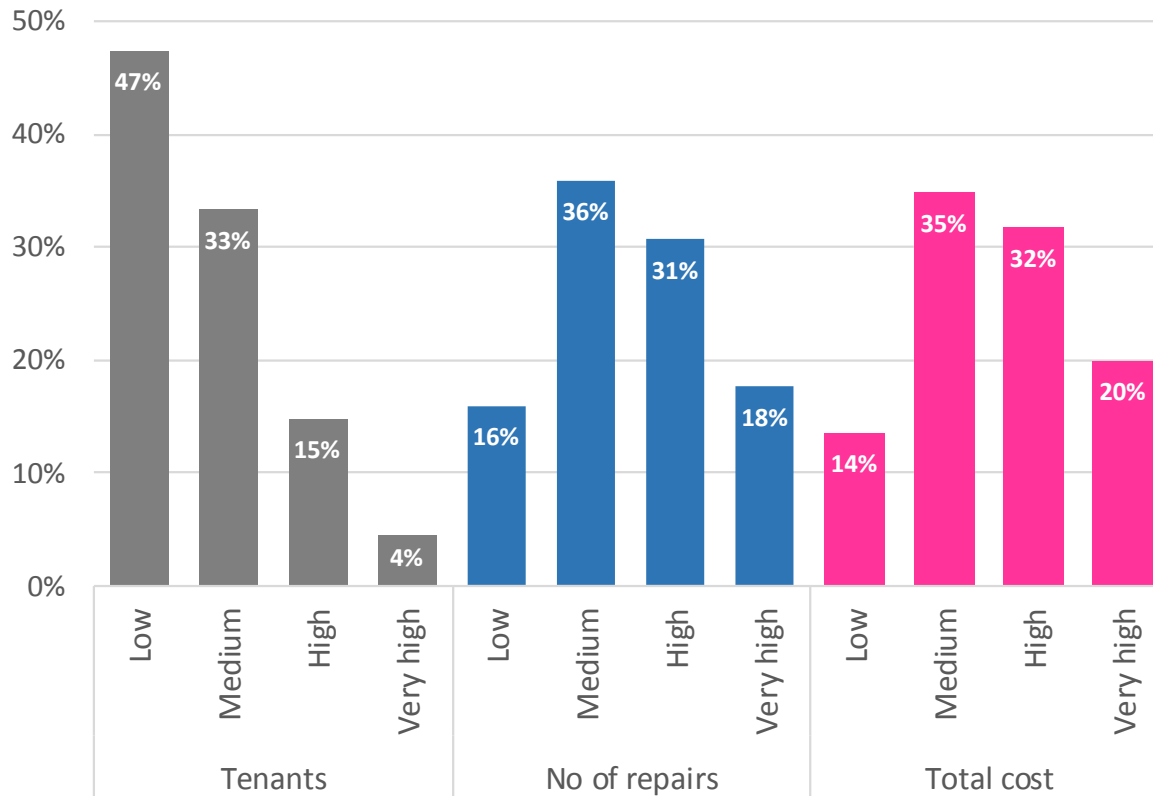
DESIGN THE SOLUTION

IDENTIFY THE AGENTS

Where should we focus our resources?
Where can we have greatest impact?



EXAMPLE - REPAIRS DEMAND



FREQUENCY SEGMENTS

Low 0 to 3

Medium 4 to 7

High 8 to 13

Very high 14+

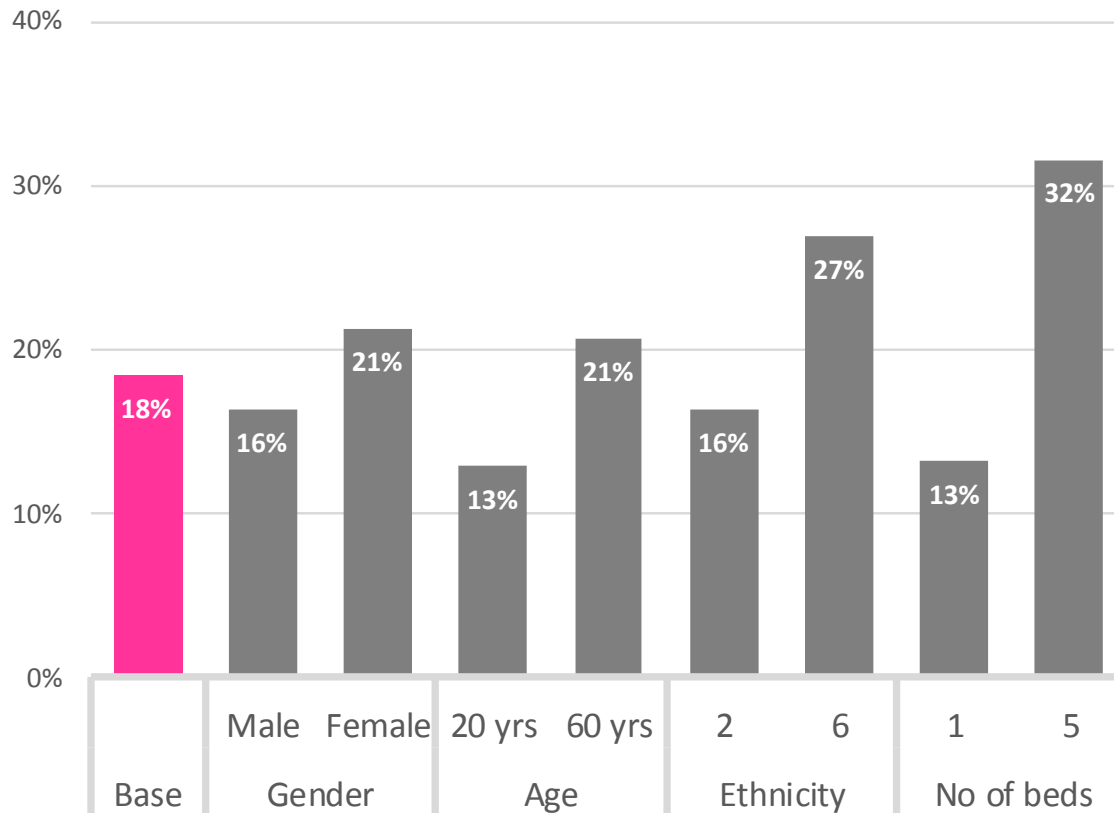
Key segments = High & Very High:

19% of tenants account for:

- 49% of repairs
- 52% of repairs costs



EXAMPLE - REPAIRS DEMAND

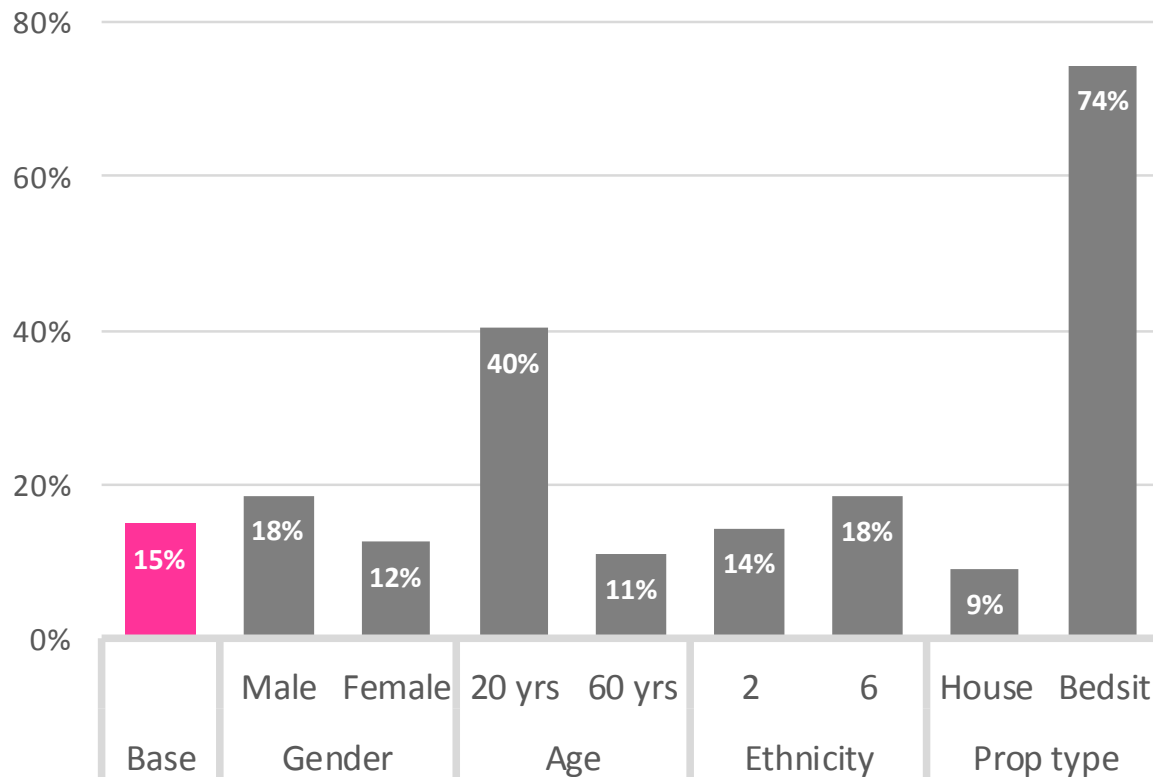


Persistent repairers more likely to be

- **Women**
- **Older**
- **Asian / Asian Bangladeshi**
- **Have larger property / family**



EXAMPLE - REPAIRS DEMAND

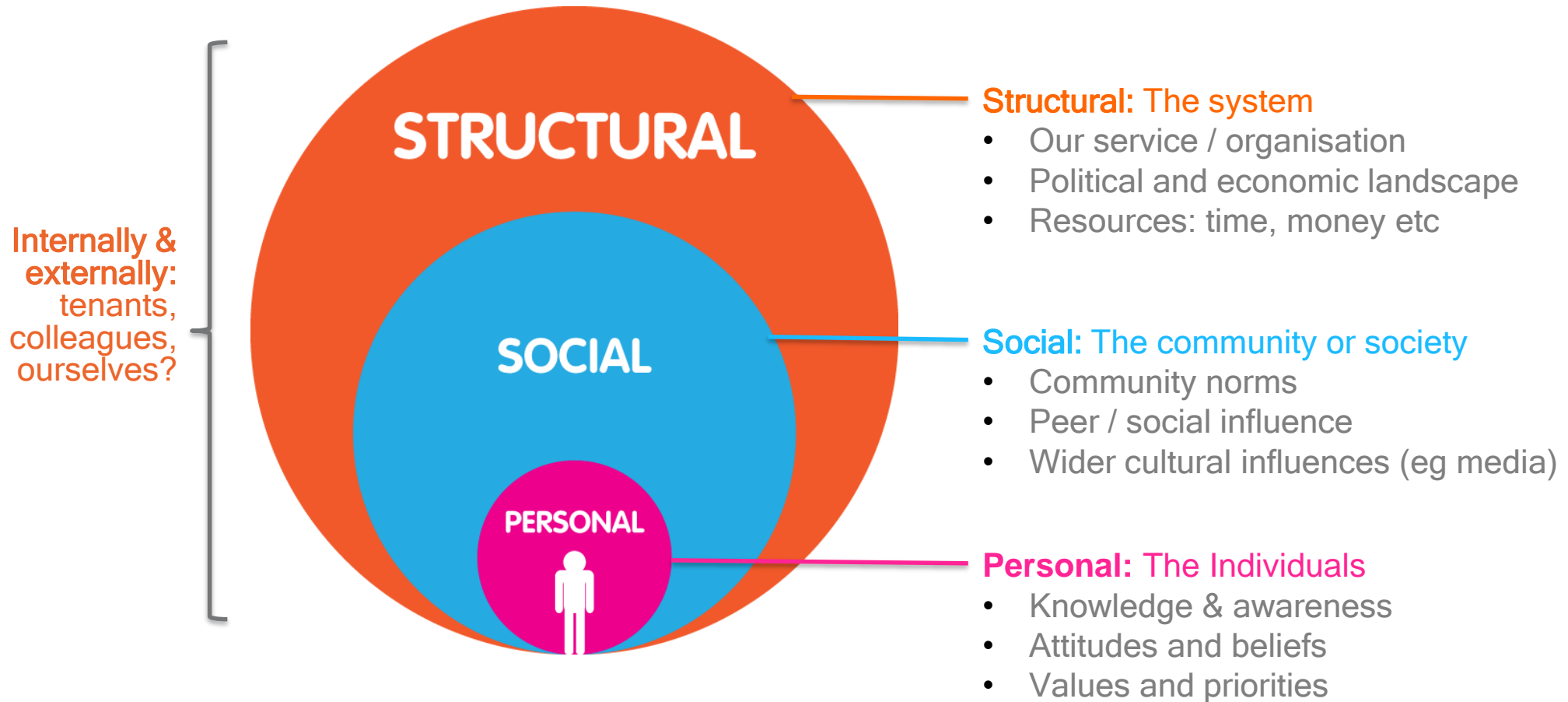


Tenants reporting repairs triggered by move more likely to be

- Male
- Younger
- Asian / Asian Bangladeshi
- Living in a bedsit



QUALITATIVE INSIGHT

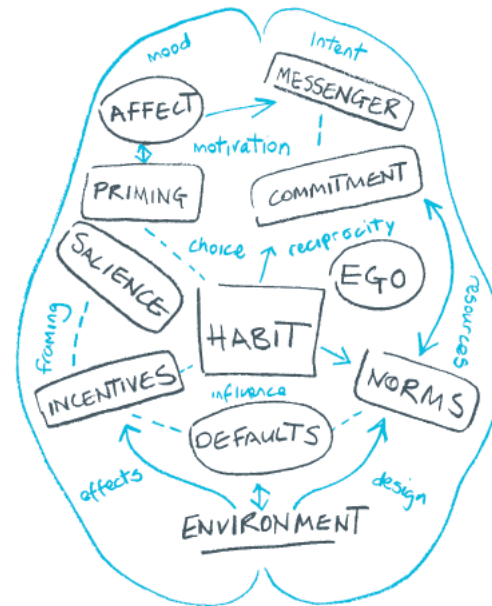


MINDSPACE

Messenger
Incentives
Norms
Defaults
Salience
Priming
Affect
Commitments
Ego

<http://instituteforgovernment.org.uk>

Dolan et al, 2010.



Messenger
Incentives
Norms
Defaults
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Affect
Commitments
Ego

We are heavily influenced by who communicates information.
Our responses to incentives are shaped by mental shortcuts
We tend to do what those around us are already doing.
We 'go with the flow' of pre-set options.
Our attention is drawn to what is novel and relevant to us.
Our acts are often influenced by sub-conscious cues.
Emotional associations can powerfully shape our actions.
We seek to be consistent with our public promises
We act in ways that make us feel better about ourselves.



Emerging from all this:

- Intention - action gap
- Evidence, and attention to this when determining organisational direction
- Understanding people's behaviour



GROUP WORK

To pick up and explore some of these themes, and how they might be useful to you, on your table is a very simple case study. Use the MINDSPACE stimulus cards to work on some solutions to the issues raised.

We'll take feedback from 1 or 2 tables.





WRAP UP AND QUESTIONS:

WHAT IS THE ONE THING THAT YOU WILL DO
DIFFERENTLY AS A RESULT OF TODAY'S SESSION?

