

Are people becoming wise to the nudge?

Simon Shaw







An empty hotel – but my online booking journey suggested otherwise



Social proof

3 people looked at properties in Dunoon in the last hour. 

2 other people looked at this hotel in the last hour. 

Just booked in Dunoon, Scotland, United Kingdom: **The Tontine Hotel** 
Booked 16 hours ago from United Kingdom

Scarcity



Book now to get this fantastic price.

If you book later, there's a chance the price will go up.

We have 2 left

2 left on our site

If you don't book now, this brilliant deal could be gone.

This price may increase if you book later.

Hurry, that's the cheapest room at the Argyll Hotel! Book it now.

Behavioural science is a wonderful gift

...but marketers should act with care

Proven effectiveness

Unlocks value – often at little cost

Part of the evidence-based marketing movement

Encourages new strategies and tactics to marketers – unlocking creativity

To nudge, shove or sludge?



Nudge

A subtle intervention that guides a choice without restricting it

Works in people's best interests

Shove

An obvious intervention that guides a choice
Often restrictive

Open to debate whose interests are served

Sludge

Discourages behaviour that is in your best interests / encourages self-defeating behaviour

Working against people's best interests

We need to widen our perspective



**These tactics influence how people feel
about the brand & the category – not
just the transaction**





Are people becoming wise to the nudge?

If so, whom?

In what circumstances?

A behavioural experiment

A study to better understand some of the most commonly used behavioural interventions that marketers use

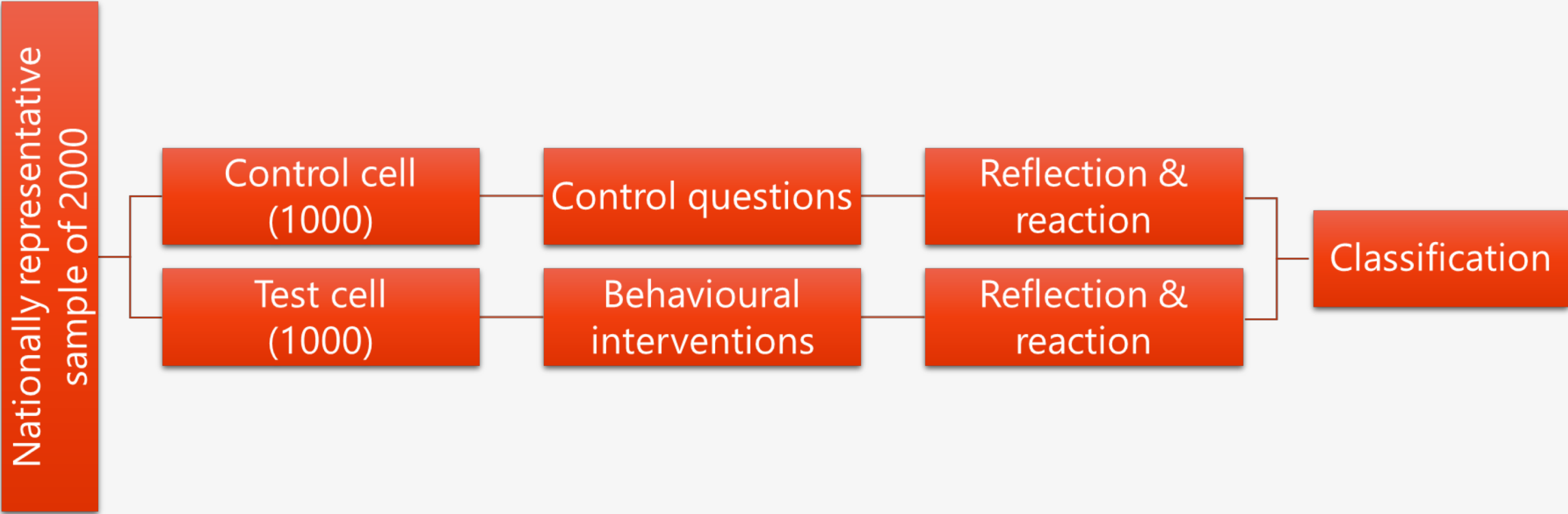
We tested a number of specific interventions:

- /// Choice architecture (framing, decoy effect, anchoring, priming, defaults)
- /// Pricing (presentation & relativity)
- /// Social proof
- /// Present bias
- /// Optimism bias
- /// Loss aversion
- /// Scarcity
- /// Forced compliance
- /// Reactance
- /// Simplification
- /// Loyalty

Across a number of different sectors:

- /// Charity
- /// Travel
- /// Leisure
- /// Retail
- /// FMCG
- /// Alcoholic beverages
- /// Telecoms
- /// Financial Services
- /// Insurance

A behavioural experiment






Charity sponsorship


Your friend is training for a charity run. She has sent you a link to her online fundraising page. How much would you donate?





Control – low anchor


Supporters 27

 Danielle Horsfield 18 days ago

 Sarah Cooper 22 days ago
Go get em girlfriend! ;p
£10.00

 Mike Jarvis 25 days ago
Great idea, and good on you
£5.00


 Chris Broadbent 1 month ago
Proud of you!
£5.00


 Simon Bartlett 5 months ago
I love the work that you do and I'm so proud
£10.00


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
Test – high anchor


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£20.00 + £5.00 Gift Aid

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Great idea, and good on you
£100.00 + £25.00 Gift Aid

 Chris Broadbent 1 month ago
Proud of you!
£50.00

 Simon Bartlett 5 months ago
I love the work that you do and I'm so proud
£100.00


[Donate](#)


You can get people to double their donation, just by showing them other people donate more




Control – low anchor


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£10.00

£8.46


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Proud of you!
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Donate


Test – high anchor


Supporters 27

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 Sarah Cooper 22 days ago
Go get em girlfriend! :p
£20.00 + £5.00 Gift Aid

£17.52

 Chris Broadbent 1 month ago
Proud of you!
£50.00

 Simon Bartlett 5 months ago
I love the work that you do and I'm so proud
£100.00

Donate



Most assume they are immune
to marketer's tactics

86%

**I have firm views when deciding
what to buy**

70%

I tend to ignore advertising

62%

**I'm not influenced by the way
companies present choices to
me**

49%

I am more intelligent than the
average person

13%

I have heard of behavioural economics

Are these subgroups
immune to
behavioural tactics?

The reality is no-one is immune to behavioural tactics



Control – low anchor

Test – high anchor

Overall

Supporters 27

£8.46

Sarah Cooper 22 days ago
Go get em girlfriend! :p
£10.00

£9.06
Difference

Supporters 27

£17.52

Sarah Cooper 22 days ago
Go get em girlfriend! :p
£20.00 + £5.00 Gift Aid

“More intelligent”

£6.26

£9.83
Difference

£16.09

Heard of BE

£9.35

£12.64
Difference

£21.99

Chris Broadbent 1 month ago
Proud of you!
proud
£10.00
Donate


Chris Broadbent 1 month ago
Proud of you!
proud
£100.00
Donate





Booking a hotel online

Imagine you are looking at a hotel booking website to find a hotel to stay in next week in Dunoon, Scotland. As you search, shortlist and then book you the website makes a series of claims.




3 people looked at properties in Dunoon in the last hour. 

2 other people looked at this hotel in the last hour. 

Just booked in Dunoon, Scotland, United Kingdom: **The Tontine Hotel** 
Booked 16 hours ago from United Kingdom

We have 2 left

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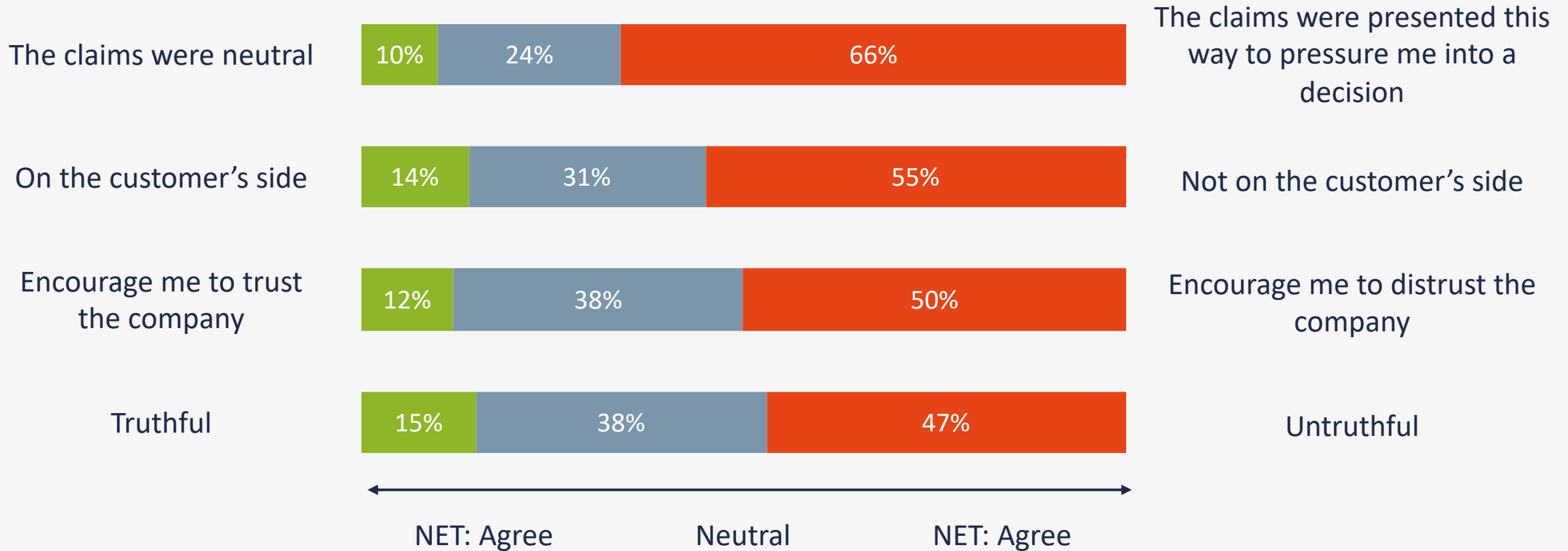
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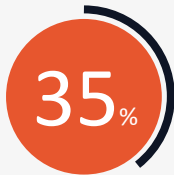
This price may increase if you book later.

Hurry, that's the cheapest room at the Argyll Hotel! Book it now.

Reactions: **most interpret the tactics as sales pressure**

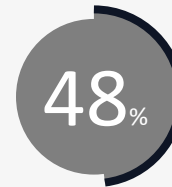


Reactions: a third were alienated, even contemptuous

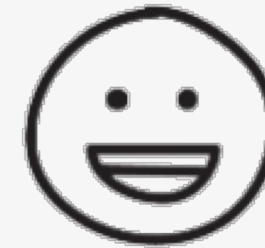


...they are trying to pressure you into booking with what I think are false claims

Dishonest nonsense!



The hotel wants to sell their rooms, and they know you are looking, so this does not bother me.



IT SHOWS U EVERYTHING THAT YOU NEED TO KNOW ...NO NEED TO BE DIGGING AROUND LOOKING FOR MORE INFO



Would aggressive defaults would irritate people even more?






You are booking a flight to New York online. You find a flight for £512. The airline shows you the screen below before you checkout. Which of these words / phrases best describe how you feel about the choices available?



Protect your flight (recommended)

 Avoid change fees. Protect your trip.

Top 3 benefits of travel protection, get up to: 

1. **100%** flight refund if you're sick and can't travel [See details](#) 
2. **£1,000** for lost baggage, including laptop, phone or camera [See details](#) 
3. **£15,000** for emergency medical transportation [See details](#) 

[View terms, conditions and plan sponsors](#)

Select an option*

Yes, I want to add the Protection Plan to my trip to New York.

 35,755 customers protected their flight in the last 7 days

£28.99

No, I'm willing to risk my £512.76 trip.

Mary got **£468** back when she cancelled her flight to... [Read more](#)

Aggressively defaulting you into a questionable deal



Protect your flight (recommended)

ⓘ Avoid change fees. Protect your trip.

Top 3 benefits of travel protection, get up to:

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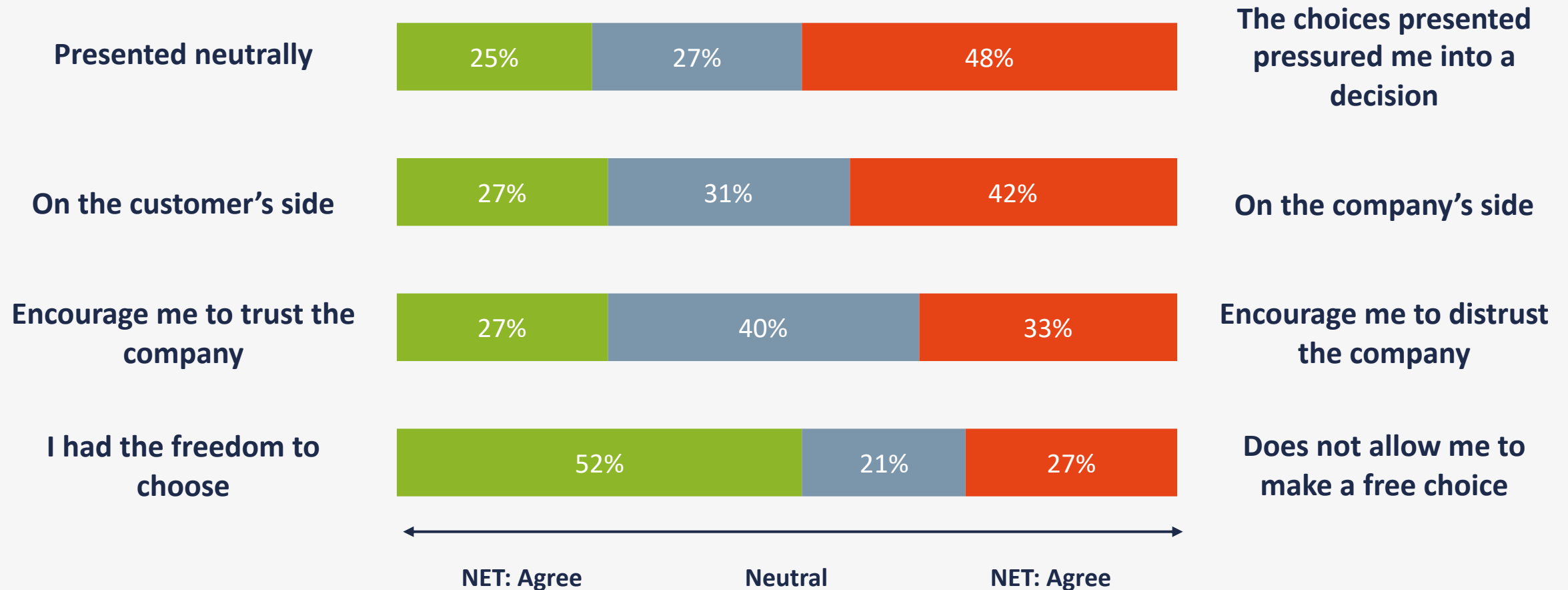
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No, I'm willing to risk my £512.76 trip.

Mary got **£468** back when she cancelled her flight to... [Read more](#)

- Social proof
- Salience/default
- Loss aversion

People felt pressured by the choice - but not to the degree we had expected



The choices presented pressured me into a decision

On the company's side

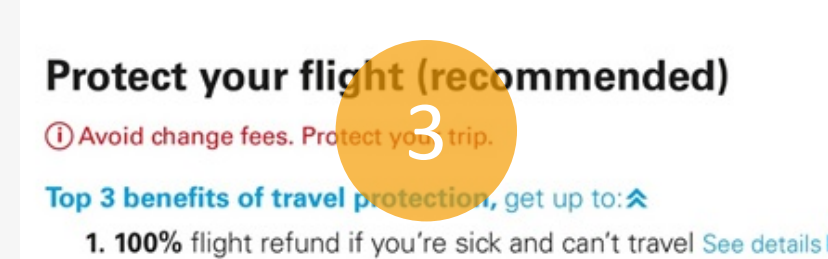
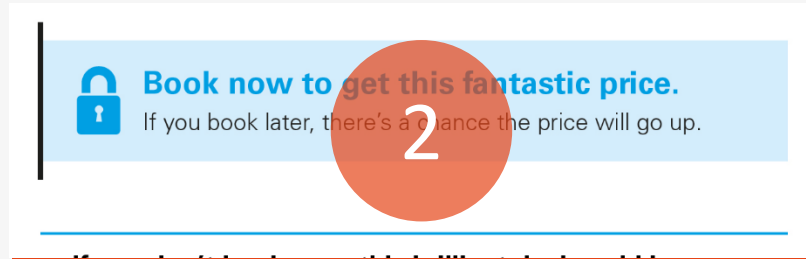
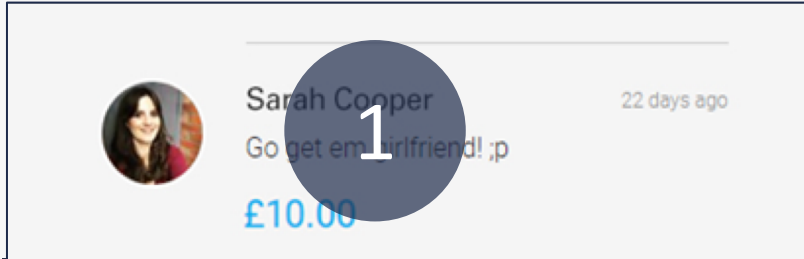
Encourage me to distrust the company

Does not allow me to make a free choice



What is going on?

The 3 scenarios have radically different contexts



Charity donation

- Small amount of money
- Helping a friend
- Infrequent

Hotel booking

- Moderate amount of money
- Buying something
- Frequent

Transatlantic flight

- Large amount of money
- Insuring something
- Infrequent

Don't expect behavioural tactics to be in play

Used to seeing behavioural tactics in situations like these

The context starts to override the behavioural tactics in this situation



The verbatim showed a clear learning effect: people have become wise to scarcity and social proof tactics in similar commercial contexts



In summary



In summary



Biases are universal
No-one is immune



Heuristics are subject to learning effects
Some tactics in some contexts are worn out...



Nuances abound
– test, test & test!

Moving beyond...

- A transactional focus
- Oversimplification
- Overgeneralisation
- Declaring 'the truth' or 'the answer'

Moving towards...

- A relationship focus
- Acceptance of context-sensitive contradictions in human behaviour
- Mapping these by category
- An experimental mindset



“

*Can you sell sunglasses
for £200?*

*In a drugstore, no; in an
airport, yes.*

Rory Sutherland,
Vice Chairman of Ogilvy UK

Thank you

Simon Shaw

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