

Practical applications of 'nudge' psychology

April 24 2015



Following the publication of Richard Thaler and Cass Sunstein's persuasive book "Nudge", nudges have become a popular tool in many fields from tax collection to public health and not least among advertisers, but a thorough review of existing research suggests that the evidence that the concept is based on flimsy evidence at best.

Nudge is all around us now, encouraging us to improve our health through fitness trackers, reduce our fuel consumption through energy monitors, discouraging theft through pictures of police officers and reminding us to pay fines through text messages. There's a common misunderstanding about what a nudge actually is, to the point that virtually anything can count as a nudge. Nudges aren't designed to build on our competencies – they operate to correct failings in self-control. Nudges also aren't designed to make us consume things that are bad for our personal health and wellbeing, this is key.

The idea goes something like this - changing the way information in a decision-making situation is presented makes particular lifestyle option more attractive or easier to choose but without changing the underlying pricing structure. That is, nudges don't coerce people into going for a better lifestyle option because there is a better financial incentive or disincentive behind it, or even some other 'reward'. Instead they're designed to work with the way we make decisions based solely on the attractiveness of the option on information grounds. Nudges are built on a prevalent theory in psychology; that people make decisions on the basis of two systems of thought - one conscious and the other unconscious - and that these systems are often in conflict.

For instance, while people consciously know that cigarettes are bad for them, and the warnings on the packets disgust them, they don't tell them anything they didn't already know, so they continue to smoke because their unconscious is strongly urging them to. The difficulty in changing behaviour like this is that people aren't aware, or can't control the underlying, unconscious urges.

The apparent elegance of nudge is to build on psychological research that provides insights into how these unconscious processes work and how they can be re-directed. Advertising has often worked on similar principles that are designed to attract attention towards a product by

triggering unconscious mechanisms. Campaigns commonly target people's emotional and social experiences – which are thought to have an unconscious basis to them. In addition, campaigns are concerned with what people value as a means to encourage them to habitually consume a particular product.

The attraction of nudge theory to advertisers is obvious, as it seems to back up what practitioners have believed for years, and so it has been widely championed in the industry. However, much of the empirical evidence that appears to show nudges works is unreliable and there have been substantial failures to replicate findings showing that nudges work. It suffers from the same issues that psychology faces in general when it comes to establishing unconscious processes, and the current debate that has been raging in psychology on the grounds that empirical evidence is unreliable is most prominent with regards to demonstrations of the unconscious. This puts doubt to the strength of the claim that our choices, good or bad, are fundamentally the result of unconscious processes.

Advances in understanding of the way we make decisions, including work from my own laboratory and what I discuss in my recent book "Future-minded", would suggest two things that are helpful here. First, emotions are not separate from cognition, that is to say, emotions underpin every aspect of the [decision-making process](#), and that there is no decision we make that is free from emotions. This is because emotions are appraisals; they signal the good and bad aspects of any decision-making situation at the point of planning the choice, implementing the choice, and evaluating the choice made. Therefore assuming that people make either rational decisions, or emotional decisions is a false dichotomy. So in order to better understand the consumer, it is better to consider how emotions are implicated in every aspect of the decision-making process, making the emotional experience a coherent one throughout.

The second insight is that the decision-making process is a dynamic one, and the values people assign to options early on, during, and after a decision is made will differ. So, in order to more effectively target consumers, advertisers must focus on making the consumer experience a coherent one to minimize the changes that occur at each stage. This means aligning what the consumer cares about when they are about to make a choice, when they actually make the choice, and when they think over the choice they made when faced with making it again in the future. Simply trusting that people can be nudged by small unconscious decisions is not enough to change and sustain consumer behaviour over time, which would be the gold standard of any effective advertising campaign.

Provided by Queen Mary, University of London

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