Australasian Aid Conference

Using Behavioural Insights to gain a more realistic view of public perceptions and behaviour around aid

Wednesday 14th February
Global research and strategic consultancy business.

Using the *latest thinking from the behavioural sciences* to help organisations better understand and influence behaviour.

We help our clients to design the behaviour they want to see.
What is Behavioural Economics?

Behavioural Economics is a scientific model of human behaviour which acknowledges and embraces the inherent biases and distortions that characterise human judgement and decision making.
Behavioural Economics provides us with a more realistic view of human behaviour.

“We think that we’re much more rational than we are. And we think that we make our decisions because we have good reasons to make them. Even when it’s the other way around. We believe in the reasons, because we’ve already made the decision.”

Daniel Kahneman
Unique behavioural insight into aid related behaviour

To reduce the amount of Unsolicited Bilateral Donations (UBDs) sent during times of humanitarian crisis.
Some of the Behavioural Insights that can help us to gain a deeper understanding of aid perceptions and behaviour in Australia

Behavioural Objective:
To maximise funds raised in Australia during times of humanitarian crisis.
Some of the Behavioural Insights that can help us to gain a deeper understanding of aid perceptions and behaviour in Australia

System 1 and 2

The behaviour of donating funds in times of humanitarian disaster is governed by a System 1 mode of thinking.

Behavioural Objective:
To maximise funds raised in Australia during times of humanitarian crisis.
System 1 & 2 – two systems of the mind

**SYSTEM 1**
- Automatic
- Quick
- Emotional
- Intuitive

**SYSTEM 2**
- Conscious
- Effortful
- Slow
- Deliberate
- Logical

System 1 reacts to cues and looks for patterns
System 2 explores possibilities and probabilities

*Insight*: People simply do not stop to work through all of their options and possibilities, instead they act in auto-pilot. For some, this results in not making a donation, as their System 1 belief is that the money does not make it to the crisis zone, that a huge proportion of the money is kept to pay salaries and admin fees.

*Implication*: To appeal to System 1 and encourage aid donations, information needs to be simple, clear, intuitive and fast to process. This will also assist in correcting System 1 errors in decision making.

*When information is scarce, which is a common occurrence, System 1 operates as a machine for jumping to conclusions. Daniel Kahneman*
 Behavioural Objective: To maximise funds raised in Australia during times of humanitarian crisis.

System 1 and 2

The behaviour of donating funds in times of humanitarian disaster is governed by a System 1 mode of thinking.

The Salience / Availability of the humanitarian disaster and how to help is key in triggering donation behaviour.
Salience and Availability Bias

**Availability Bias Definition:** We often judge the likelihood of an event, or frequency of its occurrence by what is *salient* to us and the ease with which examples and instances come to mind.

**Salience:** Our System 1 makes us alert to things that *stand out*, get our attention and help us remember things.

**Insight:** It is not new news to hear that media exposure and awareness play a significant role in motivating donation behaviour.

**Implication:** What is vital in this equation is that there is clear Authority for who to donate to and simple behavioural instruction about where to donate, currently people feel overwhelmed by the options and unsure of the best place to donate.

---

Yuval Noah Harari: "McDonald's and Coca-Cola are a greater threat to your life than al-Qaeda and ISIS"

"The chance that you will die from eating too much McDonalds is about one thousand times higher than the chance that you will die by an ISIS terror attack."

Yuval Noah Harari, professor at the University of Jerusalem
Some of the Behavioural Insights that can help us to gain a deeper understanding of aid perceptions and behaviour in Australia

**Behavioural Objective:**
To maximise funds raised in Australia during times of humanitarian crisis.

**System 1 and 2**
The behaviour of donating funds in times of humanitarian disaster is governed by a **System 1 mode of thinking**.

**Salience and Availability Bias**
The **Salience / Availability** of the humanitarian disaster and how to help is key in triggering donation behaviour.

**Authority Bias**
The perceived Authority of the NGO is extremely powerful in triggering donations.
Authority bias is the tendency to alter our opinions or behaviours to those of someone we consider to be an authority on a subject.

People follow the lead of people they believe to be credible and knowledgeable experts when they are unsure. They might use the authority view as a System 1 mental shortcut.

A study conducted by social psychologist Leonard Bickman looked into how uniform can have an authoritative impact on behaviour.

**STUDY TASKS:** An experimenter asked passers-by on the street to carry out small tasks.

**RESULTS:** When the experimenter wore street clothes, the compliance rate was 42%. When the experimenter wore a uniform however, the compliance rate soared to 92%.


**Insight:** Clear and obvious demonstration of Authority is an important factor in establishing trust and subsequently donations.

**Implication:** It will be vital that the joint funding mechanism is supported by a well recognised source of authority.
Behavioural Objective:
To maximise funds raised in Australia during times of humanitarian crisis.

System 1 and 2
The behaviour of donating funds in times of humanitarian disaster is governed by a System 1 mode of thinking.

Salience and Availability Bias
The Salience / Availability of the humanitarian disaster and how to help is key in triggering donation behaviour.

Authority Bias
The perceived Authority of the NGO is extremely powerful in triggering donations.

Social Norms
Donating behaviour is heavily influenced by what other people are doing, the perceived Social Norm.

Behavioural Insights:
Some of the Behavioural Insights that can help us to gain a deeper understanding of aid perceptions and behaviour in Australia.
Social Norms

We have a common tendency to adopt the opinions and follow the behaviours of the majority. This also extends to the tendency to do (or believe) things because many other folks do. Also called: “Herd Behaviour” and “The Bandwagon Effect” and “The Conformity Effect.”

Opower provide households with personalised BE-inspired energy reports to help reduce their energy consumption.

Insight: Despite attitudinally stating that we do not follow the crowd, Behavioural Science, and our study, have shown that the perception of what the ‘norm’ is doing, is a powerful influence on behaviour.

Implication: Communicating about the large numbers of people donating through a particular channel could be very influential in motivating additional behaviour.

Impact: Households that received Opower energy reports reduced energy consumption by 2%, the equivalent of a family using their dishwasher 60 times less per year! Opower’s energy reports are now used across the world and make a significant contribution to tackling climate change and wasteful energy use.

Descriptive norms: Households are told how much energy they have used in comparison to their average and most efficient neighbors.

Thank You!

For further information please contact:

Melissa Gill
E: melissag@thebearchitects.com
T: 0438 020 770