

Video: Rory Sutherland on Behavioural Economics

This is the complete session from the MRS Brand Research conference, June 9, 2011 featuring Rory Sutherland, Mark Earls and Phil Barden. Enjoy the session, it runs for 34 minutes.

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Although I agree with much of what Rory says, you'll see from my emerging Perception Model over the next days, that I think all Behavioural Economists and Behaviourists, pay too little attention to the inner world. While you may not be able to generalise with 100% accuracy about **the collective properties of different individuals' inner worlds** - that's after all what makes each one of us unique - you can figure out a lot. **And you can use the results of this thinking & working through to better your insights and interpretations of how people will react to markets, goods and services. For most commercial researchers that is a key benefit!**

It is, in all honesty, much easier to control the environments and tests on a group of students - the universal subjects of Behavioural Economics experiments - than it is to control variables in the real world. Thus, while the experimental results may be clear at the university, they are much more complex in reality.

Take for example, nudging. We have known for nearly 50 years that encouragement works better than punishment for moving people in the direction you would like them to go. It's just that many of our politicians, teachers and administrators find this a hard lesson to learn. We also have known for 50 years that people do comparatively better at behaviour they're interested in and already have some practical experience of, than they do at entirely new behaviour. If you don't believe me, just strap on a pair of skis if you've never done so before and see what happens!

This is not to disparage Rory or any other colleagues with an interest in Behavioural Economics. I just want to make the observation that we have seen other schools of thought or technique that have been heralded as **the** answer. Most of this is simply fashion and fascination with the new, driven by the need for an ultimate solution to the issue of predicting what people will do. Over this and the coming years we will see an outbreak of agencies 'specialising in Behavioural Economics', just as Co-creation has been the fashion for the last 5 years.