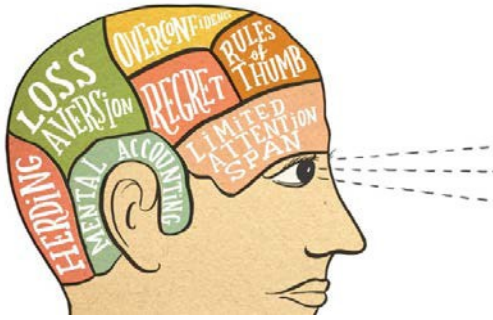


Behavioural Economics



This one is not going to fit on a page, I have taken the liberty of stretching to two.

I have left it too long to write about this new, fashionable school of psychology. I believe its fascination is based upon the appearance of marrying strict experimental procedure with acknowledgment of the effects of drives and forces which lie outside of awareness on our everyday thoughts and actions.

This is something we are all only too aware of: "I can't imagine what came over me. I never push in normally!" Such realisations are very common, almost daily occurrences.

So, to have a discipline that acknowledges and accounts for these forces is both comforting and allows a whole new audience to access and use the magic of psychology.

Two particularly successful ideas from Behavioural Economics are much favoured by marketers as they seem to reflect so accurately what marketing is aiming to do: to influence. These are *nudging* and *priming*; ideas that a gentle shove will push people into doing what they may already be inclined to do anyway, and that creating appropriate feelings before you meet a marketing message or opportunity, may increase your chances of striking a chord with customers. People who are already feeling warm are more likely to feel warm towards your offer.

This is not really any different from the favourite maxim of NLP: *Match > Pace > Lead* which set out to explain how the process of influence worked in practice.

For me Behavioural Economics is really Applied Social Psychology, powered by some very elegant experimental demonstrations and some acute thinking, particularly from the mind of *Daniel Kahneman*. I am most fond of Kahneman's System 1 and System 2 thinking, detailed in his wonderful book '*Thinking Fast and Slow*'.

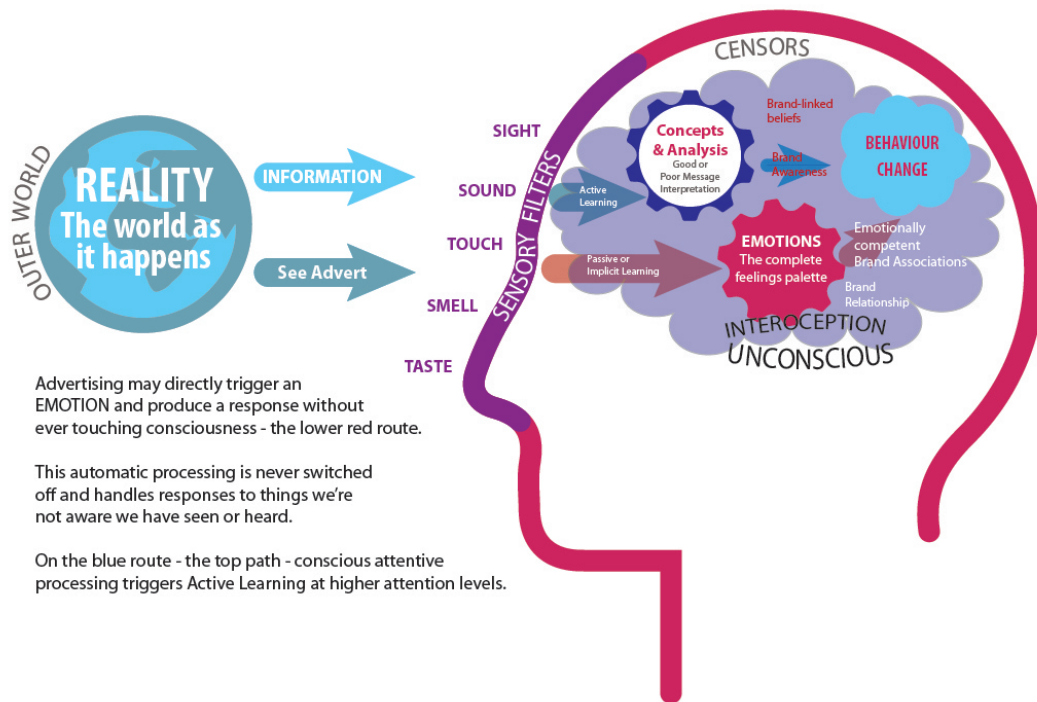
In essence the book captures a core idea of BE, that people will try to do the least they can for the most gain and that doing less includes thinking which is hard work.

In this modern digital world too, somehow thinking fast seems the cooler of the two: less time wasted, less fuss, less ambivalence, faster results. Yet, paradoxically, thinking fast (System 1) turns out to be not really thinking at all. Rather it is responding using embedded

patterns and associations that have been practiced in the past in response to apparently similar triggers. Largely, these patterns operate outside of consciousness, yet remain accessible to analysis by consciousness even though sometimes tricky to find.

Perception - from stimulus to meaning - conscious & unconscious processing

©



The diagram shows the Red Path, used by System 1 to automate behaviour, including choices and decisions. Above it, the Blue Path shows the route taken using System 2, or thinking as it is more usually known. I have adapted this from Robert Heath's excellent book, 'Seducing the Subconscious'.

In our field, these System 1 patterns are usefully thought of as embedded [brand] associations, which I depict in the graphic, showing how they can be accessed by both conscious (Blue) and unconscious (Red) routes. Wishing to appear cool, decisive, clear and timely, we are all prone to rely upon System 1, hardly realising that it is not a choice at all - at least in the conscious, cognitive sense. The truth is that for 95% of actions and decisions it works as well as it did before. In this way we are all victims of our past and likely to repeat our patterns in the future - unless we find a way of interrupting them.

A great deal of advertising and promotion is designed to reinforce System 1 associations and responses. Jingles, though less common nowadays are a brilliant example of embedded brand associations with an annoying tendency to play in the mind, uninvited.