Ep 113 - Interview: Nick Chater on the illusion of stable preferences and how decisions are shaped in the moment

MichaelAaron Flicker: [00:00:00] Welcome back to Behavioral Science for Brands, a podcast where we bridge the gap between academics and practical marketing. Every week we sit down and go deep behind the science of some of America's most successful brands. I'm MichaelAaron Flicker.

Richard Shotton: And I'm Richard Shotton.

MichaelAaron Flicker: And today we're sitting with Nick Chater, professor of Behavioral Science at Warwick Business School, and author of the very recently published book.

It is on you how corporations and behavioral scientists have convinced us that we're to blame for society's deepest problems. Let's get into it. So Nick, welcome to Behavioral Science for Brands. We're thrilled to have you on the show with us today.

Nick Chater: It's fantastic to be with you

MichaelAaron Flicker: and we are so excited to get deep into the conversation.

But before we do. Just a little bit of a primer for all of our listeners. [00:01:00] You are a professor of behavioral Science at Warwick Business School and in Richard and MA's opinion, one of the world's leading thinkers on human decision making, behavioral economics, and the psychology of reasoning. You have authored multiple books, including The Mind is Flat and Today.

We're thrilled to have you here to sit and to talk about behavioral science and what we can all learn from it and apply in our work. And we'd love to start with a little quick fire question round for you, Nick. So our first quick fire question is, can you share with us something that you've believed strongly in the past and you've now changed your mind on?

Nick Chater: Rather to the theme of the book I guess I did believe that we could really change the society for the better. So one person at a time. I sadly don't believe that. Now. [00:02:00]

Richard Shotton: And then Nick, if you had a magical wand or a magic wand, does there commonly known, what preconception about behavior change would you erase from people's minds?

Nick Chater: Ooh, I think I it raised the idea that your behavior is driven by some deep subterranean desires and beliefs that, of which little, the idea that you are a prisoner of your own unconscious. I want to clear that one out the way.

MichaelAaron Flicker: With that, let's jump in. Can you tell us more about that topic?

We've, Richard and I, in preparing for our conversation today, have heard you talk quite broadly about this misconception. Could you start by explaining what you've discovered in the most recent work you've done about the alternate? About, about this approach?

Nick Chater: I think the thing that I think is most striking about human behavior, which we're all aware of intuitively is that [00:03:00] we're, we are skating on thin ice the whole time.

We're improvising our way from one moment to the next. And I think taking that really seriously is a major step. So I think all of us feel. I'm floundering. I'm you asked me a question, I think, oh God, I've gotta come up with an answer. I wonder. It's gonna be, oh, here we go. And that's the way you feel like you're leading your life is a decision to be made rather than thinking, aha, I have a set of principles to make this decision by and I'm going to consult them.

You're more thinking, I've gotta cook up some reason to go one way or the other. Sometimes it feels like this one's an easy one. But a lot of the time when we're actually struggling where people would differ, they're floundering, trying to scramble together a story about what to do and what to say.

And so the thought that the we, the stream of consciousness is a kind of flow of improvisation is I think a really useful way to think about what we are doing. And the illusion is thinking I guess it [00:04:00] feels like I'm floundering. It feels, I'm sure everyone else isn't floundering. But surely underneath all this floundering, there must be.

Something solid. So if you ask me what are my true values? I don't really want be able to come up with an answer or what am I really aiming for in life? Or which things do I really believe and which ones do I not really believe? If these are all questions where. Actually, I think the improviser is all there is the improviser can, if you ask me do you believe in your X or Y or is this what you're aiming for in your life?

I the improvising machine will think, oh yeah. Oh, I, yeah, I think you're right. I think I do. Or maybe I'll think, oh, I'm not too sure. But it's scrambling that together at the moment you ask me the question. So the thought that and the reason we know this, I say know this in psychology, nothing has ever.

Completely settled, of course as in science in general. Especially psychology because it's such a young and really fairly feeble science with such a complicated target. But anyhow, certainly we know [00:05:00] anything. We find that when you ask people the same question in different ways, you get very different answers.

So that's a bit of a clue. And again, psychologists are keen on saying of course there must be something stable in there. It's just noisy. But I would say what that's telling you is. Change the question, get a different answer. People are making up the answer they're inventing as they go along.

It's one thing. Another thing is that which is a lovely demonstration by two Swedish researchers, pet Hansen and Lar Hall. So Peta Johansen was once a postdoc of mine in my lab at UCL, but he'd done this work before he, he arrived working with me so I can claim no credit, although we did a little bit of stuff together, but I have no credit at all.

He, it's, he and Lars Hall did this work. So they did experiments where you ask people to make a choice. And the one version I like, especially what is jam? So you give people jam tasting and they, people say I think my favorite's, the strawberry. And then with, within that case, a magic trick with double-ended jam jars, you actually switch the [00:06:00] jam so that the what was the raspberry jam with when you flip it upside down now becomes the strawberry jam.

So the one that they just said, oh, that was fine. That was my favorite. You give, you say, just have a little bit more and tell me why you liked it so much. So having just said Raspberry's my favorite say. You now, I now taste a bit of strawberry, and then I give an explanation about why Strawberry's so great and why that's my favorite.

Now I think it's raspberry, and in fact, of course, I don't really know what I prefer. I don't even notice it's change. And the same occurs for so many things, political opinions. It works for faces. So the visional version, which was an article in science. The journal science was with faces. You ask people which face do they prefer?

They choose a face, then explain, you have to explain why. But a magic trick has been done a conjuring trick. So they get shit given the face they didn't choose. And then they'd say, oh, I didn't know that. I like that hair. Or those earrings the wrong face. They don't even notice that. So the idea that we're improvising, sort of choice by choice and improvising explanation by [00:07:00] explanation that's such a helpful way.

To understand ourselves. And I think we should allow us to think that, that gives us a sense of more flexibility in how we can behave in the future. So I think sometimes we can feel tracked if you believe that you are a certain kind of person. You've got a certain kind of mind, you've got certain kind of subconscious or hidden forces that are you're driving you in one direction or another.

It can feel like you've got no control over your future. Once you realize you're an improviser you realize actually I could improvise in a different direction, but not without limits. It's like musical improvisation. You can't, if you're learning the saxophone, you can't think ah Charlie Parker I'll just improvise like Charlie Parker.

That's gonna be pretty tough, right? 'cause that's you, that's just, nobody really can do that apart from Charlie Parker himself. But you can. Improvise more. More like one person or more like another person, or find your own way and [00:08:00] it's you practice and it's slow and it takes repetition, but you can actually change the way you improvise musically and you can change the way you improvise in your conversations of daily life and your thinking and whether you have negative thoughts or positive thoughts.

These things are not outside our control. Many of the listeners, Nick, will be working for businesses or governments or NGOs who are trying to change the behavior of others. With this model of instability and improvisation, is there a practical output that they could take to make their behavior change campaigns more effective?

Richard Shotton: Or is it you think, is it something that It's more an internal learning for ourselves?

Nick Chater: I think it is relevant to behavioral change in a large scale actually. So if you are I think a first thing that's relevant to. To more market research is realizing that we shouldn't think people have stable views about whatever it is we're worried about.

So it's very easy to think I wonder what the public think about this, or what do our [00:09:00] customers think about, do they like us? Do they not like us? And to think that's stable. It isn't stable and they probably don't really have a very fixed opinion and depending on how you probe them, so you'll get different answers.

So realizing that it's, there's instability is there itself, is helpful. And I think then thinking how can we probe people to think about this in a way that will. Prompt them to think about things we want 'em to think about and not the things we don't want 'em to think about. I think an example that it is very striking to me in in, in the UK context is so my bank is Royal Bank of Scotland, which has gigantic ne negative plus publicity where it really went bankrupt.

So there was there was all kinds of malpractice and it was just a terrible sort of calamity. However, my interactions with my bank. Fine. I it all worked fine. The people were very nice and the all the body didn't disappear. Everything was great. So my, not no more than probably than any other bank, but, so I had this [00:10:00] two completely different lenses.

So one is you, all the stuff you read in the paper about your bank and the other is all seems fine. It was all going on as normal. And so if you are realizing that what you want, if you want people to change behavior in a particular way, you've gotta think which frame are we getting them to think about?

When the when they're gonna be, for example, opening a new account or or trusting us with some something. Is that, all this stuff about the sort of nearly going bankrupt and so on is a massive financial re is that we wanna probably steer stir away from that.

But actually maybe it's not even relevant. 'cause people are working about the touch points that are relevant to the to, to the the thing the bank actually cares about. Maybe maybe actually all fairly positive anyway. So I suppose just thinking, realizing that the, there's no real answer to the question, how's your brand perceived?

Or will the public ever support this? Or is [00:11:00] this new product, is this gonna catch on? It's not really that this is fixed in the minds of the. Us, us consumers. It's something that is there to be created. So I suppose thinking, and this is a very natural, I think, way to think for people in brands the thinking that your job already is trying to co-create with your consumers as narrative in the story that, that we will collectively think, ah, that's a good story.

We like that story. Rather than thinking you've got these opinions, I wanna change your opinions.

Richard Shotton: There's an interesting implication from that, right At the end of the new book you talk about. Congestion charge, whether it's London, Oslo, Stockholm, and there seems to be a very similar pattern on every occasion, which is before the regulation comes in.

The public are very anti that intervention. As soon as it happens, they very quickly change their opinion. So what's going on there? Is that a kind of related element that there isn't a genuine point of view? It kinda depends [00:12:00] on what the status closed.

Nick Chater: Yes. I think that's, that is a good example. So I think first of all, I think if you ask what people, if you ask people what they think about a congestion charge, I think the answer for most of us before a congestion car comes in is I have no real opinion.

I don't really know what's gonna happen when they, when this charge appears, what's the implication gonna be? I don't know. But if you tell me that, if you tell me that, all you tell me is there's gonna be a charge for doing something you're not currently charged for. Yeah, automatically I think, that's gotta be bad, doesn't it?

It's like life is just exactly as it is now, but now I'm getting charged with something I didn't previously have to pay for that. So it's it's a natural, and this is the improvisation point that I don't really know what I think about a congestion charge. 'cause it's not something I have much experience with.

But it, but I'm scrambling around for an answer and I do think it does sound like a charge and a tax and I don't like those. So I guess I don't like it. But that's thinking of that as something deeply seated and deeply how I think it's all a mistake. But the other point, [00:13:00] which is exactly your point about how things change once the congestion charge gets implement.

Is that then, at least in most cases congestion does generally produce quite a lot and for many people that's like a big surprise and there's great news. So then so it's not so much that they had a deep seated hostility to congestion charge. It's more that most of us have no opinion at all.

But if you ask me about a charge of anything, I think that doesn't sound good. But then the touch point of. I'm just going out and finding, I'm getting, trying to go to the doctors or go to work, and it's just a bit easier than it was. That's gonna change my perspective,

Richard Shotton: which should give politicians a bit of confidence that if there are social matters, that the public is currently negative about.

That isn't a fake complete, they can reframe it and change those opinions. So there's a lot to play for not to be swayed too much by the supposed opinion of the [00:14:00] public.

Nick Chater: No I think that's absolutely right. I think it's so easy for us to look at surveys and think people don't like this.

They'll never wear it. Rather than realizing that you are asking people to generate. An opinion about something on a topic they probably don't have very strong feelings about. And I think there, I think also politicians can be much too cautious. And to think we can't challenge popular opinion because we we'll just be unpopular.

Rather than thinking popular opinion is not very deep seated. I, we most of us don't have much of a view of including me about most political or other issues. And give me a story, give me an explanation about why is this great? No, may go for it. It's not that you've got this very solid.

Solid implacable system of beliefs set up. We haven't. And so I think for people interested in brands that's great news. Because [00:15:00] brand, it is totally all to play for

MichaelAaron Flicker: that. It raises a question in my mind, Nick, which is, are there some things that are more deep-seated beliefs?

Are there things that are more strongly held and how do you. Discern that difference from those that we're improvising as we go, and those that are coming from more deep seated point of view or identity, or how would you, how do you analyze that?

Nick Chater: Yeah, so the way I see that is I, perhaps we should go back to the musical improvisation example actually.

So if you imagine you, you're learning a musical instrument. You learn to play in a particular tradition. You're playing Indian classical musical jazz, ax, experi, or. Whatever it is, a classical piano. Now, if you're learning that tradition, then it may be that any, in any given moment, you are playing in a fairly spontaneous, improvised way, but you are still working within a tradition because you've, which you partly your own tradition 'cause you've been.

You're building on the improvisation, [00:16:00] gin, and the musical style that you've been playing in, but also, of course, you're borrowing from all the people around you in that tradition too. So it's not the case that you can just veer off in any direction at will. And so were someone who's used to playing a particular style be confronted with some totally different style, so well, that's, you should, either, you should play like that, or that's the best style.

They might well react. Over read negatively to that. And it might take a long time, if ever, that they will actually make that adjustment because you're not, it's not this, it, because, 'cause you're trying to push against an entire sort of history. So what makes it for me, for what makes us individuals is this rich, sort, personal history, both of our own actions and thoughts and musical improvisations and all our interactions with the people around us.

Those are unique to me. And so there's a lot of flexibility. I'm still you I'm, I am floundering along moment by moment. But still, if you try to push me in a way that is [00:17:00] counter to the tradition of myself and the people around me, then I'm gonna think, this is weird. I don't like this.

So it's not that nothing can be moved. Nothing but the it's, for me, it's the improvisation all the way down. It's not that deep down there's really solid stuff, which is not improvised. It's just that. There's stuff that is much, is more bed down because it's, you're built on this long pa, long held patterns and traditions that are built up over, over a lifetime.

MichaelAaron Flicker: It fair to say that the cultural situation that you experience in your life creates the guardrails or creates the boundaries? That is that a fair summary of that, that creates the context for which you're going to have your improvisation within?

Nick Chater: Yeah, I think that's right. Of course there's always scope for change.

Both positive and negative, so people can break out in surprising directions. But I think that's right. [00:18:00] You so indeed. We might talk later that now I've worked quite a long part of my life on a tradition of thinking of social change. One aspect of social change being working at the level of the individual and being very entranced by that idea.

And I've come to think maybe that's not as helpful as I thought. So I, it's possible to be in an insider particular tradition and become less convinced by it and move in a different direction. But yes, those, you're right. And I've tried to you thinking about one's own.

Life, the sense of, we, we are very concerned with coherence. We want it to be the case. And it's very important to us that you are the tradition of activity actions that each of us consists of is a kind of coherent one. Makes sense. And when and we don't like to be veering wildly, of course.

So we're not, it's not that we're. We're amoeba that could slo off in every direction. Quite the [00:19:00] opposite but nonetheless it's still the case that we are remarkably undetermined in, in our attitudes and beliefs towards many things.

Richard Shotton: You mentioned Nick just then that.

You heard had a bit of an epiphany and that you'd previously been interested in behavioral science in terms of individual change. So what you, I think called the new book, the I frame. But now you think that there's a bigger role in terms of the s frame, this kind of societal implications of behavioral science.

Why is it you think the individual activities of behavioral scientists aren't as effective as maybe originally thought?

Nick Chater: Yeah I started off with an epiphany in the opposite direction really. So I, when I first started to read about the. Work of people like Daniel Conman and AMO ERs are absolutely massive figures in psychology and hugely important.

And Conman got [00:20:00] the chair of Nobel Prize for in economics for the impact that his work had. Anderski would also have shared that Nobel Prize had he lived and amazing people in the huge contribution. So I suppose I started to read that work. I started to think. Wow. This is telling us about the kind of frailty of human decision making and how we can to make mistakes, we can be imp improvement.

We can become obsessed with the present of present delights of cating, of traded off against future future health problems and presence funding gambling can be traded off against future. Bankruptcy and also all of the very interesting things they did about how we misperceive risk.

And so all fantastic body of work, which makes you have a richer understanding of the sort of vagaries of human individual human decision making. So a very natural thing to think for someone like me. Many other people are thinking along the same lines [00:21:00] more, more systematically is to think if only we could help people make better decisions, then many of the social problems we have would not evaporate, but at least be substantially shifted.

And that came. That, that movement crystallized in about 2003 in a couple of papers. Neither of which I was involved with. But one was a paper called Libertarian Paternalism by Richard Theor and Cast Sunstein. Later famously, the authors of Nudge, a Richard Theor, another Nobel Prize winner. In economics, CAS Sunstein, one of the the US is most prominent and it's sign important legal scholars.

Really significant people as the lab book nudge the paper that proceeded that they, that was pushing this idea that we can help people make better decisions by reframing problems, changing the way the choices they're presented with are are shaped and that will help people make.[00:22:00]

Especially overcome some of the difficulties that individuals have now at the same time, is that 2003, the paper, libertarian and paternalism, and notice the exciting title because you're saying paternalism, libertarianism, they don't fit together, but they're saying, oh yes, but actually maybe there's a kind of a way of pulling them pulling them together by keeping people's freedom.

That's the libertarian part. As it were, paternalistic, making the good things, the things that are going to be good for individuals in society, just easier. That's the idea of nudging, really. And so at the same time as that, there was another paper back called Regulation for Conservatives.

Same concept. If you're conservative in the sense of worried about infringement of liberty, then don't worry. 'cause we can have this kind of regulation, which is not really liberty in harming regulation. It's just encouraging, making the channels for doing good things easy and the channels for doing less good things.

Just a bit more, [00:23:00] putting a bit more friction on those. So this so one of the authors of that paper was George Stein, who's my. My collaborator. And

George and I met in about 20 2011 or something like that where we were both advisors on the behavioral insights team, which is a popularly known as the Nudge Unit, which was something that span out of the UK Cabinets Office.

It was set up by Little Cameron in 2010 and and was really the big thing that really got the nudge movement, the movement for trying to. Make apply psychological insights to, to shift individual behavior, to change social problems. Really got that moving because David Cameron picked this up.

The unit was some very brilliant people. And off it went multiplied about 150 plus nudge units around the world. Now the Obama administration obviously picked us up and had cast Castine actually. [00:24:00] They're having a prominent role there. So there's this big movement that's going and that's very exciting to be part of.

And I felt very pro hopeful that I would be sort, hopefully coming up with all sorts of brainwaves about how to. Solve social problems, particularly carbon reduction in particularly urgent one. And I sort of task myself to try and do that now. I spent a long time both trying to do it and lecturing people on how important it was and how this was a very effective strategy.

And those old fashioned people, like political scientists and lawyers, they were still going on about legal frameworks and regulations and taxes. I can remember thinking, Hey, just don't get at these people. They haven't realized there's this totally different approach which is going to sweep all of this away.

Now, maybe this is just getting wildly carried away. But the reality is, of course as you've intimated already, that it didn't work out that way, that we actually found that trying to come up with really [00:25:00] crisp, neat solutions to tricky social problems like getting people to save more for their fut financial futures or reducing carbon or improving diets or reducing either problems of addiction.

These things, just the kind of nudges you can kind try to create to. To address these problems, if there are any at all. Some of them there really aren't, you can even think of, but where they, where you come up with them they have the mar the effects they actually generate in the studies that you see in the literature are sadly just much smaller than we expected and often just in

Richard Shotton: invis.

So you've mentioned a few areas there, like carbon and saving for the future. I would've thought pensions, for example, in the UK would be an example of where the behavioral insights team, the nudge unit has been very effective. Back in 2012 for American listeners, company pensions there were great tax relief the company would pay into your [00:26:00] pension, but you had to contribute.

And before 2012, it was set up as you had to opt in to the pension scheme. And then one of the behavioral science principles that the government applied was to change it. Now you were automatically enrolled. You got the extra money from your employer, you got the extra tax benefits. If you didn't want that, you could opt out.

And there was a huge change in enrollment. So we went from like 61% of people being enrolled before 2012 to about 83% within six months of big companies. So that sounds like a super successful application of behavioral science.

Nick Chater: Yes. I think you can view that there's a glass half glass, half full kind of case.

Richard Shotton: Yeah. I'm a life optimist. Yeah. Yeah.

Nick Chater: So I think it's totally right that definitely did lead to a jump in the right direction. There are some downsides. So the sys the sort of systemic problem ultimately was that we'd started with a [00:27:00] style of pension, which was the defined benefit pension.

Which was a pension where you pay in and you know what you're gonna get back because you're gonna get some fraction of your. Salary times your number of years. Of course, you could define this in a variety of ways, but the point is that the, it's not that you have a pot of money and that pot of money is, then, it's a rundown over your retirement.

You, you have a fixed a fixed amounts of money that you know is coming to you, and that the shift away from that has been massive. It's, it still are, there still are some defined contribution. Sorry to find benefits pensions out there in the UK and indeed universities have a vestigial one.

It's not quite what it used to be, but that's, that still has that broad character and parts of the government. But in general, it's been a massive push away from them. So we've created in doing that a kind of massive problem. And then to try and fix it, we've tried to help people to get back into.

Or [00:28:00] make sure they're in pensions by getting 'em to opt out rather than opt in. So I think that's, that aspect of things is positive. But the real problem is that we've moved away from a system where people can actually share the risk across the population so they don't have to worry about their own individual pension.

'cause it's shared across the population. And also you don't have the problem of not knowing how long you're going to live. So if you have all these. Pots of money for pensions, and of course what's, what are investments gonna do? How long are you gonna live? You just don't know. So I think the system itself as a large scale has been much less works much less well for people, but you can patch it to a degree.

Richard Shotton: Yeah. So would it be fair to say a behavioral science intervention. Can change behavior they change the defaults, but your argument would be there is an even bigger opportunity if we use laws and regulations. Would that be the fair?

Nick Chater: Yeah, I think so. I think we've, [00:29:00] we deregulated the way pensions work a long time ago and that caused the cause the big problem.

And now we've tried to patch it behaviorally, but we haven't. I think seeing the problem of pensions as an individual problem is you've already got the, it is the, I frame individual frame perspective. Straight away you're thinking of how do I get this specific individual to save enough for their future?

So they've gotta have a pot of money. It's their for the money and they've gotta somehow think how to invest it. And they've gotta make put in enough that when they retire, they've got enough money coming to them. And it's, once you've thought about it as an individual problem, then you've lost.

I think it's not that if we, if it is an individual problem, let's help people with behavioral interventions. But really you've created, it creates a problem that individuals can't really solve because it's you need that risk sharing across the population. That we used to have.

That's the thing that really gives people security. 'cause what people [00:30:00] really want for their futures. They want to know how it's gonna be. They want to know how much money they're gonna have. They don't want to think I've no real idea. I, it just depends on all these mysterious factors like how long I'm gonna live and what the market's gonna do and anyway, I don't understand why pension and I should say there's another thing which is problematic about the specifics of the UK system, although I do generally think this is one of the best.

Most positive things nudges out there. Another problem is that if you opt someone into a, if a pen is opted automatically into a pension scheme, usually the default level is quite low. So it's a small fraction and small number of percentages percentage points of their salary. So it's quite easy to think pensions problems sold.

I've got one of these pensions they opted me in. I don't have to worry about it. And very likely that's not right because that almost certainly that pension is going be sufficiently small that you. He won't be help you very much. So there's a danger of false false, secure sense of security too.

MichaelAaron Flicker: [00:31:00] It's, there's a interesting parallel to a topic that has come up on the show before Nick, which is we have sometimes have thought leaders who come on and say yes, behavioral science, very nice, but it doesn't solve the whole problem of marketing effectiveness for our brands. Like a nice bag of tricks to pull when you'd like it.

But what about the rest of the effectiveness of marketing and the connection? I was making as you as we were going through this pension example, is yes, maybe you can change if an individual problem, an individual F frame might shift behavior, but that doesn't mean that it solves the larger objective of why you created the campaign or why you created the scheme in the first place.

Yeah. Is that a fair connection to brand marketing or how you could see how it might apply in that way?

Nick Chater: Yeah. No. Absolutely is. Yeah. Yeah. If you think about something, if you think about, an example, like public health campaigning on say you cigarettes or you [00:32:00] alcohol or something of this kind of gambling.

Then you it's there. Your task is you're trying to reshape a sort of entire sort of perspective. Large on, on a whole area of activity. So thinking of this sort of one behavior at a time that's another part of the problem, but it, I think of it's one person, one person, one behavior at a time is too is also too narrow.

So what you really wanting to do is to change the general sense of now we think smoking's not such a great idea. We're all a bit icky about it, but people who smoke feel like I shouldn't. And and they don't wanna persuade other people to smoke. And so you're just trying to change this.

This general perception of is this behavior that's something that's good for us all and that, so rather than thinking, I'm trying to get you as an individual, say, smoker. To change the task is more like we need to change a general, our general sort of conception, the way we talk about, [00:33:00] think about this behavior in society at large, and that's just a different kind of thing.

They more aggregate grander thing, but it's really the important thing.

Richard Shotton: By that, do you be, like, you said a smoking example 20 years ago. Sad know. In Britain, let's say 30% of people smoked, there's no way a government could make smoke illegal. You can't irritate 30% of the voters who have got an addiction.

But if you can on the eye, frame it on the individual level, get people to. Dislike smoking more. See the reasons why you shouldn't do it. Once you've changed the opinions of that population, then you can bring in a yes, a more strict mandate. Is that where the I frame and the S Frame works

Nick Chater: Individual?

I think that smoking is a case where they do interact very nicely. And then Ca Cas Sunstein, one of the authors of Nudge, who's obviously on the, some ways a different side of the argument to George and I in this book, but Cass. I think would bring up smoking is a particularly interesting case where there is a real synergy between the [00:34:00] two perspectives.

And I think one of the things to stress here is that often the the measure measures the things like no smoking in public places making cigarettes, you no cigarette advertising and so on. All of these things they're both having sort direct impact, but they're also signaling to ask all of us collectively.

This is something we don't really, we don't really like. And rather like with congestion charging and once smoking is banned in, say, pubs, people including smokers, tend to think, oh, that's nice for you. It's just nice. You get a pub now than it used to be. Yeah. And so even if you're a smoker yourself, you have that sense that, yeah, there's a best, there's a better way of doing things.

And so I think the pro the project, it's often and also then people will start to change their behaviors automatically. So they won't be smoking indoors, they won't be smoking in, in pubs and so on. And of course that changes one's perception of whether or not this is a thing [00:35:00] you like to do and you feel comfortable with.

So I think often behaviors, the behaviors which are shaped by rules can come first. And because we're improvisers, we're not quite sure what we. Where do we think this is a good thing or a bad thing? But once we start to see, ah it's all terribly pleasant and the air's wonderfully clear now that smokes get out the way, outta the way in the pub.

That just makes us feel less positive about the activity. So I think these things can work quite harmoniously. The trouble is that. The way psychology, human psychology works is that when you are locked into thinking about something as an individual problem, you're thinking what we need to do is get individual people to stop smoking, and we need to get individual people to save more.

You tend to forget about the systemic. So there's a sort of cycle there. There's no reason in principle why I frame an S frame, whether you're dealing with brands or you're dealing with. Any domain in of [00:36:00] climate change health they can't work together, but it's just that psychologically if we're locked into thinking about one, we tend to forget about the other one.

Richard Shotton: And does that work in both directions? Does lawmakers sometimes get locked into thinking the only way to change is to put in a regulation, they don't think enough about P sites. Would that single action bias work that way?

Nick Chater: Yeah, I think they're totally right. I think that's right. I think in many ways the early battles for the behavioral insights team and the book Nudge was very helpful for this was that most policy makers just think implementation details can't possibly matter. So you know exactly how, what letter you write to people to say please get your tax return in.

Think it can't possibly matter what that what's in that letter. People should just, that it's rational for people to put that tax return in or possibly it isn't, but if it is, they should do it. And if it's not. Rational for them to do it, we need to put the fines up so then it is rational for them to do it.

So there's, yeah but if the question is how do [00:37:00] we communicate the fine? It's a marginal question. The assumption is that people have all the information, they understand all the contingencies and all the, and they know what they're trying to achieve. Whereas from a more behavioral science point of view, people are improvised, they're floundering and thinking, am I supposed to do this?

Does this matter? Is everyone doing it? Oh my goodness. As you might discover a few. Get one of the letters that the the UK government is trial and worked pretty well. You learn that in your area, in your in your town. 90% of people have already submitted their returns by the deadline.

And then you think, oh, whoa, 90% help. And so that's telling me a little improviser in your head. I've actually, I made a mistake here. Everyone else is doing better than me. Whereas you might have been thinking I don't think anyone really has to worry about submitting by the deadline, et cetera, et cetera.

So I think. You're totally right. I think there's a, there, there's not no doubt the case that there are situations where policy makers ignore individuals and some micro details, which really do matter a lot. [00:38:00] And that's very helpful to correct that. But I think the oversteering is thinking, oh, really big problems like climate change, rising levels of obesity failure to put enough money aside for retirement. These problems are things that we can solve by these individual tweaks, and I think unfortunately, that just doesn't appear to be the case.

MichaelAaron Flicker: We have covered a wide range of topics, Nick. We have gone deep on a number of very interesting things. If you had to leave our listeners. With a final message, something that you felt you wanted people to take away, either from your newest book or from today's conversation, something you wanna make sure everybody takes as a crystallized message home today, what would it be?

Nick Chater: I think it would be that the rules of the game matter a lot. So if you of a game like your soccer or [00:39:00] any game, say, say soccer there's a if you had once upon a time, it was just masses of people just flat charging around the village in a chaotic fashion, kicking something like a pig's bladder with very few rules, lots of fighting, and this was clearly not a sustainable strategy.

And gradually the rule that we began to create, the more and more careful rules to make the game. Have less injuries. It'd be more fun for more people. And before you know it, by the, I guess the end of the 19th century, you have a very complicated rule book and you have a pitch with a standard size and referees and lines people and just all sorts of additional complications.

But this system and this system emerged gradually in piecemeal, and that's what societies do too. These sort of, the rules we decide to live by emerge piecemeal, but they really matter. So it really matters if you are playing American football or soccer, or you're playing rugby or [00:40:00] Australian rules, football.

These are all really different. And so the rules, there's no way of you, if you think we are having too many injuries what are we gonna do about it? Thinking what we need to do is to, individually to tell people to take fewer risks or be tackle less vigorously and watch out for the possibility of hurting your opponent.

It's just hopeless, right? It's never gonna work. It might help a bit, but the you, what actually happens is you change the rules. You have people get sent off if they infringe the rules and and you put your people helmets in, say to some sports you worry about the weight of the ball because the ball is damaging people's.

Brains because it's, seems so heavy. So you change the rules and you change them in ways that have mutually agreed and sensible. But you can't, it's obvious in the case of a sport or a game that the rules really matter and we all care what the rules are and we all care about getting them right.

And when things go wrong, we [00:41:00] think where are the rules going awry here. It's not never gonna be enough to educate or lecture the players. And I think with with society at large, it's the same story, although things are going wildly wrong, if the levels of obesity, if you look historically, you think, wow, levels of obesity are going crazy here.

What's going on? Really increasing a lot and lots of nasty things, diabetes and so on, are increasing. Then you know what's happening. The rules are going wrong. And it's not very hard to see that there. There's the prevalent the cheapness of high energy density foods and marketing thereof is much greater.

So we collectively have to think we've better change. We've gotta think where the rules are going wrong and think about changing those similarly with you, with carbon emissions and that climate change. The rules are going wrong there as well, and we should think about changing those rules.

And so realizing that's the game we're playing and we as citizens have a role in voting for those changes, campaigning on them and [00:42:00] convincing each other this is what matters. And not to think, oh, it's really a individual problem.

If only us individuals, each of us could point the finger at ourselves and others and buck our individual ideas up.

That would solve, it isn't gonna solve it just in the same way that you're trying to. Improve the injury level in a sport, it's never gonna be solved by individual lecturing. It's, you've gotta think what, where are the rules going wrong? Let's fix them.

Richard Shotton: That idea that rules matter, I think was my.

Favorite part of the book, especially the chapters where you talk about the way to design rules, that's where behavioral science is super important. Could you give a practical example? I know you talk about the sugar tax and the instruction of the plastic bag charge in the UK as examples.

Could you go through one of those so it's,

Nick Chater: yeah. It's

Richard Shotton: clear to people how behavioral science can influence.

Nick Chater: I think yes, there are two. So I think the two I'll give one is the the plastic bag tax, I think [00:43:00] is a fantastic example and you could argue it's a nudge and perhaps the most successful nudge in, just in terms of the dramatic effect it's had because you are giving people a tiny charge.

It's not really economically enough to change the behavior very much. A thing. Five pence in the uk. 10 pence for a reusable plastic, a non reusable plastic bag. But what it does is it makes us all think, oh yeah, we don't wanna be using these bags. It's a bad thing to do. I shouldn't be doing it. So I'll bring my own bag, or I'll get a, a reusable bag and keep bringing it back to the force.

Now there are issues here because usual, there's questions about how much the non reusable bags are actually reused. Sorry. The reusable bags are actually reused and, yeah. There's always side effects, but in, in terms of the stated aim of reducing non reusable, sorry, re non reusable plastic bags, it's been spectacularly successful.

So a small change can make a difference. And I think there, the behavioral, the key behavioral insight is that people are happy [00:44:00] to be well wrapped on the wrist for something. I'm happy to be wrapped on the wrist for something where I think it's wrong. So if I didn't, so if I. Through education in as a word watching wildlife documentaries with David Attenborough, fronting them, if I've come to think, yeah, plastic bags are a real mess.

This is really bad. They wanna live in a world where we're pumping these things into into the oceans relentlessly. Then I, if you wrap me on knuckles for very using your prostetic bag by charging this small amount I'm up for it. So what you don't want is to be working in a just hitting people with that, without that prior.

Perspective, because otherwise we're just gonna be very cross and quite reasonable. We're think why why am I being, why am I being told I mustn't do this or I shouldn't do that, this thing. So I think the behavioral science point is that we're happy to be as in this case, nudged really, but only if we buy the, by the agenda.

And I think that case we do. [00:45:00] And the other example which I think is very basic. Behavioral sides, but important is the power of adaptation. So we, so this, you think about things like sugar and salt, but you, there's so many examples if you take sugar and salt in, so for some types of ready meal products.

And other products in UK supermarkets, there's been a mandate for the government has introduced to, to get these products reformulate to reduce levels of sugar and salt. Not huge, but 20% or so. And that is undetectable to, to most of us. If you do it gradually. We just don't notice.

So you've got a, something which is really quite harmful to us being eliminated from our diets Not in secret, and it's all completely transparent. Let's go through a democratic process but it's something that's completely trans, completely in indiscernible. So it's not harmful to the bus to the industry.

It's not harmful to, it's hard. It's good for us [00:46:00] individuals. And we know 'cause of the behavioral principles of adaptation that essentially we judge things relatively. So how sugary or how salt salty something seems is based on how sugary and salt should we expect something like that to be. So if we gradually ramp down the sugar levels.

It's fine. We're not to zero, but there's a huge huge amount you can reduce without really people minding at all. So you have a behavioral principle there, which says if you do this slowly and carefully and it's a sort of win-win really.

It. So I think, yeah, there are, I think there are really good opportunities for behavioral science to actually help us think what the rules should be. Which rules are gonna work, which ones are going to be popular? And that's crucial because if the rules aren't popular in a democracy, rightly, people will push against them.

MichaelAaron Flicker: Nick, thank you for spending time with us today. Nick is professor of Behavioral Science at Warwick University. His most recent book is called, it's On You [00:47:00] How Corporations and Behavioral Scientists have convinced us that we're to blame for society's deepest problems. It can be found anywhere books are sold.

And until next time, I'm MichaelAaron Flicker.

Richard Shotton: And I'm Richard Shotton

MichaelAaron Flicker: Thanks so much for listening.

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