The Hidden Marketing Forces Guiding Your Every Choice - Rory Sutherland (4K)

() so talking about lockdown how effective do you think companies will be at dragging people back into the office it's interesting actually because in the UK for whatever reason there are exceptions if you go to tech companies they there's tumble weed you know companies which are very strongly kind of tech engineering driven still seem to be very empty what I know best is the ad industry and actually they're generally a fairly gregarious bunch and I think it's return to a pretty acceptable kind of equilibrium and by the way I don't I I don't want personally I don't want to see people in the office 5 days a week because everybody who's engaged in some sort of part of the knowledge economy 20 to 40% of your working week is going to be stuff where you just need to truckle down choose your own environment and get on with it and you're much more likely to be more productive if you have some degree of discretion over where and when you work for those tasks that you perform on your own but there is this value of what you might call Serendipity coaching for example co-creation collaboration which I think still requires some degree of of of collocation uh you know it helps to have people in the same place at the same time for all kinds of reasons however what's weird is that the level of absenteeism if you want I don't want to call it that but you know what I mean okay is much much higher in the US and Canada than it is in the UK okay now I always Le I well some of it's probably geographical in the simp simple sense that there are people who've moved in other words it's difficult in the UK to move so far away from the office that you can't come in for one or two days of the week you have to choose an island somewhere you know or or go to Scotland I guess um in the US there does seem to have been a sort of widespread dispersion of people to a distance away from their place of work where it's a away not a train ride away but uh it's not it's absolutely not what I would have predicted because if anything the um the US had a very strong culture of prism of people effectively getting in early staying late uh being absolutely desperate to show their face and the uh the office occupancy rates are much much lower in the US and Canada than they are in in Europe or or the UK one of our mutual friends uh has a team that works remotely around the world so they speak to each other on slack but they don't see each other in the office and as part of a team building exercise I think every so often they bring people together uh and he thought this would be brilliant everyone's going to get to know each other going to become friends it's going to bond a team together so much the week after they had this in-person Meetup separately three people asked for a pay rise because they all got together together and had beer and we're like so what do you want hang on a second I was told such a because you don't have that kind of noncritical conversation if you're just dealing with people on slack right first off there's a digital record of it maybe someone's able to check I don't know can the admin check slack maybe they can I don't know uh and secondly it's like we're just here to do the job this isn't sort of play around time outside of work and do you really text the other marketing guy or whatever after work about stuff to do with it probably not no uh so there is from a totally mellian totalitarian state organization point of view there is an argument to be made div Silo off yeah compartmentalize the staff and then they never know if one of them's managed to negotiate a pay rise and the rest of them haven't that reminds me of an agency back in the 1990s who sent their staff on assertiveness training and uh they all came back and half of them resigned oh God be careful the skills be careful the skills that you no no be careful what you wish for it is interesting by the way because one thing that's disappointed me is there seems I expected to see much much greater levels of investment in really interesting um remote working hardware and by which I mean you know really really good Tech at home there is a project apparently in the works called Google Starline which is a kind of 3D video conferencing which uh there's a team at Google probably still working on I hope so um but you have I mean don't forget you have a problem now in that offices have mostly shrunk their footprint they still aren't kitted out for the frequency of video calls in other words the number of private pods in an office is too few the number of meeting rooms is probably too many so there's a whole architectural problem to be addressed uh in terms of how because um if I had a day with mostly video calls I'd want to do it at home because it's easier to do that um in you know than it is to try and find the right conditions in an office um the other point I make is that there are a lot of things where um it's very difficult to sell people on the new Behavior but once they've experienced the new Behavior the old Behavior seems ridiculous the example I always gave of that is um nobody minded buying CDs when it was the only way you could listen to music okay you just accepted okay I don't really want to buy a whole album I just want to buy a track but you know um it's just what you do if you buy music then you had downloads of course the music industry resisted this furiously the whole idea of downloading uh even even to the point of not making it possible for people to download things legally and the problem there is once you'd experienced downloads the CD seemed suddenly ridiculous and to some extent we didn't mind commuting in the same way when we just thought this is just a necessary part of place you go it's just work is the place you go to it's Wednesday it's Friday so I go into the office office that's the deal um the time you spent on the train the time you spent cleaning your teeth and getting up early and doing your ablutions didn't feel like a waste of time okay because it was just what you had to do the second you've experienced the alternative which is get out of bed put a cardigan over your pajamas and click join meeting all of that kind of pava suddenly seems twice as painful and I've got one of those fantastic quooker Taps that produces boiling water on demand and it was difficult to persuade my wife to get one um but once you have one of those things waiting for a kettle to boil feels somehow weirdly Victorious ridiculous and so technology often works that way that actually um interesting with electric cars for example the latest data seems to suggest that although there's a huge amount of resistance to electric cars the people who make the move generally don't go back once you've actually once you've kind of gone over that first initial hurdle of adoption you don't revert what does that suggest from a sort of consumer Behavior standpoint then that there is a kind of price that needs to be paid up front kind of make it kind of makes me think that the first movers within that industry don't necessarily have the uh best Advantage because they presumably need to pay the most money in terms of marketing it exactly to break not only somebody into their brand but break them into an entire new ecosystem of tap of vehicles often early technology is probably driven by status seeking rather than utility so if you think about early adopters of cars which were unreliable and expensive the motivation was either novelty or showing off rather than utility Apple Vision Pro as Pro would be exactly the point I I I would argue that yeah um you want to be the one person in your street who has that thing um and actually those earlier adopters do in a in a weird way pay a price but I mean there's an argument by the way which is that this also H happens in nature which is the argument that birds dinosaurs conceivably evolved plumage and wings for sexual display purposes not as a mode of transportation so in other words they did this thing as it was a peacock's tail but it was on the sides rather than on the back okay and you could display your feathers as a proof of your health and magnific and then so this effectively evolved as a status signaling mechanism and then was parlayed into a mode of transportation because the wings became big enough to enable them to be used for it's a mass it's a massive phallic appendage in one form or another that they can then fly with so you might argue that that's true of thing you know I mean I've always wondered about Technologies like the typewriter where I can't really see okay there's an advantage in legibility over handwriting but for a period of about 40 or 50 years um people would write a note this is how it worked in business I'm not making this up okay in the 70s in Ogie there was a typing pool uh which was a lot of people who you would hand them a handwritten note and they'd type it up so that you could then send it on to your client and then typically there was always a mistake so you then had to send it back and have it typed there no word processes then so the whole thing had to start all over again from scratch and the question you got to ask there is was that simply because you weren't a serious business unless you sent typewritten communication signaling in other words if you're you know you couldn't as a solicitor's firm or as a you know unever or whatever you couldn't send handwritten notes because it simply looked unprofessional so everything had to be typed now there may have been something to do with carbon paper and copying which had some particular role which made typing desirable but it's an interesting question because there's there's not a no one could really consider that typing added to productivity quite the opposite it meant that every communication producing anything was painful the only benefit it may have had is it kept the volume of communication low because it's so effortful because it was so effortful whereas email the cost of actually sending an email to 100 people is far too low yes because then the burden of the burden of both filtering and prioritizing falls on the rece recipient not on the sender yeah it's a Terri I mean it's very it does amuse me this which is there's this hostility to flexible working which is partly driven by the suspicion that people might be enjoying it now okay so it's not really to do with productivity but there are people I mean someone someone in my company I won't name was driven practically insane by the fact that the Netflix CEO revealed that there was a spike in Netflix viewing between 12 and 1 in many countries m Lun time now first of all it's lunchtime okay you know it's accepted that people have a break if they want to chill out by having a sandwich in front of Netflix rather than wandering around to Pratt it doesn't bother me personally but also I would argue that a lot of people would be much more productive in work if they started work early took a three-hour break in the middle of the day and then worked later now commuting makes that impossible to do but I would argue that your energy levels would be much better managed if you did take a break in the middle of the day with the additional bonus that you'd actually get a bit of sunlight a bit of Expos pick the kids up at at the end of that yeah if you're a scandy okay in the winter you go to work in the dark you come home in the dark so effectively your exposure to natural light is Saturday and Sunday for three or four hours so that doesn't bother me the fact that people are actually choosing if you look at writers you know the people who professional writers journalists novelists they're they're very different by the way but all of them have sort of conditions under which they can and can't write and they vary some people demand complete silence some people go to a cafe because they want some background noise but what these people clearly know is that they can optimize their productivity by controlling the conditions in which they write and it strikes me as pretty plausible that's true for other forms of knowledge work where um some people can't work if there's any background noise or matter other people can't work in complete silence because it Spooks them out I've known writers who you know if there's someone operating electric drill 7even houses down they're incapable of producing anything there are other people who are spectacularly disciplined now it does strike me that you will make people more productive if you allow them some degree of autonomy uh to control the environment in which they produce their work now I'm not suggesting that's five days a week but I'm suggesting it seems to be implausible that um giving people some degree of autonomy won't have benefits so but the interesting thing is if you look at business we've imposed loads of things on people open plan offices email okay um slack teams Etc without any real investigation of the effect it has on productivity but we don't really care because the staff don't really enjoy that so we don't have to worry about it but the second you have an experiment where the workforce seem to welcome it suddenly oh my God they've gone to Sainsbury's on Thursday lunchtime well they're going to have to go to Sainsbury's at sometime anyway okay um yes okay they're doing it during daylight when the store's quiet well if they're working at 9 till 10: which they can do because they don't have to get up at 7:00 in the morning who cares okay () what do you mean when you say that we're too impatient to be intelligent oh that's simply a question which is I I I think it's a wider question so I mean email which I mentioned earlier is an interesting case in point in that it was assumed that there could be no finer form of communication other than immediate and free and we automatically assume that faster is better and and and one of the questions I raised which I still think is a serious question by the way is do we need slow AI do we need slow Tinder do we need slow right move now let me explain just just what I mean by this which is that in most processes of search if you look at consumers what they do is they refine their preferences according to what they find out there so they go into the property Market the dating Market the holiday market and they have a set list of preferences to begin with if you talk to any real estate agent most people who deal with a human real estate agent end up buying or renting a prop property which meets remarkably few if any of their initial criteria that's probably true of the people people marry as well I would guess that you if you ask someone effectively to write down put it put it very simply we think we know what we want but we don't is probably the simplest way in which and the way we discover what we want is by a kind of exploratory process of discovery where we explore the market and what's available and what they cost and what we experience when having a look at a particular house or person then refines our preferences and so this what you might call the right move approach to decision making which is Define what you like we give it to you you buy one of those okay looks to us as if it's a perfectly sensible and efficient way of choosing a house but actually we don't see what we don't see actually I was talking to someone this morning I been not give away who they are who who discovered that right move there are areas of London which are holes in other words they don't fall into any predefined area on right move and property prices in those areas are disproportionately low because you can't search for any property that's in that area now it might be if you're looking for a much bigger area but in other words in other words they're not in Kensington they're not in Notting Hill in other words they're these weird little islands of undefined find location where you can actually find disproportionately cheap property because right move is blind to exist wow you also have the problem which is you can't sell a property apparently now for £850,000 your estate agent or anybody else will tell you no no no you've got to make it say 810 or 9 890 okay that's fine and the reason is that people search for property either 900,000 and down or 800 ,000 up and two things happen one they're less likely to find you at all because you're further away from their searching Point secondly if they do find you the people who are searching 900 and down are a bit disquieted because they think you're too cheap and the people who are searching 800 and up think you're a bit too expensive so the extent to which what seems like a completely rational filtration process in online searching activity or decision making may be deeply flawed because it doesn't reflect the way in which we make decisions in the real world which is we re-calibrate what we want according to what we find we'll get back to talking to Rory in one minute but first I need to tell you about element for the last 3 years I've started every morning with element element is a tasty electrolyte drink mix with everything that you need and nothing that you don't each grabbing go stick contains a science-backed electrolyte ratio of sodium pottassium and magnesium with no coloring no artificial ingredients or any other junk proper hydration isn't just about getting sufficient water in you it's about having the right number of electrolytes to use the fluids that are inside of your body you might not be tired you might not need more caffeine you might just be dehydrated and proper hydration requires electrolytes best of all they have a no questions asked refund policy with an unlimited duration so you can buy it and try it for as long as you want and if you do not like it for any reason they'll give you your money back and you don't even need to return the box that's how confident they are that you love it this thing tastes it's phenomenal it's like a sweet salty orangey nectar first thing in the morning and I love it and that's why I've used it for probably a, days now right now you can get a free sample pack of all eight flavors with your first box by going to the link in the description below or heading to drink LM nt.com slod wisdom that's drink LM nt.com slod wisdom what was that uh parable of three men getting onto an airplane the story at the beginning no that's just a story about how undoubtedly in all kinds of areas driven partly by technology what's urgent um crowds out what's important and it's a joke it's an old advertising joke told to me by someone who is literally from the Madmen era which is you have a copywriter an art director and an account man okay who are boarding a plane to present work to a client and they open the overhead locker and somewhat implausibly Genie gets out and says I've been trapped in that overhead Locker for years to thank you all for releasing me I'll give you each a wish so you can choose anything you want and they go to the art director who says I want um I'd like Picasso's life you know I don't mind my life but I want Picasso's life the locations the eye the Artistry uh you know probably the women folk the Romantic life that's what I really want and W the art director disappears and then the genie turns to the copywriter who goes it's got to be Heming way you know he enumerates a whole load of reasons why he'd like to be able to write and live like Hemingway and who disappears and then the genie turns to the account man and says what about your wish I want those two guys back I've got an important meeting in two and a half hours okay and there is that element where and by the way we could we could refer to this in everything from things like the shareholder value movement to business quarterly reporting to the extent to which in advertising too much money is spent on shortterm performance advertising and too little is spent on long-term brand building and that's not because it's necessarily more valuable it's because it delivers measurable results faster so I'll give you I'll give you a fundamental problem um the Ft wrote a very very good article um specifically about the UK but I think it applies more widely which is how did customer service get so bad now the point is I felt like writing an article for the ft saying well if you occasionally acknowledged there was something interesting about business other than their quarterly Financial forecasts maybe the problem wouldn't have happened if you actually discussed marketing occasionally or customer experience or uh you know the value of repeat business if you looked at business from the point of view of what you might call a competition for customers rather than a competition for operational efficiencies and cost cutting maybe we wouldn't have got into this total [ \_\_ ] storm okay but parking that rant for a moment um uh what seems obvious okay if you spend some money on acquiring customers you can see whether it's working very quickly and you can say very confidently we spend X and the value of the acquired customers was why let's say you want to make a corresponding investment in Customer Loyalty or customer experience in other words ensuring your existing customers have a great experience and so they come back or dealing with problems very well so that your customers don't leave generally you could perfectly well prove that that was costeffective and indeed my hunch would be that money spent there would be more cost effective in many cases than money spent on acquisition however it might take you five years to prove the efficacy of what you do because it's slower there are businesses which are fast there are businesses which are slow there are fast feedback businesses which you Lear learn very quickly an example of by the way a very fast feedback business is comedy you have an instant feedback mechanism from the audience which basically tells you whether or not a joke is any good and whether you've landed it and so apparently if you go to small comedy clubs you'll occasionally be surprised because you're sitting there and there only sort of 20 tables and Chris Rock will come in and effectively it's all a bit weird but he's trying out his new material for the next run the ne before you go to theaters you try your material out on a small scale and that's a fast feedback business Amazon's a pretty fast feedback business I would argue because it has a very high degree of frequency of interaction with customers something like banking or insurance is unbelievably slow I mean if you're a bank and you piss off a customer they don't even leave by the way they just go inert okay it's not it's not like people go I'm going to close my current account and I'm going to walk off they just open another current account somewhere else your current account they don't buy anything any other products from you but it's not the same as uh as something like comedy where you know within seconds how whether you've landed something or not and then there are also things which I which bother me which is there are also things where I was talking to the guy who founded AO and they they have this lovely little system where when they deliver a washing machine or a dishwasher or whatever if there are children in the house because they deliver things themselves they give the children a little branded bear okay now as he said perfectly right you know someone in finance is going to say okay what's the cost benefit analysis okay on that and his point is it's impossible you just have to make a judgment subjective judgment that uh the cost of the bear is Trivial and the long-term effect is likely to be quite High what's that thing about the Bezos has got uh when anecdotes disagree with data most of the time trust the yeah yeah yeah I mean the interesting thing with is he he's he's going to I mean this is true of all those people I mean you know uh the sort of also very true of Elon Musk they have a very unusual sometimes highly seemingly irrational thinking style um speaking to someone who is very senior early on at Amazon everybody except Bezos hated the idea of Amazon Prime they hated the idea of Prime video um uh they didn't like the idea of Amazon web services now Jeff has an interesting notion which is what he calls a two-way door if you talk to people by the way at Amazon it's a very very interesting I'm not sure I could cope with it to be Absol the honest but it is a very very interesting culture in terms of its approach to everything from meetings to decision-making what a two-way door is is something where you can walk through the door and if you don't like what you see you can walk back so a one-way door would be deciding to build a sort of 2 million square foot Distribution Center North of Memphis okay once you've built that it's difficult not impossible but it's difficult to reverse the decision there you actually depend on a large degree of decision- making riger and rationality you know and you need a really rigorous case but in other cases Jeff would say it's a two-way door try it if it works whoop D do that's great if it doesn't work we simply stop doing it and to be honest the trial possibly cost less than we would have spent just arguing about it if we were adopting a kind of purist uh approach and I think it is important because why I think this is becoming vitally important is most business is probabilistic but everybody in business wants to prove and pretend that it's deterministic so every spreadsheet is in some ways an act of pretense because it's past information which you pretend has wonderful predictive value as if it's kind of ll's demon but it really doesn't okay cuz weird [ \_\_ ] happens out of nowhere all the time and you have this fundamental problem I think where I think what distinguishes someone like Jeff is they're probabilistic thinkers they just go well look it probably won't work but if it does it will be spectacular and they are in a position where they can take those decisions in their defense most people I think first of all most people are promoted within business for their aptitude in solving reductionist deterministic problems how do you optimize this particular there's number in the far right hand column of a spreadsheet somewhere next to a person's name that says that was green this year they made the number absolutely right yeah and actually by the way they they probably in most cases in business you capture remarkably few of the Gaines from a bold decision whereas you capture 100% of the blame if it goes wrong correct yeah so so certain decisions decisions which are what you might call you know low chance of success ESS huge return that's when people leave a business and become an entrepreneur because they realize that there's no point in actually doing those kind of things within a business because if things do well you get a pat on the back and you know and a bonus if things go badly you lose your job speaking of things going badly Jaguars Rebrand what () do you reckon um now I'm in a small minority of people who would argue that before you criticize what someone does you've got to understand what they're trying to do and they have been completely forthright about the fact they expect to lose all but 15% of their customers all but 15% of their customers exactly of their customers by moving to a much more upmarket uh expensive car uh on an electric platform and the argument I might make is that normally what they did is aema to anybody who loves what you might call Brand maintenance and brand management because but by the way they didn't change their name okay they didn't call the car Zog they still call it Jaguar they still contrary to rumors have kept the leaping cat Motif Etc but what they've done is a very very bold kind of okay in a sense it's look bet the farm here okay either we do this we we either succeed in which case great or if we fail to be honest we heading for disaster anyway because you got to be slightly careful this is where uh you know uh okay when Dylan went electronic okay someone shouted Judas the crowd in the Manchester free trade Hall absolutely hated it Jaguar purists are going to hate anything by the way I've had six Jags by the way so I'm you know I'm I'm a loyal Jag Enthusiast I I love the brand and in many ways I love a lot of the Heritage about that brand but equally I love red telephone boxes but I don't think it should be the BT logo okay I love you know what it GES Gilbert Scotts designed for red telephone boxes but I'm also cognizant of the fact that I don't make many calls from payones anymore and I like berbery Max but I'm also cognizant of the fact that because of various things like uh you know Central Heating and Uber not many people wear macintoshes anymore you know apart from Americans and flashers in my experience I was saying this the other day now there are occasions where you might argue that electrification completely reshapes the competitive landscape for any car brand or any car manufacturer and that what you have to do is a fairly dramatic pivot I'm I'm going to join you there get that in you abely not enough stimulant in US exactly um the there are cases kid a for example where bands produce an album that kind of alienates their existing fan base okay you might argue that for Jaguar this was a kind of Sergeant Pepper moment okay where we've got you know fundamentally we've got to do am I right there was a sort of pet sound Sergeant Pepper interplay going on which was who was were they on some trajectory toward slow motion or relevance was that where they were going the problem with jangu is lots of people loved the brand but the people who loved the brand didn't necessarily buy Jaguars from new in particular right and the new car buyer is a pretty Niche audience to begin with I thought the ad was deeply weird it wasn't produced by an ad agency by the way um it was someone said it was less a branding exercise than a debranding exercise you might make the contrary position which is that it got millions and millions of people all over the world talking about Jaguar yeah I mean hadn't happened for years now you know I'm not I'm not one of those people any publicity is good publicity that emphatically is not true okay um however it did signal the fact and by the way it's not as if Jaguar hasn't done this before okay that a big change was a foot and that something remarkable was going to emerge and the new car by the way which we've only just seen this morning just for people listening I haven't seen it what is it um it's high it's highly polarizing it's an extraordinarily bold design I personally like it it seems to come in two colors Miami pink and London blue okay and the idea of a pink Jaguar is um transgressive heretical exactly yeah uh I don't know whether you saw their Twitter was replying to people that were criticizing the campaign whoever it is in the marketing department they're being very um non-apologetic about what they were doing we don't care about what it was before this is a New Era etc etc you know really no uh as or Graces about trying to bring along the Heritage or be in mind they have got an advantage now if you look at it from the the mindset of a game theorist okay if you're a volume car maker electrification is godamn terrifying it's Kay Christensen and the innovators dilemma because you've got this huge sunk cost in both expertise and plant in producing internal combustion engine cars you have this incredible engineering head Heritage which you know don't get me wrong I love that stuff I love steam trains okay I love red telephone boxes I love driving gloves e types you know girls from Lucy Clayton being taught how to get in and out of an e type without showing your pants okay which apparently was something that finishing schools taught in the 1960s all of that Heritage is wonderful but when technology comes in I mean okay Blackberry purists okay this is this is you know this is a kind of Rim moment where electrification fundamentally changes what it means to be a great car because probably reliability assuming the software doesn't go wonky is going to be pretty damn good okay now I I I recently had a bit of an issue where somebody said electric cars are expensive and I kind of went well kind of depends doesn't it because an electric scoda will be more expensive currently than a petrol scoda but in perform performance and quietness and you know and driving Dynamics and efficiency and you know the the electric scoda is probably more akin to a petrol Audi than it is to a petrol scoda and the guy I met who's the kind of Electric Car Guru at Wired Magazine was asking this very same question which is okay you've got a bunch of Engineers you got a bunch of you know if you think about it the people who hated Dylan going electronic were folk people I rather like folk music but it doesn't really exist anymore does it okay I me you know you get the odd little so he saw the writing on the wall but got shouted out for having been ahead of the Cur Dylan had seen the writing on the wall and decided okay and someone shouts Judas at him I don't believe you play it [ \_\_ ] loud as he replies right now um You Might argue that jangu has had a bit of a Dylan moment which is look the things that made us great at Lon or in the age of Mike Hawthorne fundamentally what the hell is a car in 2030 2040 when pretty much any car can deliver all the performance and indeed the quietness that a normal driver would hope for okay um and the wired guy asked the question is it going to be all about Interiors is it going to be all about design is it going because okay how do you comp very simple tough question for Jagua Land Rover is we've got Chinese competition we're never going to kind of undercut them given labor costs all the other costs that apply how on Earth do we carve out a niche for ourselves in this new future now for a small car manufacturer and a small volume manufacturer Jaguars making about 60,000 a year okay they do have one advantage which is they can completely pivot and start all over again uh whereas um a large volume car maker has to manage this incredibly painful trans transition complex supply chain Etc you know there's a whole German get R you know which supplies you know fan belts and weird bits all of that goes because I mean this is one thing by the way which I think we all to say about electric cars which I think is missed by a lot of people which is that if you look at a petrol engine which is you know it's a cathedral it's a magnificent achievement a really Advanced you know petrol engine all of those things that move and Rattle and bump and filter things and need to be replaced and and the gearbox and all that stuff all of those things exist for only one reason which is to rotate a shaft to provide form forward movement okay now I'm team Faraday here because the way an electric motor works is you put electricity in it rotates which explains why with a possible exception of your lawnmower every single rotating moving thing in your house uses electricity as the Motive Power not petrol okay you know there is a wonderful advertisement by the way which was done I think for I think it was either Renault I think it was the Renault the first electric Renault which is equivalent to the Nissan Leaf where they simply showed someone getting up in the morning and their what would have been their electric toothbrush was actually powered by a little gasoline engine they shaved and there were sort of fumes coming out of their Raaz that's very good okay and it made that very simple point that nearly everything else in your life has gone electric it was only a matter of time before Battery Technology driven actually probably by the mobile phone industry made this possible uh for the car I mean by the way Henry Ford and Edison worked together on an electric car it's interesting the uh resistance that people have especially around Vehicles you know I guess second to a house a car is a it's a type of identifier in a way it's status symbol it's probably uh in terms of purchasing uh it's it's going to be second largest in terms of your your capital expenditure you notice by the way when you go back at North that Northerners have nicer cars than Southerners do why do you think that is um their houses are less expensive um right oh but the price is the same of a jaguar in Newcastle as a jaguar in you get this extraordinary phenomenon in in London which really depresses me which and I've known people like this who literally have a 1.2 million house and a, car F [ \_\_ ] it pains the I mean come on you know I mean the car is a much greater thing than the hous is looked at as a piece of technology okay you know um you are you a car fan or are you one of these weird people who just like young people Ubers around the place so I have single-handedly kept Uber liquid in Aus Texas um but no I have a I think it I I said to you last year I was threatening to get a Camaro and sure enough I did at the start of this year yeah the only way that I can non-ironically buy an American muscle car is when I live in Texas with an American driving license you just need it to fit in correct well yeah I mean it's part for the C you know if somebody drives somebody drives an American pickup truck a Ford Raptor or whatever the equivalent a ranger I think they call it over here if somebody drives that over here you feel like they're cosplaying if somebody drives It in America you think that's that's cute compared to the tundra next to you and the six the six bed whatever there's a Ford F 350 I think it might be a 450 isn't there as well goes all the way up dude in in Texas there's ones where you know some guy will happily throw his kids in the and take them to the park on a Saturday morning or pull what appears to be an articulated Lorry behind him on a Monday morning like he very versatile in that way big motor home yet that would that would be one of my Temptations If I moved to Texas RV would be would be quite nice um one of the thing that I've been thinking about since I've been staying here I'm at the Royal Garden Hotel in Kensington and uh () on the front door there's maybe two or three Dorman uh and it it's not so much of a at least the places that I tend to stay in America it seem to be so much of a uh a trait yet over here it could be replaced I've heard you talk about this before it could be replaced with an opening door it could be replaced with a series of sensors and buttons and switches but it's not necessarily about that it's about the experience of the doorman being outside what you're doing there is the old Consulting trick of you define the doorman in terms that make him most amenable to automation so you get go function of Dorman opening door replace the Dorman with uh an infrared automatic door mechanism lay claim to the savings um but an awful lot of Consulting activity do you know management consulting firms engage in this thing which is called um gain sharing now I cannot believe that anyone in a company would sign up to this agreement because it's appalling where they effectively say we will effectively Define the costs we have saved you and we want you to pay us a proportion of the cost savings which we identify but as Roger Martin says any idiot can cut costs the real skill comes in cutting costs without actually losing long-term Revenue as a consequence and so short-term cost cutting is dangerously easy this is where I come back to that point of we're too impatient to be intelligent that intelligence and wisdom is slow whereas seeming logic is fast you can seemingly logically replace the dman with a uh automatic door opening device what you're failing to notice is the other tacit and um uh subtle uh human functions which are dormant which might be recognition hailing taxis also security okay you know basically you know you don't want drunkards sleeping in your entrance to your hotel um that and and and simply maintaining the status of the hotel that arriving at a hotel which is notionally a five-star hotel and kind of you know just being met with an automatic door even very fancy automatic Americans have come to a l Americans want a London hotel okay if you take American or or for that matter Asian tourists they want London to be a bit londony with a guy on a top hat okay A friend of mine booked some friends from Los Angeles in the hemple hotel which was um I don't think it exists anymore it was in baywater but it was kind of like an LA hotel which is in London W2 and they were gutted these Los angelinos and they were very cool people right but they said if I come to London I want horse brasses I want hunting prints okay and so there are all these nuances which I think are very very easy to lose because costs are quantifiable and instantaneous and opportunity costs lost opportunities lost Revenue that's slow and it's generally hard to actually quantify a lovely story about this which I I I wrote about actually in The Spectator but people won't mind hearing it once more I hope um I'm I'm driving along this Jill carriageway the Welsh borders and we wanted to buy some milk and the motorway service station appeared to be closed all the lights were off the kind of you know the petrol fuel logo was off the fuel prices were off it looked you know like as I said like the baits Motel it was completely kind of unlit and my wife said I'll bugger it's closed we know we needed to buy her bloody lactofree milk cuz she's convinced she has lactose intolerance but um uh I said no hold on a second I remember going there on Christmas Day I'm sure that a place that opens on Christmas Day wouldn't close at 7:00 in the evening let's just go in anyway and sure enough we find a fully functioning 24-hour store um with I think you know might have been a Starbucks or something as well or a Burger King and we're the only customers it's hardly surprising we're the only customers because everybody else on the road it looks like the place is closed so I go up to the guy behind the tilling you I'm a marketing person you're pissing away Revenue here this is insane there are you know every every 10 minutes there are three cars driving past going oh [ \_\_ ] you're clothes so I got up to the guy why are the lights off on the on the road I goes oh yeah I think the guy on the last shift like forgot to turn them on okay turn [ \_\_ ] you know there was no urgency now it occurred to me when I left and the lights were still off when I left okay if that guy had nicked a lion bar at 2:00 in the morning and being picked up on CCTV right there would have been a kind of inquiry you know he might have lost his job there would been extreme disciplinary action cost of the lion bar is about you know1 pound uh in Lost Revenue okay the cost of leaving the lights off is probably certainly in Revenue terms 200,000 that night could have be more okay but sins of emission are much Le dogs that don't bark in the night are much much less easy to identify than sins of commission and we correspondingly get much less upset by them and so what do you often end up doing is there are a lot of things like giving a soft toy to someone when you deliver their tumble dryer it's I mean no no nobody would can you imagine a world I'd love this world but I can't really imagine it where someone goes what you mean you deliver you deliver things to people with kids and you don't give them some branded mer MH MH okay are you serious what a [ \_\_ ] idiot the anchoring and set point that we have but but no if you if if for some reason you know there was a cost attached to something as opposed to so opportunity cost Finance people basically pretend opportunities aren't there because they're too nebulous as far as they're concerned to pay any attention to but then you wonder why companies aren't growing and the reason is because they're fixated on the efficient performance of what they're already doing and completely uninterested in what they're missing out on trust really is everything when it comes to supplements a lot of brands may say they top quality but few can actually prove it which is why I partnered with momentus they make the highest quality supplements on the planet three of the products that I use to support my brain body and sleep every day are Omega-3s creatine and magnesium al38 honestly I try and limit the number of supplements that I rely on but when I take these consistently they have a massive impact on my cognitive performance my strength and my sleep momentus are literally unparalleled when it comes to rigorous third party testing what you read on the label is what's in the product and absolutely Ely nothing else best of all they have a 30-day money back guarantee so you can buy it and try it for 29 days and if you do not love it they will give you your money back plus they ship internationally right now you can get 20% off everything sitewide plus that 30-day money back guarantee by going to the link in the description below are heading to liv.com wisdom and using the code modern wisdom a checkout that's L IV M O M ENT us.com wisdom and modern wisdom a checkout talk to me about this () uh the problem with seeking Solutions through addition rather than subtraction thing that you've been on recently that that's an interesting observation which is that some we have an automatic default when we want to solve a problem that we add things rather than removing them um there is actually a very good point I think Nim made this point when Elon was appointed the was it the director of government efficiency where he said quite rightly you should be the director of government Effectiveness because it's perfectly impossible to do things very efficiently which you shouldn't be doing at all and that's a Peter duer quote which is I think it's nothing nothing's more wasteful or stupid than to see something done efficiently that shouldn't be done at all and undoubtedly I think there are um particularly among things which are ostensibly well-intentioned okay we never asked the question would we be better off if we just got rid of this entirely and so there's a great quote from cybernetics a guy called Stafford beers where the quote is the purpose of the system is what it does which is quite a lot of systems quite a lot of you know quite a lot of bureaucracy has this ostensible purpose which is entirely praiseworthy and worthwhile and so we actually attach much less scrutiny to that kind of thing than we do to something that's actually selfish I mean you know one thing about being a commercial company as people go what's in it for them okay what do they get out of this I'm suspicious this is too good to be true I'm not really comfortable with this you know we we deploy quite rightly you know High degrees of skepticism towards the private sector because we want to know what they're up to now to some extent if you're working in for example something that's altruistic or charitable we suspend that level of skepticism we go oh so well intentioned isn't it brilliant okay okay oh they're working for so and so isn't that great now it's nonetheless perfectly possible that the ultimate consequences of that well-intentioned action first of all it's possible that the motivation isn't nearly as as wholesome as we may like to think um uh but secondly it's also possible that just because something's well intentioned doesn't mean the consequences are necessarily positive or benign and so I mean there is undoubtedly a really interesting question of what should we what what should we stop doing I mean I'm very interested one of the reasons I'm very interested in flexible work is it occurs to me that companies looked at in one way are actually very inefficient I I tried to get I did actually get our finance department I said yeah forget about the usual method of financial reporting okay how much does a client have to pay us in fee income in order for my younger colleague and by the way the fact that they're younger is relevant because they're uh they're not kind of vested in the property Market as someone my age is okay in order for my younger colleague to go out and have a curry and what you look at is the client pays us then there are various overheads and costs and there's HR and finance and there's office space and there's all that other expense okay then finally the money trickles down to the salary of the person actually doing the work once the kind of landlord has taken their cut and the shareholders have taken their cut and everything else trickles down to my colleague then from that incremental amount of money 40% will probably go in tax okay then of the remainder 40% maybe 50% will go in housing costs and transportation costs commuting cost so it works out that in order to buy my colleague you know you know a trip to the coin all okay a client has to give us about 250 Quinn now my argument is if you could get rid of all that [ \_\_ ] and just do the work on Zoom okay in other words in other words the people this this seems to be an extraordinary extent to which you know in large organizations the people who are who are creating the value the people who are doing the real work I mean it's amazing that capitalism functions are tall when you look at the extent to which you know money goes in and then incidental costs particularly property I'm georgist okay particularly you know property costs chip chip ship away at all of that and so the actual incentive for the person to perform valuable work and the reward they receive for it has mostly disappeared you talking about feedback loops earlier on the feedback loop is so slow and it's so molested from what what goes into to what actually comes out the amount of time you're on 30 days you're on 60 days you're on 60 days from the end of the month you got it this the big problem uh on the back end for instance with um uh podcasting platforms so YouTube has gamified not only for the audience but also for the creators you have this little number that's one of 10 so it Compares where this video is now since published in terms of the duration of time 30 minutes an hour two hours however long with other videos and it tells you where it ranks first of 10 wow this is better than your last 10 videos at the same amount of time at the same period after exactly now obviously some things are slow burn and some things are up afterward but generally it's a pretty good indication so it's pretty good indicator it you do get the sort of sh Shank Redemption phenomenon don't you it kicks in it kicks in toward the end but you don't have that you don't have that on uh Spotify you don't have that on Instagram you don't have that on most other platforms because they're not quite as creat of focused and uh yeah the the power of feedback loops is is [ \_\_ ] unbelievable speaking of the you mentioned there um some inefficiencies within the system and some changes to do () with Britain obviously two million people just signed a petition to we are disgruntled with Mr starma Sir starma uh we want to make some changes there we've seen a lot of sort of turmoil and stuff across this year generally 2024 in the UK what do you make of the state of sort of British culture the milu that we're in at the moment I did make the joke that um voting labor and having a Chancellor who's come from the bank of England is a bit like going on a club 18 30 holiday and taking a parents along which it kind of defeats the object of the exercise a bit in that one of you know one of the things I I think we would like to see as voters and I'm perfectly happy to give this government a you know uh uh uh you I think I think you have to give the people the benefit of a few years before you get pissy about it I mean that is EV I'll be interested to know who's signing that petition is it people on the left who are just disappointed is it reform voters is it conservatives I don't know um who who is it who feels most kind of cheated um I mean you've got to remember that there are an awful lot of people who didn't vote for them if you consider the size of their majority okay they've got a massive majority but the share of the popular vote was fairly I'm not sure if you can be disgruntled with somebody that you didn't vote for um well it's interesting who who's demanding a kind of uh you know run again um some of the things interest me because we kind of I think a lot of people know that uh there's fundamental inequity intergenerational inequity uh which is because salaries are taxed very highly and wealth particularly capital gains from your main property are barely taxed at all and that leads to I think a kind of absurdity which is that one one piece written about this is it's not actually intergenerational inequality that's the problem it's going to be intragenerational inequality when people start inheriting houses or not inheriting houses because you can literally have the situation where you can work incredibly hard for 30 years and reach a um a position of some Eminence in a business or in an institution and because your parents happen to live in an area of low house prices or didn't own a house at all you're still living somewhere crap whereas your underlings you know whose parents lived in ceton or Kensington or whatever it may be okay are basically swanning swanning around in palaces going on cruises all the time and it that does strike me as a fundamental flaw that we've created the system where unearned income which is not really particularly meritocratic or inherited income is treated incredibly generously whereas earned income I think the top if I'm right is it the top 5% of taxpayers pay 50% or 60% of all income tax so in America it may be the same here too probably the same here I mean that's by the way it's a kind of statistical artifact you generally you you usually find those power law effects so it's not quite as weird as it sounds but nonetheless that is quite weird when you think about it now one thing I thought was extraordinarily interesting as an idea is you you know that chap who who was it who wrote the trading game Gary St Gary Stevenson he makes a very valid Point okay whatever whatever else you think which is that nearly all economic models use single representative agents to populate the models which is they assume that the person whom they're trying to optimize for is an average of everybody and as a consequence inequality doesn't feature in those models because you're simply dealing with an average and so if Bill Gates walks into a football stadium everybody in the football stadium is actually a millionaire suddenly on average okay it's not it's simply not a reliable thing to do and one of the things that strikes me as as genuinely horrific is the extent to which I think the tax system is kind of gont tohil in that uh you know there are huge huge concessions in terms of Pensions that are given out huge concessions in terms of Inherited property huge concessions in terms of capital gains and existing property you also get this utter absurdity which fascinates me which is that um uh there are five bedroom four bedroom houses which have one or two pensioners knocking around in them nothing wrong with that you might argue except those pensioners are often skint okay now it's a weird kind of way of being a millionaire that you live in a massive house that you don't entirely need now by the way if if you simply saved a hell of a lot of money and you just like living in a big [ \_\_ ] off house well you can argue that's kind of you know you're entitled to that but you literally get people living in these extraordinary houses who are you know going to little and worried about the price of lemons yeah okay pretty weird if someone told you and you're a kid you're going to be a millionaire one day but you're going to be really worried about where you buy lemons you'd think this is a pretty weird what's that I mean one one great idea Roger L Martin's idea is that you should at the moment you get your first 10,000 or whatever it is of your annual salary is taxfree every year Roger El Martin a Canadian proposed that that should be a lifetime tax allowance 50,000 the first $250,000 Canadian dollars you earn in your life is taxfree after which the tax system kicks in now that would be extraordinarily beneficial to younger people who need the money more and who could build up some actually you don't need that much in the way of savings to I mean one of the interesting things about the benefits to wealth um is that there are inflection points uh you know that first house deposit you know well actually having £5,000 you can call on in a crisis is a really really I me you know is a really really big difference it fundamentally changes what people can do I me very interesting thing when I first went to America I was I think I was 29 roughly and I remember thinking I'm glad I never came here when I was skinned okay it's a bad it's a bad country to be po it's a terrible country in which not to have $10,000 sitting there correct you know um you know one bad thing goes wrong and suddenly you're you know you're in Le worth doing a nine stretch you know right and so you know so so there are these inflection points where you can take people you know one of them I always think is that when you start earning a bit above median income you notice that actually it's quite nice because things are priced for people who are a bit poorer than you you know um televisions for example flat screen TVs let's be honest okay let's imagine that flat screen TVs cost five grand okay we both would have bought one by now but we don't have to pay five grand because they're priced for sale to people who earn a lot less than we do and so you know there are I think there are these interesting inflection points in earnings and now what's really interesting by the way and this fascinates me is the extent to which pre2 20 the only real point of negotiation with your employer was how much they paid you because it was assumed that you worked a 5 day week it was assumed that you came into an office or some other place of work uh for 5 days and that you had you had hours and you had um a place those were nonv variables and the only variable was your salary now to what extent will people start to practice lifestyle Arbitrage which is to say well I could work for gber Sachs in London for 2 something whatever but actually 120,000 in Lisbon okay and a pretty good broadband connection earning in pounds and spending in pesos spending in and the number of people who might simply I mean by the way that applies within the UK you know there are a load of people you live in Newcastle and get a 10 times the house s thing actually my daughter went to Newcastle University adors the city quite rightly and I've been up there it's fantastic you you know that b than I do okay it's a glorious place which gets the balance I think he gets a lot of things absolutely right in terms of the kind of Yin and Yang of of of a city you know it's manageable in size but it's not boring remotely boring it has beautiful architecture but it also has utility and it's got a coast okay um my daughter actually said she said the tragedy is in a way I didn't really want to move to London which is bloody expensive if I could have persuaded six of my University friends to stay in Newcastle we all would have tragedy of the commons you the tragedy of the commons which is that you're forced to go along with this kind of majority consensus you also can be on the winner takes all effect you can be on the receiving end of that too though you can benefit from that which I have been in Austin why does any scene appear anywhere any scene appears anywhere because people go no one's really too sure why and because people go more people go and then before you know it you've got the the hottest new place I supp it was Rogan in Austin was it he made he made one of the big but before him was uh Lex Friedman I think before Lex was Michael malice before him was or Marcus you know you've got you to track it back to wherever you want and now everybody has a a [ \_\_ ] second holiday home from Jason kalakanis coming over from you know investor Bay West Coast [ \_\_ ] world to come and now live on a ranch wear a cowboy hat so yeah it's uh is it you know can I be really mous here get it in okay and I always thought this is why Brits like living in La which is that secretly everybody over the age of 35 wants to live in Suburbia okay correct but in London it's just not cool okay I mean if I took my younger colleagues I couldn't get them to move to Bromley if I put a gun to their head secretly I suspect they want a little bit of you know a bit of lawn and a bit of a place to park a car yes oh so you've got you've got a blend of La it's totally cool to live in a Suburban house isn't it same that's where everybody Liv same in Austin uh honestly the the suburbs the olden style suburbs so what's up north which is the domain is kind of a soulless hellscape that was created for people that work at tech companies to not have to go far to go to the office uh but when you're few things it was also built after the invention of the car yeah so the distance from the center matters a lot less um by the way it should have I'm I'm I don't normally criticize the US um but you could you should create High-Speed Rail to someone like San Antonio shouldn't you you could link a couple of places I think the the the rumor is that Austin in San Antonio growing at such a clip that they're going to merge into one huge mega City eventually you know it's only without traffic I think it's only 50 minutes is from sort of the edge of one to the edge of another and when you think about we've got this land we might as well expand it um oh you've got another advantage in Austin which is interesting because you saw in the property crash of 2008 you saw very dramatic property crashes in Vegas Phoenix Austin and the reason is uh they're unusual in that they're not on a lake and they're not on a coast and so they can expand in four directions which I know that sounds San Francisco can't okay if you're on a kind of peninsul why how does that impact the price uh because simply there's four times as much land actually more than that because area expands at the square of distance so you've only got to go a mile from the a mile further out and you get uh you know what is it the square of the the square of the distance [ \_\_ ] T more land okay so there isn't really much scarcity combine that with the fact that they were designed for the car so you I mean I love Phoenix is fantastic because they actually synchronize all the they probably do this in Austin they synchronize the traffic lights so when you drive in at night you can ride the Green Wave have you done this well I certainly know the way that traffic flows work that if you hit a red light you're more likely to hit subsequent red lights but that's it right okay I thought that was there's something called riding the Green Wave where there's if you obey the speed limit you can basically keep going through that's only if you hit the first green though if you hit the first red you think for every one that I'm going to hit and we only a massive muscle car won't be will obiously try and go as quickly as possible this episode is brought to you by function staying on top of your health requires more than just an annual physical which is why I partnered with function they run lab tests twice a year that track over a 100 biomarkers and monitor for early signs of thousands of diseases they even screen for 50 types of cancer at stage one which is five times more data than you get from an annual physical you receive insights from expert Physicians who provide a detailed written clinician summary of their observations and phone consultations for any critical findings plus Dr Andrew hubman is their scientific adviser and Dr Mark Heyman is their chief medical officer so you can trust that the data and insights you receive are as scientifically sound as they are actionable getting these lab tests done would usually cost thousands but with function it is only $500 they've got a $300,000 person waight list but every Monday they open a few spots for modern wisdom listeners right now you can discover where your health stands by going to the link in the description below or heading to function health.com slod wisdom that's function health.com modern wisdom just going back to the UK for a second let's say that starma brought you in or whoever it is that does tourism brought you into to improve () UK culture sort of tourist destination type thing have you got any sort of branding or psychological interventions which would maybe be low cost that could make the UK more attractive across the board for tourists yeah for tourists or for people to stay we've got the you know second in the world the UK is second in the world for millionaire exits in 2024 China [ \_\_ ] literal Communist dictatorship author Arian hellscape was first with about between you got to you got to watch the Super Rich because the super rich don't give a [ \_\_ ] about democracy okay because they can capture power using money y rather than using rights and the super rich I mean if you look at Dubai which has done a fantastic job of effectively saying um we're just going to make this place unbelievably attractive for wealthy people to live here in terms of low taxes okay uh very low crime rate okay uh you have um uh cheap labor which rich people really love you know most of us are you know uh you know in other words you get lots of people doing stuff for you so the service industry is are fantastic and to be honest very rich people aren't that bothered about being able to vote because they only get one vote which is the same as the you know the teacher down the street why would I want something I can't have more of than somebody else yeah so it doesn't surprise me by the way that actually very rich people are often quite drawn to authoritarian spaces because they don't suffer the downside okay but but they gain you know in some respects they they can profit from the upside China lost about 13 to 15,000 this year the UK lost 10,000 is millionaires leaving but we have 3% of the population of China we have about 5% of the population of India and more millionaires left the UK second in the world in millionaire exits we have the same number of universities in the top 10 as America do but only 20% of the number of startup Founders and entrepreneurs so why what what is it that's going on and one thing you could do and the Portuguese are playing this game I mean a lot of people have I mean I had an interesting conversation okay which is that the where people spend wealth is increasingly I think slightly undesirably okay uh being detached from where people earn it now in you know I grew up in the Welsh valleys my Scottish ancestors moved down to South Wales because it was the new buy of the late 19th century coal money it was it it was actually you know it was actually you know booming I mean my great-grandfather I think moved down to Edinburgh intending to join from a Croft intending to join the police force and uh was told um don't bother here South Wales is where you need to go to make money but the people including the coal owners lived somewhere within they didn't live in next to the mine but they lived somewhere within the proximity of that thing I remember my grandmother who's not remotely left wing okay quite the opposite standing on Cardiff station looking around and by the way Cardiff was a lot Grimmer than back then this was in the 70s that it is now it's rather nice now lovely okay and saying just think of the money that's been made here and spent in more exotic places I always remember that it was a kind strangely kind of socialistic sentiment from a pretty right-wing grandmother and what you see and I remember having this conversation with people who are responsible for investing Kent and I said to be honest it doesn't really matter whether you attract businesses to Kent if you can get people who earn money in London to come and live in Kent and their families all spend their money here okay that's good enough and so when you have this Detachment of where people make money and where people spend it one thing the Portuguese are doing they're they're proposing lower tax rates for people under 30 they're proposing these Nomad visas uh Lisbon very cool very attractive City likewise Porto um you know attracts people who like kite surfing and other excitement Italy's got this new flat tax you pay 100 Grand and that's all the tax that you pay for the entire year that's a new one from them so I mean we don't seem now the other thing you can do is just make the place one hell of an entertaining place now I've always argued I can't get anybody to disagree with this I don't think pubs cafes and restaurants should be should pay rates or taxes because they're actually a social space when you spend money this this is interesting which is that economics holds it as kind of this is an this is my Gary Ste which is as well as these kind of single representative agent models which don't understand inequality and you know but by the way really bad inequality is bad for everybody it's bad for the very rich okay you want people the ideal place in which you live is one in which you're surrounded by a few people who are richer than you and quite a few people who are a bit poorer than you but not they cause a ton of Havoc no well it's not it's not just a Havoc you want actually social spaces to be roughly commen with where you were cohesive and if you if you live in a place where you have 10 rich people okay and everybody else is massively poor the 10 rich people got nowhere to go to eat there's a fascinating study that came out of Australia Candace Blake did this they correlated wealth inequality with self-objectification as measured by sexy selfies online and wealth inequality is positively correlated the level of inequality within a local ecology is positively correlated with sexy selfies but men are women or both just women just women yeah so self-objectification self beautification sexy selfies online is positively correlated with inequality what's their explanation for that for proposed mechanism is that in a high wealth inequality uh environment women can see not only how high they can climb but how low they could fall with the potential partner so the effort you have to make in terms of Botox and all the rest of it there's a very interesting theory about that which is why um why nean Marcus this's the academic paper why nean Marcus started in Texas not in Boston and there are two explanations where you get uh more males than females uh the luxury goods thing is important but also where you get a high degree of anonymity so in other words you had a lot of people moving in who can who can effectively reinvent themselves as high status individuals okay now just to give an example luxury goods only work really when you have an audience of strangers okay so had I okay had I gone into the pub in mouth where I grew up which is a market town with sunglasses with machino written across them okay on inch high letters I would have been the subject of complete ridicule everybody knew where I lived what what I did what my parents did what I earned Etc and this would have been regarded as an utterly ridiculous thing to do signal stress test is but if I go to Miami I don't know that probably I don't you know um so so you're undoubtly right in that in that a lot of these kind of display and signaling behaviors are contextually determined by the the setting there's another one that I'll give you it's called the environmental security hypothesis so this is human behavioral ecology which is kind of twinned with evolutionary psychology it's a little bit more concerned with how we react to the local environment around us how we sort of inter and so on um there is some pretty good evidence to suggest that men prefer bigger women when the economy is bad so men under uh resource stress seem to prefer bigger women and this can be tracked in a bunch of different ways there's a strange hemline index as well isn't there which is that you in the 20s you had very thin androgynous women with short skirts and then when you have a depression the whole thing slightly changes y well it's the the again the proposed mechanism is that in a time of resource scarcity ancestrally you would have wanted a woman that looks like she could survive a couple of months bad winter yeah exactly a cple a couple of months without a good harvest uh and that seems to have carried over now so two two really interesting ones kind of as you've said there as the economy waivers up and down it seems to be that the preferred body size uh overall the sort of ideal body that women have also fluctuates but they did a really great study on University students in the canteen Hall uh and before and after they ate they showed them different women's body shapes and prior to eating they preferred bigger women and after eating they preferred thinner women that there is something about even the sort of ambient hunger resource scarcity which impact this the the environmental security hypothesis as it's known this is this is fascinating because undoubtedly I mean but by the way I think by the way I'm I'm a huge Enthusiast for evolutionary psychology but sometimes I think it jumps the shark a little bit in terms of I think these things are contributory but I don't think what sometimes happens in evolutionary psychology is that this is believed to be the only game in town so for example that data on women having Affairs on one of your with one of your earlier guests which seem to validate one hypothesis rather than another and there is indeed a valid evolutionary explanation for what they claim that the data shows but I would argue there were also five other possible explanations for that phenomenon not least more attractive men are likely to be out there playing the field more simply because their opportunities are greater and therefore the fact that women tended to have affairs with people more attractive but not necessarily richer than the people with whom they're in a long-term relationship with could be explained by multiple I knew that you'd come and do a quiz at the end uh talk to () me about your assessment of Trump's marketing campaign um I didn't think you need to do that because actually what he did was um fairly consistent uh with what he' done before he had probably Elon was a little bit of a um uh clever signal boost signal boost I think what you really have to analyze is the Democrats as a marketing entity and how spectacularly bad they are in that you end up the problem with living in a very tight Urban bubble I did talk with Rick Rubin for the Christmas edition of The Spectator he's great absolutely glorious man and he made the interesting point that he had a kind of interestingly bipolar childhood and that he spent weeks on Long Island which was effectively a blue collar existence and then he spent his weekends in Manhattan with an aunt who is a kind of creative Services director for Estee louder was taken to concerts you know the usual Cultural Events books poetry Etc and the interesting observation he said is there was a downside to that which is that the cultural life in New York was entirely driven and hence constrained by what other people thought of your tastes whereas people on Long Island the blue collar culture basically you like things because you like things it's similar to um uh Rob's point that what is it that that middle class food Posh people food looks better than it tastes and workingclass food tastes better than it looks okay um uh that's you know and and and the the constraints on you on your opinions on your tastes on what you could enjoy because you had to defer your primary concern was what does this say about me to other people within my group now in a blue collar environment you can like what you like there are certain musical forms which tend to be gospel I was mentioning this country where no really cares there no there's no particular okay there's no particular kudos to be gained from liking country or liking gospel okay and therefore you're free basically to exercise honest subjective taste without having to pretend to like things that you don't in order to fit into a particular M and there is a problem when the Democrats become I've got a skin in this I've got a dog in this fight because actually woodro Wilson was like my third cousin twice removed weirdly um everybody's got a racist in the family my Misfortune is that my racist was the president of the United States but um his mom was born in England to Scottish parents and um but um the the Democrats fundamentally I think are in this bizarre um Hall of Mirrors where effectively their own opinions and thoughts have now become subordinated to a kind of artificial worldview that you where you have to buy the entire album as it were there's a ous journalist who talk talks about this which is sort of album politics in other words it's not just that you have leftwing opinions you have to buy into every single opinion that is believed to be uh from the left and you have to buy the whole package deal and consequently you end up with this very very strange group of people think their Norman and it's very similar to you know the the phenomenon that Jillian T spotted um I don't know if you read the silo effect have you had Jillian on the show no very very interesting because she's an ft journalist but principally her training was an as an anthropologist and ending up as a business journalist she brought her anthropological skill set and eye to what was going on in business and by happy coincidence well in a sense she ended up looking at what was effectively the um securitization of mortgages that whole business before the events of The Big Short before the crash and she immediately spotted that you had this group of people in a particular habitus or mindset who are incapable of understanding the world outside their own particular reference points and just an amusing detail about that which I which I thought was just hold on a second I remember thinking okay so there was a trump event at um that huge New York Hall what what the hell is it called Madison Square Gardens okay where there was a comedian I think he's a Texan comedian if I'm right Tony henchcliffe and he he told a little joke about um Puerto Rico okay which is we won't repeat it here and the immediate assumption because in their worldview all Latinos identify as latinx and have a massive sense of solidarity toward Ward all other Latinos okay because that's their peculiar worldview was that TR was that by countenancing this joke Trump had lost the entire Latino vote I was sitting there going okay that's a bit like saying that if the guy had told an anti-french joke he would have lost the European vote okay the idea that Latinos are so kind of homogeneous as an ethnic group that they identify you know B together with the Puerto Ricans they I mean Cubans thought that joke was hysterically funny okay I'm sure I would imagine that the other the other Latinos found that funnier given that it's jibbing someone that's close enough to them I mean you've watched narcos right I mean you know the Colombian Mexican tension is enormous I mean yes that you know there are points of shared commonality but you also have this thing between actually precisely because the countries are quite similar you get this kind of narcissism of small differences yeah uh and I always remember I remember looking at that and they going he's lost the entire Latino vote and I was going you clearly have a view of a community which is one which is based on you know probably you know some Marxist ideology about race yeah which is in complete denial about nationality or nationhood and it just struck me as really interesting that you could misread that so badly um and something you know fundamentally the way they go about appointing people the way the whole thing appears to be kind of a coronation um it's it's very sad because you know this should be you know this could be a you know really wonderful you there lots of aspects I mean you know in by European standards I'd lean politically right okay you I'll be honest about that by by Euro standards but there are aspects to the US which strike me as ridiculously right wig okay not least the appalling vac allowance yes okay which is now that's a humanitarian crisis two weeks paid vacation but also it's weirder than that because unless you're getting married and going on honeymoon taking a whole week at a time is looked at as pretty dubious now I don't know about you it's not a holiday if you know which day of the week it is in my definition okay if you actually if you're conscious of the day of the week you're not properly on holiday yet well look at maternity leave as well in America that that strikes again was absolutely extraordinary it's [ \_\_ ] barbaric and so and yet it's a wonderful case of status quo bias by the way because if you think I have never you know I po a spectator parties and I hav a drink with Nigel farage once or twice okay I've never met anybody in the UK so right-wing that they believe that um uh the that we'd be better off with fewer days of vacation roll back let's roll back this for another 2% of GDP if we just roll back vacation time I'm genuinely I've never that's a really that's a really great point if there's anybody sufficiently right-wing that thinks that the UK is too open and free with the way that we give away the other weird American instance I had was um uh that I met somebody who said they would happily pay $660,000 to a tax attorney or Tax Advisor to avoid paying $40,000 in tax they they they said this to me in absolute seriousness now okay that is literally you resent your tax dollars to such an extent that you would actually happily pay $60,000 you kind of I think that at least from a a business perspective because you can people will have heard uh I got my tax down to zero as an American thing which is basically that you can drive profit down to the the level where the whatever it is 32% % 37% depending on where you live that the government would have taken there is none for them to take because you've spent it all so you basically get a 1 thir discount on anything that you want to buy but what that it sounds sexy it's like oh my God he didn't pay any tax it's like yeah but he did pay 60% of everything that was taxable that he had to drive down it's not like you got it for free he just got quite a big discount on whatever it is that he's talking about but yeah there is a such an aversion to giving money to the government to the stage where people will happily do this sort of seppuku like Harry carry thing uh of actually almost harming themselves in order simply despite absolutely yes the hand will get chopped off to order to spite the finger yeah exactly despite the IRS on the end of your your middle finger we'll get back to talking to Rory in one minute but first I need to tell you about Shopify Shopify Powers 10% of all e-commerce in the United States they're the driving force behind gym shark skims aloe and neonic which is why I've partnered with them because when it comes to converting browsers into buyers they are Best in Class their checkout is 36% better on average compared to other leading Commerce platforms and with shop pay can boost conversions up to 50% best of all they've got award-winning support which is there to help you every step of the way look you're not going into business to learn how to code or build a website or do backend inventory management Shopify takes all of that off your hands and allows you to focus on the job you came here to do which is designing and selling and awesome product upgrade your business and get the same checkout that we use at newtonic with Shopify right now you can sign up for a $1 per month trial period by going to the link in the description below or heading to shopify.com Modern wisdom or lowercase that's shopify.com wisdom to upgrade your selling today but you had this thing about uh people that pay lots of taxes needing additional priv or it may be an () idea to offer them exra privileges okay I'm a big I'm Ling this slowly accumulating this is great it's Brant the it's a thought experiment which we're one of the things I think we're lacking in is that I would argue yes that my joke my joke suggestion was that people who pay higher rate tax should be allowed to drive in the bus lanes okay now just to be clear about this I didn't mean that entirely seriously I didn't mean that it should be enacted it was purely a thought experiment based on the observation that rich people are pretty happy paying for things if a small am so the when you are poor a large part of your disposable income is spent on what you might reasonably call utility as you get richer both attractively and unattractively as I said um what you might call relative status in other words the relative quality of something matters more than its absolute value and so if you look at car manufacturers the topof the range X probably costs 25% more to manufacture than the bottom of the range X but the sticker price might be doubl and that's simply because the people buying from the top of the range are more interested in status and more interested in you know leather seats and heads up display and you know adaptive cruise control they're more interested in what you might call things you can show off about or things which are just novel whereas the poorer person is buying the car as a mode of transportation okay it's closer to the economic idea of utility and consequently um it struck me that government should play the same trick that car manufacturers do which is to say yes you pay a lot more tax but in return you get certain privileges you get certain advantages now by the way the evidence that that something of the kind which is that if if it was simply reframed with a thank you so there's an experiment from Singapore which I think was adopted in the UK by a Housing Association which had trouble getting people to pay their rent on time and one of the most they they tried a variety of Behavioral e economic invent interventions but one of the most successful was simply every time you paid your rent on time you got a text saying thank you and that massively reduced the incidence of late payment subsequently it's one of those weird that's that's a total just it's a tiny little reframing which is you did a good thing we're grateful to you we noticed yeah yeah I mean whereas I don't feel when I when I pay what whatever vast amount I pay to the exer if they just said kind of we noticed thank you for doing the right thing I by the way just to be clear on this I do do the right thing because my wife does my finances she's a vicer in the Church of England which is like having the shittest accountant in the world in terms of tax she'll say Rory when you attended when you attended that confidence they gave you a free pen I really think you ought to declare this you know I actually declared all the capital gains on my bloody Bitcoin God oh wow oh my God that would bankrupt most people especially if you've got to pay it in fear to pay bloody now what kind of pissed me off about that is had it been a house of course I wouldn't have had to pay bloody thing and no capital gains but but the interesting thing the interesting thing there is I that I mean there was the guy who's the expert on this guy at Berkeley called George aov who was a left-wing guy who pointed out that the right to some extent Dent enjoyed some unfair advantages simply because of linguistics so the phrase tax relief for example suggests that tax is a burden from which you have to be relieved it's not paying your Civic duties towards the maintenance of uh Collective goods and you know as a Brit okay as I said a right of Center Brit I can't help noticing when I go to LA to be absolutely honest I'm not sure I wouldn't rather have a slightly worse car and better roads okay cuz because you know there is a correct ratio of expenditure of money which is spent uh at the individual level and money that's spent at the collective level and by the way one of the reasons I half jokingly suggest that pubs cafes and restaurants should be given a big tax break I genuinely mean that is because I think they're a social good if you go to the pub okay you are maintaining a pub that I can go to the following day and it actually benefits the whole community and you might argue that the rich people who go to the pub and buy the fancy Spirits or the high margin drinks are actually subsidizing the lower margin drinks for people with less money yeah so in other words there is an ecosystem within that kind of thing which is mutually beneficial there's such distaste though from anybody to the people that have got wealth especially from the media is very much sort of demonized at the moment it's very uncool UNC to talk about the level of wealth that you have especially when we've got inequality cost of living crisis inflation housing problems Etc so it doesn't surprise me that it's hard to get people to be on board with doing something you already have enough benefits as it is look at the wealth that you have look at the abil I had this idea with Scott Galloway where I suggested that presuming that some rich people are at least somewhat smart given that they they've managed to get themselves to the stage of being rich they're lucky too yes of course acknowledge that he he's very honest about's milon a million other reasons why but that some people in there will not be total idiots perhaps some of the people that are real power users when it comes to tax I think Elon did this made a statement the other day that he's paid more money in tax than any human in history recently paid 10 billion to the IRS probably Romans who'd take him up on that I think yeah Nations when you're competing with entire you know Empires perhaps that might be something different my idea to Scott was why don't people who pay some Uber amount in t you know the top 0.01% why don't they uh get to have some sort of consultant at the IRS or or or the Inland revenue and they can maybe uh talk about discriminating where their tax dollars are spent you can say I really like well education the military for example or whatever yeah I mean anything but it it treats your taxes first off it it makes your uh tax money more accountable because I think people that have earned a lot of money understand efficiency at least in one form or another in that they've managed to accumulate the money and they look at government and think I'm going to give you these tax dollars and I think that you're just going to piss it up the wall how many times has the Pentagon failed its [ \_\_ ] budget report here so by you had you had something a little bit similar in New Mexico there was a guy called Gary Johnson I think I'm right AR saying who's the governor of New Mexico who is a kind of libertarian and it was kind of Ron Swanson I don't know if you know parks of recreation but you had a Libertarian doing a government job job and he believed quite interestingly he said basically I dislike all forms of government expenditure except roads and education he believed those things genuinely had to be collectively spent they were Collective goods and that I think his phrase is if you want economic growth you need a four-lane highway and so he was almost a case in point where in other words he he very very narrowly decided what the focus of government within New Mexico who and what was by all accounts actually a very he was a presidential candidate um for the libertarian party about 12 years ago or something um but he was a pretty good Governor great have you been to New Mexico it's the a neighboring state no I haven't glorious go there it's utterly fantastic um the um Santa Fe Opera give that a go by the way I'm trying to start a little tradition that the guests on podcasts get to advertise something as well whatever you would like it always stries to me as very unfair Santa Fe Opera the Santa Fe is my a mid roll podcast Jamie Lang's podcast and started I think I was plugging a Italian Jamaican Cafe in Wester um Pro probably giving it a greater level of indiscriminate Fame I wonder how many people have bought air fryers and Mustang mackes off the back of you I do think down it's had a market impact on the the Mustang Mack I've got a new one for you uh only relevant for Brits really although also possibly relevant for exat Indians in the United States the Frozen Paratha I saw you tweet about this the other day I bought this from aicardo I thought why the hell has this Frozen Paratha got 170 votes and is like a five star literally five stars on a cardo I thought what's a cardo oh my goodness you don't know you see there are lots of things in the UK so it's it's grocery delivery home grocery delivery very Innovative bunch of people who started you know effectively robotic picking so they have it's very very high-tech mode of grocery delivery they used to have a partnership with waitrose they've now got a partnership with Marcus and Spencer okay um it's actually probably better than anything you've got in the US actually we by the way in Britain we never really celebrate our so I would I would include octopus energy and acardo as you know and perhaps say um wise okay we occasionally do these things incredibly well and in the United States you'd be fated for doing this whereas in Britain you're just treated with kind of mild suspicion okay um and there is there is I think there is that British problem which is there is an acceptable social ceiling to the amount of wealth you have yes that Americans have observed even in what you would think of as pretty Cutthroat businesses like Investment Banking that once they've got a flat in London you know a former rectory in the csws you know a wife called Polly you know a labrador two children at private school a Range Rover and an arer okay basically that's it you've hit your ceiling and anything more would be slightly dubious you know so there is that kind of weird kind of class-based ceiling to you know it's quite difficult to create a Dyson in the UK okay but but what what's interesting in aard is the Frozen Paratha is uh it was invented in what I call Cinnamon Valley which is this area around Wembley and London which is where an enormous amount of innovation in Indian food preparation goes on which is one of the great I think one of great um uh reasons I still live in the UK is the quality of Indian food surpasses very difficult to find in America imagine Austin you must have a large enough XA community that it's started to raise a I'm yet to find a good Indian meal in Austin Texas much to my dismay okay we we we'll go looking I'll crowdsource it maybe someone can comment below some someone can comment but the Frozen Paratha is a remarkable thing it just sits in the Freez you can have an onion one you can have Alo paraa there's a garlic one but basically you take it out of the freezer where it's basically completely long life bang it in a pan with a little bit of oil about one and a half minutes either side turn it over you've had the kind of Paratha which is literally you know if you went to a three star mishan Indian restaurant you would not be disappointed by the Paratha it's the great I mean what the hell is sour what what's this sourdough thing it's fine right sourdough has a place in my bread repertoire but the extent to which it's come to dominate artisan bread rather like IPA dominated artisan bread caramel in the desert world yeah you got it exactly yeah the these things these kind of these winner take all effects in a globalized economy are actually problematic because they're like the gray squirrel you know they they eliminate the indigenous alternative myopia in the bread world yeah yeah it is it is a problem you know I mean um and likewise you know the discussion of AI relative to discussion of the importance of zoom and remote working strikes me as off whack that actually over a longer time Horizon um the importance of being able to have a conversation with anybody instantaneously on any continent in a group or individually strikes me as you know it's not far from teleportation and yet nobody's really talking about it nobody's developing hardware for it uh that strikes me as something slightly weird I've been thinking a lot about um we built the new tonic brand and we're building another () one at the moment with a guy called Mike Israel and um I a lot of the time what we're talking about is sort of coolness and credibility two things that we're trying to aim for now with a millennial genz degenerate influencer driven online Tik Tok Instagram brand perhaps that's easy uh are companies in markets that aren't necessarily so custom facing that don't need to have an Instagram account do you think companies get too concerned with trying to be cool with trying to create sort of a no um I think that the focus on the consumer is um there's a great passage it's only a small passage in John K's book The Corporation of the 21st century which is his attack largely the whole book is an attack on the idea of the shareholder value movement that the fundamental point is that the point of a corporation is not solely to generate shareholder value but also the fact that the pursuit of a single metric is much less Crea and much more likely to lead to uh value destruction including for the shareholders than the pursuit of multiple objectives the triangulation of multiple objectives which is looking after your employees looking after your shareholders looking after your customers and looking after the wider Society okay so so a multi-dimensional objective from a company will probably lead to a greater variety of behaviors and a greater level of creativity than a single-minded kind of reductionist objective like short-term shareholder value maximization and one of K's points which he makes is that if you look at the companies that have been kicking around in the Fortune 500 or the footsy or whatever for a long long time it's Nestle it's unver it's proor and gamble it's reckit okay it's companies which have a large marketing function which keeps them rooted in the real but changing world of what customers really want okay and keeps them alert to effectively exploring new forms of value exchange which are Ever Changing with technology taste fashion Etc and those companies interestingly seem to have a much greater level of survival than companies that effectively develop some proxy measure of success other than the marketplace and seek to pursue that now pursuing success in the marketplace is more difficult it's more painful uh it involves you to deal in things that are highly probabilistic rather than deterministic it's messy but ultimately in terms of resilience it seems to keep companies on their game in a way that businesses that are basically focused on what you might call internal benchmarking metrics can find themselves actually massively detached could you give me an example um well okay if you pursue yeah I mean uh if you pursue efficiency at the delivery of something okay uh you can end up very efficiently making something that people no longer want or where you're completely deposition because uh uh effectively what you're making so so in some cases for example the rules of the game change okay so there will be a period where for example um well I'll give you a perfect example of this okay which is an example I love to give which is when I was a kid okay uh there were a few rich kids at school who'd been to skipple airport and they come back and go it's incredible like there shops everything you can buy I bought wman for like so many gilders cu before the euro okay oh it's amazing you we went there and we did this and then then you got then it was changy airport in Singapore oh it's amazing I bought this they've got this they've got a Fountain they've got that and the other you see and then you then you then eventually moved to Dubai the crown moved to Dubai have kind of blinged up airports okay and that all goes on and then one day people come back and they go if you get to London City airport it's brilliant there hardly any shops you get on the plane in about 5 minutes and you suddenly realize that everybody has been optimizing for turning an airport into a bloody shopping center and then London City Airport comes along completely the opposite yep okay and just changes the rules of the game so I mean the hotel industry is interesting I mean okay I think I'm allowed to plug for this I'm a weird fan have you stayed in a Moxy Hotel yeah yeah yeah a few times what's your take because I think it's quite CL I think it's a kind of mental hack which is actually quite smart which is everything is really basic it's good good TV good Wi-Fi comfortable room but not very big no room service um no laundry I prob remember okay you wouldn't want to stay there for two weeks but two things pretty good location um and secondly the ground the ground floor you is basically a bit like a Wei work yes in that you can just hang out there meet people there's actually a meeting room even after you've checked out you can spend three hours doing your email at The Moxy without feeling like a weirdo I think whereas if you do that at a conventional Hotel once you've checked out you feel they want you to piss off yes because it's just a small Reception Area reception area where youd look like a weirder yeah I uh I've spent a lot of time on the road over the last couple of years I've come to believe that the biggest determining Factor about your enjoyment of a hotel is the quality of the pillows and it's not the bed bad bed good pillows totally fine night's sleep good bed bad pillows [ \_\_ ] so I every time you pillow smia don't you I'm trying to I'm trying to work on this at the moment I'm trying to find a uh Amazon Prime pillow which I can get in most territories that I go to so most like us UK maybe a Dubai or whatever that I can get next day dely to any hotel that if I get there and on the first day when when I check in I go oh [ \_\_ ] they no they've got one of those they've got one of those ones that makes the sound when you lie on it I'm like quickly get onto Amazon order it and have it arrive you need Uber sleeps to go alongside Uber Eats very good very good will deliver I that's the that's the worst the worst part but I mean yeah interesting pivot at the moment that's an interesting idea because you would also have a market if you had Uber sleeps you can have a service which if you if you basically missed the last train and ended up crashing at a hotel it would deliver sort of you know a shirt in your size for the following day or you know and toothpaste and a toothbrush and all the things you didn't think to pack cuz you weren't tow you were going to be staying yeah that's brilliant there's a a move () at the moment in airports toward um like Health wellness and stuff there's meditation areas there's gyms there's napping rent by the hour rooms which I imagine are used for all manner fundamentally by the way I mean the built environment in every respect has not caught up with technology and it's actually I think it's a total failure um it's largely probably because you can't measure but I always think okay there's nowhere at a station in a concourse they've got all these walls around the edges which are underused now just put a shelf there for people to put a laptop on okay there are trains with no tables which drives me practically insane because apparently it's worth spending 120 billion to reduce the time spent on a train between London and Manchester but actually putting a table on a train so the person can work for an hour rather than basically sitting there like a Tyrannosaurus Rex trying to type on some on their knees okay that's that's considered apparently an unworthy expense compared to time saving on on on the actual Journey itself and we will need offices will need to actually you know fundamentally adapt to the fact that patterns of work are different and that you probably need fewer meeting rooms and you need more pods but also the open plan office was insufficiently variegated so if you take people who are non-neurotypical for example you know I mean my argument is that to some extent the perfect office is not an open plan space it's 50% Library 50% Pub in other words half of it should be hypers social and a bit noisy for people I I actually like working in cafes I like background noise even if I don't know anybody present equally I'm conscious of the fact there are people who can't work unless you also don't want to be in that all the time necessarily if you if you have the final proof read of this particular piece of copy that absolutely needs to be right if you're writing a best man's speech yes probably best to be in somewhere that's a little bit more chill it's your final run through you're trying to remember a presentation you're trying to do whatever do you really want to be in the cafe but yeah I mean I've you'll have seen this as well to introverts an open plan office is probably very tiring well I mean I think on average it seems like open plan offices really really damag down uh productivity the difference even between noise cancelling headphones and complete silence is marked uh mutual friend of ours uh worked uh at a place a social media management agency years ago and they had this huge Harry Potter fan page thing and as a part of that they were doing a time lapse of them building the world's biggest Harry Potter jigsaw puzzle so they were going upstairs they had an entire room it was one of these many many many stories and there was open plan office and [ \_\_ ] asro Turf on the walls and every you know ping pong wedding dayss or whatever and uh he just he he couldn't work he couldn't think he couldn't focus so he had found that they'd kind of given up on this huge Harry Potter thing they maybe got stuck at some stage of the jigsaw so he uh there was a point where every morning for a couple of weeks he went up and sat in amongst disused Harry Potter jigsaw puzzle pieces on the floor because it's the only place you could get any [ \_\_ ] piece yes y yeah I mean you know we we have we have some weird sort of mysterious lavatories on the ground floor which I notice the occupancy rate is surprisingly High given that they're not signposted and I strongly suspect people using them as a kind of Escape pod need a little bit of chill time yeah yeah and I I um you know I I the other thing I think is interesting is if you really want to bond people one interesting thing is to reduce the amount of money you spend on rent but I think you have to correspondingly ring fence a bit of that saving and spend it on what you might call staff jollies now doesn't I I don't mean total self-indulgence but I mean you know away days where maybe we should take some office space By the Sea somewhere like Margate Folkston Brighton okay just because actually if you want to bond people I don't think an office is a particularly good place uh for bonding I think if you take people on a trip together you find people Bond very very tightly I mean famously you'll love this story from advertising the coke Hilltop ad I'd Like to Teach the World to Sing was actually that it was conceived at I think Dublin Airport because there was a massive flight delay and effectively there's a quote from Bob Dylan in Brownsville girl where he said isn't it funny how people who've suffered together have more in common than who are most content mhm and these people these people had basically all been together uh you know and they were stuck at duin airport like overnight okay and he noticed that effectively people were all going to the Coke machine and because of the shared adversity they were all bonding in ways that they never would have done had the flight been on time it's one of the reasons that throughout history armies have been encouraged to Get Drunk Together a few nights before the first battle not because the sure the bonding thing the fact that it's more difficult to lie the fact that you're a better liar detector when you're drunk than When You're Sober Do Do you remember that cburg campaign you know who your mates are it only lasted I think it was um um it interested me from an anthropological perspective because there's a theory that the reason young men get drunk and do stupid things is to find out who your mates are in other words the person who at the first sign of a police siren hoofs it around the corner is not your mate and so it's a kind of loyalty test in thing just as to some extent you know rude banter is a kind of proof of stress testing it's a stress test of a friendship if if we weren't really good friends I couldn't say this to you therefore the fact that I'm saying this to you is proof of our friend signal of friendship uh I wanted () to show you this Europeans according to a study by simple analytics Europeans spend approximately 575 million hours per year clicking through cookie banners the prompts which appear on websites asking to accept cookies dividends should have been that we got rid of that because it was an absolutely stupid piece of legislation which adds and by the way it's also counterproductive because every now and then I go onto my Google Chrome and I get rid of effectively all the cookies right so you've had to rest the next two weeks it's even worse than usual and that every godamn page I go to I have to effectively give permission or deny it to see whatever this thing was that was a classic case of what I think is sometimes called you know the um what was the famous thing in in the in British India where they they created a bounty on cobras python yeah Co cobras pison snakes and people started farming them to claim the Bounty there was something to do with uh um trying to reduce the number of cars on the road so they did they uh logged the logged the registration plates in one form or another and all of the rich people just bought second cars so they doubled the number of cars that were on the roads that that was aens yeah I think you could come into Athens with an odd number number plate or an even number number plate to reduce traffic and so everybody lined up at the the Greek equivalent of the DMV and that when they were handing out car license plates and basically they said I I really need an even number because my other car is not car and so they'd all they'd all Shuffle into order effectively I'll swap you yeah in the queue and no I mean I mean if you think about it there were extraordinar int if you'd given the job to some nudge theorists rather than to lawyers you could have come up with a very simple solution which I would have thought would be fairly amicable to everybody which is you can set your browser to delete cookies more than x weeks old okay and that would be you know you you might mandate that that's an automatic option that's made available to you but you know what the problem I have is that I you know I like to purge all these things you know I never quite know what clearing your cash actually means but I like to do it regularly because it feels you know cathartic okay but um but but I you know I like to clear cookies every now and then because it occurs to me there's probably an UNH wholesome buildup of the things but then every time I purge the damn things um it makes my browsing experience painfully bad we could have we could have got rid of that within weeks of 2016 if we wish to and I have no idea why no body has done it Meanwhile we're still struggling with all of the problems everybody wanted to get rid of and we've accumulated new ones and some of them have got worse and now Kia's done a massive u-turn on immigration that was surprising if we if we acknowledge the fact that the bad thing about government isn't really that money spent through the government is necessarily bad because there are things that probably are better paid for collectively rather than individually defense being an obvious example okay right I don't think sense for everybody to employ a private Army it you know it's it's it's pretty logical that we should actually pull our resources in the provision of Defense I don't you know um and and by the way the I would also argue that the ratio of those things probably changes you know there are there are periods where technologically we'd be better off spending money on Collective goods and there are periods where we're better off spending more money on individual goods and you know there's a ratio of the two but you you made the point that first of all if you allowed very high taxpayers some degree of control over where their tax was spent that's the first thing interestingly good luck with that because any it's called hypothecation Uh Dan Arelli is a friend of mine behavioral scientist believes that you could get people paying tax much more happily if it were hypothecated um but the treasury absolutely hate the idea because it removes from them the finance person's privilege of shoveling money around around at their at their whim so they absolutely hate her it also creates a level of accountability I'll tell you a clever clever case of hypothecation by the way was John Maynard KES had I I think he had it might have been a million pounds to spend he was the burer of Kings College Cambridge and he um he had two things that were calls on his finances there was the Arts Theater in Cambridge which was run and still is an owned I think by King's College Cambridge for whatever historical reason and King's College Chapel which is a famous you know glorious medieval building and kan's imediately gave a million pounds to the Arts Theater and nothing to the chapel and his argument was very simple he said raising money for the chapel is a piece of piss okay I can get Americans to give money for this world famous Chapel whereas raising money for the Arts Theater is going to be damn near impossible so with the money I've got at my disposal I'll give it to the things that can't raise money at the expense of things that can treasury absolutely hate hypothecation I also think that uh for example um fundamentally I mean I've got an interesting idea which I'll share with you which I think is actually a usable idea which is what I call charitable yield management okay let me explain there are lots of things where you want to allocate resources according to willingness to pay so I'll give you an example I'm out at Athens Airport there's a massive queue for passport control there are people in front of me in the queue my I I'm paranoid I turn up at airports like 3 hours early I'm totally paranoid like that other people these people had left it a bit late their flight was leaving in 40 minutes the queue was about 20 minutes long I was pretty sympathetic now what you could do is you could simply have in the end someone spotted them and let them through it was quite intelligent but you could have a system where you pay 20 quid you jump the queue most people find that rep but also they see that as the airport effectively profiting from their own incompetence okay which is you're probably deliberately creating a long Q so you can maximize revenue from Q jump yeah if you had certain things where you paid but the money went to charity that is an interesting thing because it still identifies willingness to pay in other words you're clearly desperate to catch your flight removes the incen the in and the resentment of the people doing it because yeah they may be richer than you but at least they're doing a good thing so that could apply to parking in every car park there should be five station car parks there should be five spaces where it's 25 quid to Oxfam on top of the parking charge to park there the reason being that someone who is absolutely desperate to park will always be able to find a space whereas someone who's got 40 minutes to spare can drive off somewhere else you've got maximizing area under the curve you're maximizing exactly that at the area under the curve without creating resentment you could apply that to street parking one parking space in 10 and it's easy to do with Ringo or pay by phone or what you use in Austin what's the parking app in Austin no idea it's just tap your card tap oh you tap you've got that so with those apps it's really really easy if you're in one of those charity spaces you have a different code and you just put in a different number and 20 quid goes to Oxfam on top of your cost of parking which means that the parking spaces go to the people who most desperately need them without anybody feeling rooked and Charities make a lot of money now that that strikes me is quite an interesting you could apply that to Road pricing as well by the way interestingly how you know uh well if people felt that a component of let's say you had a you had a high-speed Lane if there's a traffic jam on the M25 you can pay 20 quid to use the it's it's equivalent to the mult what is it the multi-occupancy lane you get in the US okay there's a there's a premium Lane which lets you jump the queue a bit okay now I would use that if I going to Heath row probably okay if I'm if I got a plane to catch if I haven't got a plane to catch I went now the great thing is what would create a lot of resentment is if people just saw a load of Bentley and you know flash cars jumping the queue it creates fundamental resentment but actually if you made the thing charitable it would be less repugnant and you would still be allocating the road to the people Mo who were most in need of the road well we have uh like Fast Lanes or whatever they're called uh preferential Lanes all across America and that's basically the same it's like the T if you've got the text tag or whatever then you can go through this one and buy paying that it's $186 or whatever uh in order to go through this particular Lane but that Lane's got far fewer people on it and you can everybody kind of I mean it's interesting Road pricing is going to be very interesting from a psychological perspective because one of the things they did with UL which is in London which is that if you had an older diesel diesel vehicle you had to pay was it20 to come into the UL Zone which was pretty extensive it went right to it wasn't like the congestion Zone which is just the middle of London uh it was pretty much right to the edges of London there were ulz cameras everywhere and what was unfair about that was not only that we can debate the whole legitimacy of the charge but let's say I had an older diesel vehicle I live in 7 Oaks which is just outside the ules zone to be honest I drive into the ules zone six times a year maybe eight okay I could just about swallow the current charge okay okay if you travel in every day so a 100 people paying the ul's charge once don't really care whereas one person paying it a 100 times it's practically bankrupting them and the fact that there was no recognition of that so if you were a nurse who lived outside London or indeed inside London and because of shift work needed to drive to work and because you hadn't got much money you hadn't old a diesel car that was the fact that there was no equivalent of Amazon Prime which is okay pay pay once pay for a year y okay was fundamentally unfair and that that again is down to Gary Stevenson's observation actually that if you optimize for the average you don't distinguish between one person paying something a hundred times and 100 people paying something once I always noticed when you drive down the French Motorway which is called the auto route Des zongle from Cal down towards I think this one towards A10 or something it's called can't remember the exact number and he was noticed that for the first sort of 50 miles basically all the cars are English this bloody Road a bit odd don't the local French want to use their auto route and then you realize of course if you're English you drive to France once a year you pay the French Motorway tolls it if you drive a long way down to the south of France it's going to come to a few hundred euros okay but that's a lot less than you'd pay for a higher car If you flew and it's just something you just you suck it up if you want to drive down to the south of France if you're French okay and you've got a stretch of Motorway of 20 miles and it costs you5 a goddamn day okay that's ,000 EUR a year it's a completely different completely different equation and so one of the things we need to understand much better is two economists prices a number but to Consumers prices are feeling and fundamentally economists have this weird idea of money that it kind of I mean one of the most important topics I think in economics is how to spend it I mean Scott Galloway did quite an interesting piece on on this uh just a few days ago which is in other words it's not just about investment it's not just about wealth optimization the level of skill with which you trans translate available money into meaningful experiences in some into into happiness well-being flourishing whatever you want to call it I mean that that's a skill in itself and there are undoubtedly people who do it very very badly by the way not only people who are extravagant but actually people who are too stingy um so there's a wonderful piece of research uh by George Lowenstein which looks at the fact that we all IGN knowledge and economics there are people who spend too much in other words they get into debt they're extravagant they live for the moment uh they they're probably you know they they kind of have short time Horizons and optimize for the moment to a point where they neglect their long-term wealth but George Lowenstein also made the point that correspondingly you would expect there to be people who are not spend thrifts you call them skin flints who actually find the act of spending money so painful just the act of parting with money is something you know the very transaction itself is so painful they been far too little and I think he did a kind of survey on this and roughly speaking about 40 to 50% of the population get it roughly right and then you have a chunk of people at one end actually skin flints outnumber spend thrifts if I remember his data wow so there is I mean one of his points is that he you know he's a very big believer in buying experiences rather than stuff um that um and that's one of the reasons I think Americans by the way should have more time because Americans have quite a large non-working population but it's all people at the beginning of Life and at the end of life and the Americans massively over index in terms of leisure in ter or or lack of economic participation in terms of students and in terms of retirees but they massively they're massively too busy in the middle of life and one of the things I would argue is that if Americans spent more money on experiences Leisure Travel Etc which tend to be quite labor intensive rather than say buying more Goods which is what you do when you have very little spare time would they actually would the actual American economy benefit because you can't because you got in other words it's better off having people working in a New Orleans Cafe than it is importing a Chinese um device that you know I don't know I robotically cleans your cappuccino machine or something okay but whatever it is that people are buying and that that's a that's now having said that you got to be very careful about dividing what is a good and what is an experience because if you buy a guitar and then spend a lot of time playing the guitar it's both it's both yeah so it's very dangerous to say I know it's just it's just goods are solid things experiences are intangible because there's a combination of both Rory southernland ladies and gentlemen Rory let's bring this one home I appreciate you eighth time ninth time on the show I love it every time you come on always a () pleasure it's a delight yeah I just feel too honest I just feel I'm a crap version of Eric Weinstein I don't don't invite Eric every time I watch him I feel inadequate I just feel like this rubbish rubbish version of Eric if Eric's made it to the end of this episode uh I forgot to text you and ask what brand of shirt you wear he wears these incredibly plutocratic white shirts I'm just intrigued I'm I will remember and if not I've just put it out on a his theory which is ingenious that um uh Jeffrey Epstein was basically uh an intelligence Ploy that couldn't survive into the internet age um that was one of those eye-opening moments where you go surely not act because if you think about it okay for a government for a state actor right operating a billionaire looks expensive right but compared to an aircraft caral budet it's it's a it's a rounding out Jeffrey Epstein was the deal of the century Rory Sutherland said it here Rory I appreciate you until next time mate thank you very much indeed thank you very much for tuning in if you enjoyed that episode you will love my fulllength conversation with Alex hosi right here