

Nudge

A method for predictably altering behavior without restricting options or significantly changing incentives.¹

People prefer the path of least resistance when making decisions. When the path of least resistance happens to lead to a generally favorable outcome everyone is happy. When the path of least resistance leads to a generally unfavorable outcome, however, the results are problematic. For example, when the default option for new employees is to not be registered for a basic pension program, savings rates are very low. However, when the default option is to enroll employees automatically into a basic pension plan, savings rates increase dramatically. In both cases, employees are free to join, change plans, or not join, but intelligent defaults nudge employees to make the most responsible decision. The following methods are common nudging techniques:

Defaults—Select defaults that do the least harm and most good (e.g., many lives are lost due to lack of available organ donations, a shortage that could be addressed by changing the default enrollment from opt-in to opt-out).

Feedback—Provide visible and immediate feedback for actions and inactions (e.g., many modern automobiles have alert lights on the dashboard that stay on until the seatbelt is fastened, increasing seatbelt usage).

Incentives—Avoid incentive conflicts and align incentives to preferred behaviors (e.g., the “Cash for Clunkers” legislation passed in the United States in 2009 provided a cash incentive for consumers to trade in older cars for new cars, boosting sales for the ailing automotive industry and reducing total energy consumption and pollution).

Structured Choices—Provide the means to simplify and filter complexity to facilitate decision making (e.g., Netflix structures choices for customers to help them find movies, enabling them to search and browse based on titles, actors, directors, genres, and the recommendations of other customers).

Visible Goals—Make simple performance measures clearly visible so that people can immediately assess their performance against a goal state (e.g., clearly displaying manufacturing output and goals in factories is often, by itself, sufficient to increase productivity).²

Consider nudges in the design of objects and environments where behavior modification is key. Set default states that correspond to the most generally desired option, not the most conservative option. Provide clear, visible, and immediate feedback to reinforce desired actions and mildly punish undesired behaviors. Align incentives with desired behaviors, being careful to avoid incentive conflict. Simplify and structure choices when decision-making parameters are complex. Make goals and performance status clearly visible.

See also Affordance, Confirmation, Constraint, Framing, and Mapping.

¹ Also known as *choice architecture*.

² The seminal work on nudges is *Nudge: Improving Decisions About Health, Wealth, and Happiness* by Richard Thaler and Cass Sunstein, Penguin, 2008. See also *Choices, Values, and Frames* by Daniel Kahneman and Amos Tversky, Cambridge University Press, 2000.

To reduce the cleaning burden of the men's restrooms in the Schiphol airport in Amsterdam, the image of a fly was etched into each of the bowls just above the drains. The result was an 80 percent reduction in "spillage." Why? When people see a target, they try to hit it.

