

## The Beyond Logic Guide to Behavioural Concepts

Behavioural science (or behavioural economics) can be visualised as a series of concepts or principles which reflect the varying ways in which people behave “predictably irrationally” as Dan Ariely put it. In excess of 100 such concepts have been identified, though since the field is still developing this number is on the increase and a definitive list does not exist.

The summary provided here is based on experience of the most useful and evidence-based concepts and is designed to be an easy to use reference list: for each of the concepts listed further information is available.

### Summary of selected behavioural science concepts

Behavioural concept	Short description
<b>Action bias</b>	In some circumstances it's important to be seen to be doing something rather than simply sitting back and letting things happen, even if inaction is actually the best approach.
<b>Ambiguity aversion</b>	People don't like ambiguity and seek clarity and simplicity.
<b>Availability heuristic</b>	Things that are more readily available have a greater impact than those which are more remote.
<b>Being seen to be good</b>	People like to be seen to do the right thing for society.
<b>Belonging</b>	Belonging - the desire to belong engendered through common goals.
<b>Blame avoidance</b>	Where the imperative is to avoid blame.
<b>Confirmation bias</b>	People tend to seek out or evaluate information in a way that fits with their existing thinking and preconceptions.
<b>Conflict avoidance</b>	Most people avoid conflict and seek to collaborate with others.
<b>Default</b>	People will tend to choose the default option in order to make their lives less complicated, even if this is not the best option.
<b>Empowerment</b>	People need to feel they can make a difference in order to be motivated to try.
<b>Endowment effect</b>	When we own something we put greater value on it and don't like to give it up.
<b>Fairness (or inequity aversion)</b>	People don't like inequity and unfairness.
<b>Framing (also Anchoring, Choice Architecture)</b>	Choices are heavily influenced by the way they are presented and, for example, which (and how many) options are shown.
<b>Herd behaviour</b>	The tendency for people to unconsciously follow what others are doing rather than act independently.
<b>Heuristic</b>	Most choices are made unconsciously using simplified rules of thumb, or 'heuristics'. This can be as simple as "I'll do what I did last time in this situation" or "I'll do what my friends are doing".

<b>Honesty</b>	People like to be seen to be honest, although in practice most people are mildly dishonest.
<b>Information asymmetry</b>	Where one party has more information than another it can lead to a lack of trust.
<b>Loss aversion</b>	People are more affected by losses than gains.
<b>Mental accounting</b>	Different sources of money and types of spending are placed in their own pots and treated differently. Spending on transport can fall into different pots depending on the context: a cab (or Uber) to get home in the evening can be put into the entertainment budget, and petrol bought at a supermarket can be treated as part of the weekly shop (and thereby disconnected from actual trip making).
<b>Messenger</b>	The impact of a message can be as much about the messenger as the message itself.
<b>Myopic procrastination</b>	The tendency for people to put off making a decision.
<b>Need for recognition</b>	People need to have external recognition and because of this, reputational incentives and rewards can be more powerful than financial ones.
<b>Need for self esteem</b>	People need to have self-belief and a positive self-image, with one of the consequences of this being a need to be consistent. Because of this, encouraging someone to make a commitment can be an effective nudge. It also means there is an incentive for conspicuous consumption.
<b>Peak end rule</b>	Memories of past events predominantly reflect the most extreme event and the end point.
<b>Power of context</b>	Our decisions are heavily influenced by the external environment, even though we are often unaware of it and prefer to believe we are in control.
<b>Present bias (also hyperbolic discounting)</b>	Things occurring imminently are given far more importance than those occurring in the future.
<b>Primacy of emotion (Affect heuristic)</b>	Brain scanning has shown that our emotions are triggered in advance of rational thought and there is good evidence that emotions drive decision-making. As David Ogilvy put it: "Customers need a rational excuse to justify their emotional decisions. So always include one".
<b>Priming</b>	Priming refers to a sub-conscious process whereby an association is triggered and then goes on to influence behaviour.
<b>Relativity</b>	People think in relative rather than absolute terms. This is how a footballer paid £100k a week can feel they are underpaid (because they can see other players paid even more).
<b>Satisficing</b>	People tend to make decisions by satisficing (a combination of sufficing and satisfying) rather than optimising.
<b>Scarcity heuristic</b>	When something is less readily available it tends to be perceived as more valuable.
<b>Social norm</b>	Unwritten societal (or group) rules which influence an individual's behaviour.

<b>Status Quo bias (also habit and inertia)</b>	People generally prefer things to stay the same, or simply find this the easiest option. This often leads to habitual behaviour and sticking with the default option.
<b>Sunk cost fallacy</b>	When an action is continued on the basis of obtaining value from previously invested resources in order to "get your money's worth".