FUTURE SIGHT
PODCAST

Ep. 33: Can Behavioral Science Change Outcomes?

Future Sight Podcast by Capgemini Invent

As business and technology move forward at a rapid rate, it has become increasingly important to explore new ways to adapt and grow for the future. This podcast is your guide to that future journey.

Join us as we explore a new topic in business, technology, and transformation. Find out more about the challenges businesses are facing today and what they can expect in the future. Listen to leading industry experts as they break down need-to-know, actionable approaches with strategic insights and provide tangible takeaways.

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Episode Transcript

Ollie Judge: This is Future Sight – a show from Capgemini Invent. I'm Ollie Judge. On this show, we explore new ways for you to adapt and grow for the future in business.

With more and more resources poured into predicting the purchasing patterns, habits, and intentions of consumers, behavioral science has become an integral part of many business's operations. But could we be thinking about the problem all wrong? Instead of trying to predict behavior, maybe we should be designing outcomes.

Joining me today to explore this are experts from Capgemini Invent.

Matt Wallaert: Hey, I'm Matt Wallaert. I'm the Head of behavioral science at frog design, which is part of Capgemini Invent, which is a part of Capgemini.

Anthony Pannozzo: And Anthony Pannozzo, Chief Design Officer for North America and Asia, for frog, part of Capgemini Invent.

Ollie Judge: Behavioral science is a term that is bandied around a lot. It's something that shows up at conferences all the time.

You can guarantee it – doesn't matter what industry you're in, there's going to be a behavioral science talk at the conference that you're going to. But I'm going to take a leaf out of Reddit's book I need someone to explain like I'm five, what behavioral science is and why it matters.

Matt Wallaert: You're a hundred percent right, Ollie. And you know, I had hair once. I can remember a time when that wasn't true; when I went to conferences and no one was talking about behavioral science. I mean, it is a relatively recent innovation. And because of that, there are lots of different definitions floating around. It's rather like data science, particularly in the early days. It could've meant anything, right? Because so many things were happening.

At frog, we use a fairly simple definition. In particular, we mean applied behavioral science, not academic behavioral science. We're not in a lab doing studies, we're trying to actually change behavior in the world. So, behavioral science for us, it's two things – it's behaviors and outcomes, and science as a process. So everything we do in the world, we do to change behavior. That's the point of everything we built. Even this podcast, right? Is a chance to change someone's behavior, right?

Everyone that listens, we're trying to get them to literally, physically do something afterwards. Maybe it's engage with frog as a brand, maybe it's change the way that they build products. But there are outcomes that we want, and those outcomes are observable. They are observable behaviors, but we don't really talk about it a lot this way.

When we plan this podcast, it isn't Ollie, like you called us up and said, "Okay, well, what behaviors do you want to change as a result of this podcast? And how are we going to make that happen?" Right? So it's centralizing behavior as that outcome. And then, that unlocks the most beautiful thing that I think humans have ever designed – which is the scientific method, the scientific process.

The scientific process is a design thing. We didn't always have it. It's something humans discovered and developed. And it's one of my favorite things in the whole world because it tends to result in better outcomes. I wish I was a magician. I could just snap my fingers and get the behavioral outcomes I want, but that's not true.

The single best closest thing to magic that we have is science. And so, we use the scientific method, which means observational science, right? Understanding the world around us, and then experimental science, actually intervening on that world to change it in order to produce behavioral change. So for us, that's what behavioral science is.

Ollie Judge: Cool. And can you give me some examples of what those outcomes that, like, if we're looking at an outcome of a behavior, what are some examples? Like what would like large products or companies that people may be familiar with sort of, how would that manifest?

Matt Wallaert: It's awesome. And I think Anthony probably has a lot of great examples from his own work and frog's work. But, you know, almost anything can be a behavioral outcome, right? I wasn't exaggerating when I said that the point of everything is to change behavior, right? And it can change for the same object.

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So, you could imagine a chair. Sometimes I ask people to think about a chair, right? You can imagine the chair that gets people to sit in it for the maximum amount of time, where the behavior I want is sitting. Right? That's different than the chair that I want you to look at, right? If I said, "Hey, this is going to be an object of art," the behavior I want is for you to look at this chair and never sit in it, right? Because it's very fragile and you should never sit on it and it's not comfortable at all, but it's beautiful is very different from the chair that says, "Well, I want you to buy this chair," right?

Buying and looking and sitting are three different versions of what success might mean. And we would build different chairs – physically, literally different chairs, depending on which one of those we wanted.

Ollie Judge: Anthony, did you have anything to add there or are you happy with Matt's extraordinarily enthusiastic approach?

Anthony Pannozzo: Well, I love the example. And I might just also add to an example that might be maybe in the realm of some of the clients that hopefully are listening here today. So, if you think about design as coming up with a, let's just say a process, human-centered design is a process of coming up with ways to identify and solve problems for people. Or to meet their emotional and physical needs.

What design is really good at, and often is really good at is working within an existing behavioral pattern. So for example, in what Matt just described, no one needs to be taught really how to sit. Like a desire to say, take a break or have a rest or working the behavior – like I walked into my office this morning, I approached my chair, I sat on my chair.

If you go say and look at the e-commerce, there was a time when, if you wanted to buy something, you got in a car and you drove and you picked it up. And so in the early days of e-commerce, which people probably don't recall too much now, is that, actually making a purchase decision, actually buying something on online was a new behavior. And so therefore, people had to change their behaviors.

And so, in order to get people to adopt a new behavior, you have to understand… Well, you can design the best e-comm website in the world, right? It could have the best usability. It could be the most beautiful. It could have the most incredible, rich way to, you know, to show a product. You could swivel it. You could change its color. You could do all of that. But what got people to actually change that behavior had really nothing to do with user experience design. It had everything to do with things that inhibited their behaviors, like fearing putting my credit card number online or what if I buy these shoes and they don't fit, now how do I get them back?

These were the inhibitors to e-comm, not great user experience design. So, from a design perspective, the reason why we at frog really felt that we needed to bring Matt onto the team and think about how do we bring behavioral science into our process is because we don't just want to be satisfied with creating a great e-comm experience. We want to understand what is going to either prevent or encourage people to shop online and then we want to design a solution that addresses all of that in its entirety.

Ollie Judge: So, to build off that, it's kind of sounding like instead of just driving towards a certain KPI or a result – what you're trying to do is throughout the journey of what someone's doing, change their entire experience to drive a set behavior. For example, like Netflix, instead of labeling stuff as drama, thriller, X Y Z genre, they…I don't know whether you guys know, but they have these like ridiculous tags for stuff that is like – a thing like Bridgerton for women under 18 and X, Y, Z.

But that retooling of how they went back to the beginning of their process and thought through that, "Hey, maybe the tools of how we categorize this and how we move people towards a specific thing was wrong." Is that correct, Matt? Is this rethinking the whole process rather than just optimizing in a way that we would usually look at design and development, for example?

Matt Wallaert: Yeah, I think there's a couple of things in there and I love that you mentioned Netflix. It was the very first time I ever talked to at a company was at Netflix. I was asked to speak at Netflix You, which is their sort of Friday internal thing by the then Chief Product Officer at Netflix, on precisely this thing, choice design. How do you actually get people to find the things that are right for them?

Netflix has a very interesting problem, right? Where some of the most attractive content at the time, this was prior to their original content efforts were big blockbuster movies, right? But, if everybody orders the DVD for a big blockbuster movie at the same time, you need a lot of big blockbuster movies. So, they actually needed to shape a very specific behavior. I need people to go get movies that are not just the latest, big blockbuster movie, right?

That was a very specific behavior that they needed to change. And so then to your point, and I think Anthony's earlier point, that's when you start to consider pressures. We talk about all behaviors being the result of competing pressures, promoting pressures, which make a behavior more likely; inhibiting pressures, which make a behavior less likely.

I really liked Anthony's example of purchasing. Because people have this natural tendency to default to promoting pressures. When I want somebody to do something more, when I want to get Anthony to shop online, I gravitate towards, well, I'll make it beautiful or reward him for doing it. Things that give him new reasons to do that, that increase the promoting pressure to doing that. But it turns out, that's a bias that humans have, right?

I've replicated this in my lab. If you bring together a bunch of people and they brainstorm, they will replicate a bunch of promoting pressure things. But in reality, you could be a very successful business focusing on inhibiting pressures. Look at Uber. Uber didn't make people want to go places, right? They're not in the business of that. And in fact, it's probably a worst experience. You went from a black car to the back of some guy's Tercel. Right?

But they reduced inhibiting pressures. Massively convenient, massively more cost-effective, right? Massively quicker, right? They reduced a bunch of inhibiting pressures. They didn't make you want to go somewhere. They just removed the barriers to doing so. And that was really successful. In Anthony's example, when you reduce the reasons not to pay online, not to shop online, that can be as powerful as giving you new reasons to shop online.

Ollie Judge: I really liked that this and where we're going with this. I feel we've now established why this is important and how it's being used. But I feel like for a lot of people that have been doing things for a long time, or maybe a process that has never really looked at outcome design or behavioral science: where do they even start?

What are the first steps and what's important to analyzing your process correctly for a behavioral design take? And what kind of terms should we use to define all of the stuff that we're talking about here?

Matt Wallaert: It's a great question for us because this is what we are doing at frog together, right? Anthony and I had a very, very long relationship and conversation before I came to frog, right? About what could it mean to bring behavioral science to a typically design-led firm, and how do those get blended together and where do we start?

So, this is something we've been thinking about together for a very long time, and I'm curious to hear what his answer is.

You know, earlier I said, "Hey look, behavioral science is behaviors and outcomes, science as a process." I think we have to do it in that order. So, the first thing that I think we needed to do at frog, as we were evolving our design process, was making sure we were really focusing on behavior as the outcome of everything we do.

In the existing design process, we can sometimes get overly focused on the deliverable, right? I have to make a chair; I'm focused on the chair. I lose sight of the sitting or the selling or the looking, right? Because I'm focused on the chair. So getting people to step back and think about projects as creating behavior, I think is the place to start. And probably the biggest evolution that frog has undertaken.

There's lots of pieces in the science bit, right? How does this change how we do research? How does it change how we do design? How does it change how we create experiments? But I think those fallout of or follow on from that focus on behavior. Anthony, what do you think?

Anthony Pannozzo: I think that's exactly right. And you know, as I was mentioning earlier with the building on Matt's chair example, there are really great solutions out there. Really great design solutions that, the Aha! for me personally, was we are working with an existing behavioral paradigm, which meant made the adoption very, very easy.

So, for example, going back to our e-commerce example, you know, Amazon created one click purchasing. Once we had become, you know, shifted from being brick and mortar, you know, customers to e-commerce customers, then we have a whole new set of challenges as far as, you know, making the purchase easy and quick. So, having a one-click enables us to, you know, get that instant gratification, which may or may not always be good, but also, it's good for Amazon as a business.

Similarly, think about contactless faucets in public restrooms, right? Instead of having to put your hands on these knobs and then have to like, you know, grab a towel by, you know, cranking something, you're able to just wash your hands, dry your hands without actually touching anything; even entering, and exiting the restroom without

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touching anything. So, this is a behavioral pattern that existed and so a great design has come up with better solutions that make it more sanitary and more effective.

When the behavior pattern, when the behavior change is significant, no matter how great the solution is, if you're not addressing the huge delta in behavior change, you're gonna dramatically limit the impact and the effect of that quality solution. And I think of two expressions that you hear a lot, which is, "If we build it, they will come." Or a much older one, and I probably won't get it just right is, "If you build a better mouse trap, the world will beat a path to your door."

We as designers, I think focus too much on the build, either of the thing, the "it" or the mousetrap. But the make for success, you not only have to build design for the build, but you have to design for what will make people actually come and adopt it.

And we cannot just presume that a quality product equals high adoption. That has been implicit in those statements. And so what we have learned is that if that, no matter how high the quality is, if it doesn't consider the behavior change that's required, then it's not going to succeed. Which is why we have, over the last couple of years, been working on an integration of behavioral science and human-centered design as a partnership and as a way to effectively get product service and experience design and development, you know, evolve the approach by combining these two methodologies.

Matt Wallaert: One of the things that I really liked about what Anthony just said is there is also a piece here that's about inclusive design, right? Inclusive in making that better mousetrap, in creating that better thing is often a very specific vision of, you know, we build for ourselves because we can't help it, right?

A big piece of using science as a process is actually helping us de-bias, helping us step away from that and recognize – hey, usage isn't always about logical factors, right? You know, I sometimes joke that engineers make poor behavioral scientists because they only believe in the logical, right? As a behavioral scientist, a psychologist, it isn't about logic or not logic. Right? It's just about what works or doesn't work.

You can scream all day that people should stay on the sidewalk and not cut across to make this sort of you know, triangular path that we see time and time again in the world, but the well-worn path is there. People are doing it. So, pave that, make that the road, right? Rather than sort of trying to artificially restrict what people do. I think it's really important that, you know, we use processes like behavioral science to de-bias the way that we approach these things, to make them more inclusive.

Ollie Judge: So, how do you broaden your worldview so that you can begin to think like that? I think a lot of the listeners will be listening and going like "Great, I want to do that." But, there's definitely a sense of, you know, you've got to change the way that you think about that everything, rather than just, you know… we're just going to have a look at our processes.

Matt, so it sounds like you've got some ideas here. How would you get someone to kind of reevaluate their thinking and begin to do this kind of stuff?

Matt Wallaert: Well, so if we start with the point of everything is to change behavior and we need to get people to articulate behavior. It can help to have a way to do that. So, we actually use a very specific articulation at the beginning of every project that we call a behavioral statement.

So when a target audience has some limitations and a motivation, they will behave as measured by data, right? When a group of people who are we targeting, right? And we don't want to impose our own descriptions. There's this tendency on companies to be like well, 25- to 35-year-old, Latin X women living in LA. That's not how they're describing themselves, right? They're describing themselves as young women, right? And so you need to use their language, right? When that audience, who has some physical limitations, right? There are some things that are true for them in order for them to engage in the product.

If we use something like Uber, right? You have to have a smartphone. You have to be somewhere that Uber drivers service, you have to have an electronic form of payment, right? We have to articulate what are those really concrete limitations that are going to set up the edges of where we're gonna work. And that's really important, right? Because you could imagine a world in which Uber said, "Hey, you know, people are gonna be able to pay for Ubers with cash." We would be in a dramatically different place than we are today, right? They had a very specific articulation of "Hey, this is the borders within which we're going to work." Then those people have to have a motivation. Why do people want to live in this world, right? In this case they have to want to go somewhere. If you don't want to go somewhere, you don't really qualify for the service, that is, Uber; the need meeting that is

Uber. Then they will have a behavior, which in this case is to take an Uber. And then we have to measure that some way. We have to have some precise articulation of how are we going to make that behavior observable.

One of the mistakes that we hear time and time again, is people will say things like, "Well, I want people to love my service." I don't know what love is, but I want you to show me, right? Like you have to be like – do you mean recommend the service, use the service, buy the service, write a review online? Like, what does love mean for you in this particular case so that we can go design for that? We can't design for love because love isn't a behavior.

Ollie Judge: I think we've now got a good grasp of how we start that going. But some of the examples that you brought up and things like that, Uber, they're a startup, right? Like, Greenfield, you can do what you want and build for that. How are big companies that have already scaled? Not that Uber hasn't scaled. It has. But insurance companies that haven't gone about this way of thinking before. How can they kind of like pair back what they do and really figure this stuff out? And this is a question for Anthony to answer.

How do you start this process within an entrenched company? And how do you learn those sort of like core pillars that Matt just introduced us to, and apply it to what you're doing?

Anthony Pannozzo: Well, I think a lot of what you'll find with some of our answers is that we're speaking about the exact same coin, just with a different perspective on it from a design perspective versus a behavioral science perspective.

But where we'd like to start with, and it doesn't really matter if the client is, has no customers and is just starting up or if they are 150-year-old company and they have, you know, millions of customers. What we start with is what are the outcomes that you're trying to achieve? And not just revenue, not just profitability, but how do those outcomes if you back away from those outcomes, how do those outcomes align with the outcomes that your customers are trying to achieve?

And then what are the behaviors that enable that to happen? So, we kind of reverse engineer from outcome. And that's really critical because if you don't know what you're trying to achieve in terms of a desired outcome, you can't actually affect any kind of real or it limits your ability to affect real change.

So for example, a client may come to us and say, we need a website. And we'd say, okay, what is the purpose of this website? How do you, how will you know this website is successful? And they'll say, well, we'll know it's successful if people get information from it and they start buying their insurance policies there instead of going to an insurance broker.

Well, why is that important? Well, because if we go to an insurance broker, we have to pay them a commission, but if they buy directly from us, we get to save the commission, in fact. And we actually get to lower the price of the insurance premium. Okay, so the outcome is that really what you're trying to do is you're trying to get people to change their behavior from picking up the phone and talking to an insurance agent, but actually going to your website.

Okay, why do people pick up the phone and talk to their insurance agent? Well, because they get personalized attention, they get a dialogue. They get, you know, real time back and forth of the questions that are important to them. Where I'm going with this is we're trying to understand what effectively makes that option attractive so we could bring that to the desired behavior. And we're trying to figure out how to limit what makes the current option unattractive, so people were going to go to that desired behavior. So it's really about kind of drilling more deeply. At the end of the day, it's still about in selling insurance policies. But it's really about the pathway and the behavior change that's required for that pathway.

So, in all examples, you know, you're really having that conversation of what are we really trying to achieve here, because that sets up the stage for what Matt talked about, which is that behavior map. What is that future state that we want to achieve? And then once you've identified that, then you can have you know, a relatively traditional, at least start of a design process.

You can start talking to people, understanding what those, what prevents them from, you know, buying their insurance online versus going to an independent insurance agent. And then that leads to understanding that the journey, that leads to understanding that the principles that will define the ideal experience for them.

So, you start to kind of, you know, not necessarily go back and forth between human-centered design and behavioral science, but they're kind of riffing off of each other as they go through the product development process.

Ollie Judge: Okay. So, curveball, what if the person that you're working with or the company that you're working with is super unimaginative and their outcome isn't a new thing?

You know, the same way that they've always thought about it – it's not going outside the box. They're not comparing themselves to their competitors and what's going on in light, in that broader market. How do you begin to introduce, like a light broader thinking there? And we're going to come back to the thinking around the process, but you guys have been talking a lot about outcome.

But how do you set that sort of like analysis path in the right direction so that you can build the process to the right kind of behavior at a later point?

Matt Wallaert: Well, you've had it on one of the great things about behavioral science, which is you just named a behavior right?

I want people to articulate something that might be traditionally thought of as maybe outside of the box or to change the way that they are presenting something. Those are behaviors that I can design for. So, if they're not doing it, one of two things is true. There's insufficient, promoting pressure, right? There are not enough reasons to do it, or there's strong inhibiting pressures. Those could be cultural, those can be structural, right? About half of the projects that where a client has specifically asked frog and Capgemini to apply behavioral science, are internal behavior change projects. There are large companies that are saying, "Hey we're going through shifts in our workplace. We want to change the behavior of our employees, right? How can you help us do that?"

We can apply the same behavioral change techniques. When we work together with a client and they're having trouble articulating some of these things, right? We use promoting pressures, like making it more fun. You get a little mad while it's singing; you get energy, right? You help them see how they're doing it in their life already.

One of the things that can be really helpful is helping people recognize you're already a behavioral scientist in some way. If you are a parent, you are a behavioral scientist. You are always trying to get your kids to do things, right? And you're trying different things and seeing if it works, trying different things, seeing if it works – that's experimentation. You're just not thinking of it that way. So showing people how they're already doing this and that they can add formalized layers that will help them do it better. It could be really, really successful. Because to Anthony's point, I'm not trying to get you to do a totally new behavior. I'm trying to get you to do a behavior that you already do in a more sophisticated way.

And so, if we can help them build from where they are, that's often a very successful technique.

Ollie Judge: And who's this for? Like, is this for like product managers? Looking at it, you knew that question was coming. I saw you shake your head when I asked that.

Matt Wallaert: I'm going to argue it's for absolutely everyone. Because we do this all the time, right? I have argued in the past that I could imagine the concept of a behavioral science informed CFO, right? The CFO has particular things that they want people to do, and they could design the policies and systems of the financial system inside of an organization to do that.

Now are there places that are more amenable to behavioral science? For sure. Product, marketing – those are places that you know, behavioral science, design... behavioral science typically gets involved because they're often much closer to behavior. But as we talked about earlier, well, you know half of the requests that we're getting are coming from HR departments who are trying to do complex transformations inside of their businesses, right?

And so, I really do believe that there are closer and farther things but everybody, this is something they can bring into their process to help them.

Ollie Judge: Question to Anthony here: where have you seen this in practice? What kind of teams, what kind of products do you feel get the most out of this when it's approached like this? Obviously, any process can change with a behavioral style analysis, but obviously there are going to be some that change more than others. Where would you say the strength lies here?

Anthony Pannozzo: Well, I think two things that come to mind. So, first of all is, you know, we're talking about this in a way as if the application and integration of behavioral science in say the design process or the product development process is common. It is not common.

And that's one of the reasons why, you know, Matt joined frog was because we saw a gap in the market that most of our competitors and most of the in-house product teams, you know, were really designing a product and they weren't designing for the outcomes that the product was intending to deliver. And so that is why you know, we are putting that, we've been working on putting this together.

The second part is that, which I think ties back and hopefully better addresses your question, is it was really primarily in the sectors of healthcare. And in the areas of digital therapeutics and connected health, where behavior change, and the design of these digital therapeutics, was without behavior change, was really turning into that "If you build it, they will come" kind of solution. And this was because the magnitude of behavior change that is required for folks, who are say, newly diagnosed to a chronic condition, or recently had an acute event that was life altering.

There are times when we as people, our lives get dramatically rewritten through, through our healthcare. And furthermore, there are ways that we can minimize those significant events if we are more proactive about taking care of ourselves and thinking about the behaviors that we can affect that can make us make us healthier.

So, a lot of healthcare companies were hiring behavioral scientists. We saw that as a trend, but what they were was they were kind of riding along and there were little subject matter experts that rode in the sidecar. That was really great to have a smart person pop into the room and inspire you and say all these amazing things, but then you kind of went back and did your thing.

And so, when we think that healthcare is probably one of the biggest areas and financial services too, where it's any situation where we are doing something every day, that is actually not in our best interest. So, if you take, you know, customer service, and human centric customer-centricity to its logical conclusion, whatever the customer wants, their rights, that just give it to them.

But if the customer is suffering from multiple chronic conditions and they are not exercising and they have a stressful job and they're not taking their medication regularly; we don't want to continue to enable those behaviors. We want to help them get to a point where they can reduce that stress. They can better adhere to their medication. They can better know how to eat, how to better take care of themselves.

Because that behavior change will actually make them a happier and healthier person, which is ultimately what people want. And by the way, it also has the benefit of the healthcare system, because it means you become a lower cost and a lower burden to that healthcare system.

And then similarly in financial services, you know, financial services companies, you know, things have changed a bit, but encouraging you to spend on your credit card is good for them. They get the interest; they get you to keep spending. But it's not exactly great for your retirement planning, if you're putting too much money into the discretionary income; our spending versus saving. But people don't know how to save. People don't know how to even invest. So if we can help people shift their behaviors from spend first to save first, but then become more sophisticated from save to invest. Then, you are actually creating a behavioral pattern that will help them have a more secure financial life. And there's obviously so much correlation between, you know, economic stability and health and overall health.

These are the areas where we think this approach is going to be most rewarding because it will have the most impact and truly change and improve people's lives. And also help businesses, especially in financial services and healthcare, you know, achieve their goals as well.

Ollie Judge: Yes, I would say that the first place that I experienced behavioral science being talked about was in FinTech. But the big conversation there was around shadow patterns, and let's call it the dark side of behavioral science. So, obviously people will bring up things like micro transactions in video games or apps that, that are using these techniques instead of for good as Anthony was talking about them, for bad. Or like purely profit driven, almost tricking you to part with your cash. God knows how many times my fiancé spent a couple of pounds on her weird little gardening app on her phone.

But, so, where's the balance? So there's the good and the bad, but how should people be thinking about this? Obviously, there's some ethics involved, some psychology and all that kind of stuff. Matt, could you help unpack how people should be thinking about this? And where the red lines are that people should be thinking about?

Matt Wallaert: Yeah absolutely. For sure. It's no accident that when I wrote the book on this, there's an entire chapter on ethics, right?

In fact, many people came to find out about behavioral science through ethical lapses, right? The New York Times loves to write articles about who Uber or Facebook, or someone did behavioral science experiment in a way that harmed people. And it makes a good headline. And you're a hundred percent, right.

This is a toolkit, and like any toolkit it can be used for good or ill. You know, and it is nuanced. An example from that I often think about is flu shots, right? In behavioral science, for example, Anthony's just talked about what we call the intention action gap, right? I mean to work out, but I don't work out; I mean to get a flu shot but I don't get a flu shot. And that's one set of what we do right? People who have the intention of doing something and closing that gap.

But there's another gap called the outcome action gap that is perhaps in many ways more ethically sticky. What do we do with Ollie who says, I don't want to get the flu, but I don't want to get a flu shot? So I want the outcome that is created by that behavior, but I don't want to do that behavior itself. What is our ethical burden in there? Do we convince Ollie? How hard do we convince Ollie? How do we measure how much he wants the sort of outcome that is not getting the flu versus getting the flu shot? These things are hard. It isn't academic research, right? So we don't typically have an institutional review board or a very long prescribed policy on how to do this.

The first thing that we could do is be transparent, both internally and externally. Right? With our clients and in how we do things; we need to be clear about what we're doing because that allows us to get multiple perspectives on the ethics of something. Right? So even just showing it to someone who hasn't seen it before and getting some feedback can be an important part of how we address ethical considerations. There's a form of practical ethics that has to come into play here as we think about these things.

And you know, companies may have to decide, hey, look. You know Ollie's been really clear, he doesn't want a flu shot. I need to respect his choice in that. Right? And find other ways. I'm not going to discontinue the conversation, right? But I think we need to see what other alternative pathways I can find for honoring all these outcome intention, right? Which is making sure he doesn't get the flu. Hey, here are the things you can do that are not the flu shot that will help that will help you with that, right? And so there's a certain amount of flexibility that has to be involved in recognizing people's individual autonomy, I think.

Let me say one more thing. Second take!

A lot of this is about language, right? So when you read that New York Times article about the Uber behavioral science team or Facebook doing a behavioral science experiment, you'll see your words like manipulate. Right?

Well, that's a very judgment-oriented word. You could argue that I manipulate my child all the time, right? When I try and get him to, you know, sit down, and exist. And I use a variety of promoting an inhibiting pressures to make that happen. You could argue that I am manipulating him. But he wants to grow up, right? That is a thing he wants. He wants the outcome that is feeling better with food in his belly. He just doesn't particularly like the process that is eating food, right? And so it is my job to help him achieve that outcome through a process that work.

And so I think, you know, stepping back, involving other people in the process and try to avoid words like manipulate and instead recognize that we're already doing this all the time. Everything is an option, right?

My favorite classical ethical example of this, before I turn this over to Anthony, is organ donation, right? Either the default is that you donate your organs, or the default is that you don't. Right? And people have argued well, if I make the default that you're donating your organs, I'm in some way, manipulating you to donate your organs.

But there has to be a default. Resetting that default to the thing that is good for society. It's not manipulating you. Right? We are making a choice between two defaults. When I make the default, don't do it. Well, it turns out people don't do it. The thing that is best for society. Not because they don't care what's good for society, but because people tend to go with the default. And so in countries where, you know, organ donation is the default, you see very high rates of organ donation, 60-70%. And in countries where it's not the default, you see very low rates, 30-40%; that's not an accident, right? We need to be clear about, you know, we're already doing this all the time. What Anthony and I here are talking about is doing it in a more conscious, intentional, transparent, and inclusive way.

Ollie Judge: Nice, Anthony. Your turn.

Anthony Pannozzo: I am just commenting on the ethical implications of this kind of work. One thing I wanted to say is that you know, Google used to say something like, you know, do no evil. Our philosophy on this is basically,

we're not doing this to sell more Twinkies. We're not trying to get people to eat more Twinkies. We're not trying to get people to do things that are ultimately, you know, harmful to them.

And now that's obviously a very tricky place to be in because you could also say, well, who am I to decide what's harmful to somebody else? But, what we as a company do is, you know, with all of the clients that we have, you know, there's an implicit understanding that our values are largely aligned.

And there are times and have been times in the past, when we haven't been aligned with the values of a prospective client and we've chosen not to engage with them because of the values that they have and the gap. And so, that's something that we're always minding because especially today, as organizations are becoming more political, that values are becoming more forefront in these conversations. So, I think, you know, just, I think it kind of just to add that in practicing this work, it does require a very keen focus, and you become more aware of what your values are in ways that you may not have considered based on the different types of business problems that clients may have.

So, I wanted to just state that, you know, there is a strong responsibility that comes with this, and you know, but we think that, you know, at least in focusing on healthcare and focusing and financial services, and not to get you to spend more, but more of the saving behaviors. That this has been, this has been very effective because I think people are saying they're afraid they're not going to have enough money for retirement. So, if we're coming up with ways to help them have more money for retirement, then we're doing our job.

Matt Wallaert: There's a fundamental belief here in the long term, right? One of the natural outcomes of behavioral science. Because of what turns out to be good for people is shifting people towards our long-term perspective and recognizing how their behavior chain fits into a long-term perspective, which every piece of academic research ever done tells us is the path to profitability.

The longer you can look into the future, right? The better you are able to create a long-term profitable business. And behavioral science is an absolutely key step in something that comes out naturally in the process time after time.

Ollie Judge: When we're talking about behavioral science, and as this becomes more of, more of a theme, something that keeps coming up in meetings and, and more people start subscribing to it. There's going to be a lot of boardroom, bad words and proposals for things that you would, that you should run a model from. What do they look like? What are the things that if you hear in a meeting, you should be like that's not for me and run away when it's in the same sentence as behavioral science.

Matt Wallaert: I mean I think there are meetings we go into where people express their outcomes and very clearly behavioral terms. And we say, yeah, we're going to decline to bid on this, bye! Because we are in business to do a particular kind of thing and we believe that the long-term business strategy is in creating better outcomes for everybody in the world. That is the inclusive and sustainable, right?

You can't talk about sustainability, and sustainability in design without acknowledging human sustainability. Right? It has to be good for people in the long-term or it is definitionally not sustainable. It doesn't mean just "Hey, green up your building." Like it has to be good for literal, physical humans. That's part of what sustainable means. They have to be able to do it over the long-term, right? If you extort all the money from people with gambling addictions that is not long-term good for the world and it's not long-term good for your business. It's not sustainable, right?

So when we talk about bad behavioral science, we have to talk about bad behavioral science process. Anthony talks about bad behavioral science outcomes, right? Hey, these outcomes are the wrong ones. If you're a business and you're trying to buy behavioral science from the various consultants who are going to try and sell you snake oil right now, I think there's a couple of things you got to look out for.

One, they have to have a transparent process. If they can't explain to you in the first meeting, what it means to do behavioral science in this context, that's a problem. Right? It shouldn't sound academic, convoluted, closed-box, right? Anything that's not transparent. When Anthony and I walk into a meeting together, I'm very clear; hey, this is the four-step process we're going to go through. We're gonna articulate a behavioral statement, right? We're gonna understand what behavior we want. We're gonna do some research that's going to help us understand those promoting and inhibiting pressures in the world, today. We're gonna go through a design process that's going to design against those pressures. And then we're gonna run some experiments that help us

understand where we are successfully able to change behavior. It should be that simple, that clear. And if it isn't, you should run.

I think if there are reasons for time and budget where sometimes we are not able to run an experiment, not able to do a pilot, not able to show that we're able to create the behavior change, but if they don't at least encourage you in that direction, if they don't at least offer you that that is also a sign of, that it's problematic.

This is not a novel way of doing research. Behavioral science means showing that you changed behavior at the end of the project. And if you aren't able to do that for logistical constraints, I understand. But if someone shows you a proposal that doesn't include it, where they don't bring it up, where they don't start from that place, where they don't reveal the whole process, that's also problematic for me.

It's fine if someone's selling you only a phase in a larger process; I understand why that happens, but they need to be articulate about where that sits in the overall process so that if they're not doing work, you can do that work. Because we don't know that we've changed behavior until we show that we do. This is not about good ideas, right? This is about effective design.

Anthony Pannozzo: So, obviously I've joked about the Twinkies piece, but it's rather infrequent that the subject of what they're trying to sell is problematic, like guns or tobacco or something like that. But it's more that they believe they already know the answer and it's just a matter of implementation.

So as an example, someone might say, we've come up with an app idea that allows people to calculate their carbs. Before, you know, people with type 2 diabetes to calculate their carbs. So, it's a carb calculator and they can figure this out using this handy-dandy calculator and that will help them better manage their condition.

So, it's when you see, hear something like that, that actually makes me want to run. Because what I'm in the back of my mind asking: what makes you think that carb calculation is their problem? And if it is, what makes you think that your calculator will be the best way for them to do that? And so perhaps rather than run, I might ask those questions because be-sci is about, I think ultimately what we're doing, it's about temporarily suspending, disbelief and saying forget the product, forget the service just let's just think about what are you trying to achieve. And let's start backwards from that.

Well, most likely back into a product and service of some kind, but if we start with the tool without figuring out what the outcome is, then we're only going to optimize the tool without actually creating the tool that is purpose-built for the outcome.

Ollie Judge: Oh, I think those are both very important things that people should be keeping in mind. So, my last question is where should people be going to learn, like figure out? Obviously, Matt you've got a book. We're not doing major plugs here, but where should people start doing a bit of reading about behavioral science and why should they contact you? Either one of you.

Anthony Pannozzo: Well, I really, I would say that, taking the latter question first – why they should contact us is because I think that that we are continuing frog's tradition, you know, as a design human-centered design firm founded in 1969, continuing to advance how we design better products and services. The integration of behavioral science and human-centered design are not as fully integrated. It not even close to integration in a lot of practices right now. So, I would say that we are doing a good job of blazing new trails here. And I think, I would say that's probably the main reason for on that second question. And what was the first question again?

Ollie Judge: Just where should they start? Where should they start reading?

Anthony Pannozzo: I will plug Matt's book and I know we're not plugging here, but that's where I started. Or one of the places I started. I became aware of Matt's book through a fellow or through a mutual friend. And that's how I got involved with it. And it was the reason why I found the book so useful is because it was about product development. It was about the application of behavioral science. It was not an academic introduction to behavioral science. That applied put into practice piece, I think, is what makes his book so effective. And I would recommend it.

Matt Wallaert: The thing I'd say is come talk to us, right? Anthony and I are excited. The reason we're doing this podcast is we're excited. Ollie you commented earlier, you were like "Matt, you're very enthusiastic about this." Yes, I've devoted 20 years of my life doing it, and now primarily teaching it, right? Because I fundamentally believe in its ability to change the world.

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And so if you're interested in that, if you want to have that conversation, come send us a note, come have that conversation, right? I will happily have coffee with you. I will happily hop on a virtual call with you and learn about your thing. Because even if it isn't frog-shaped, even if it isn't something that we can help with, we fundamentally believe that by helping you think in this direction, we'll create a better world. And that's what we want, right? We want a world where people are happier and healthier. And so if you're interested in that, just reach out!

Ollie Judge: From that conversation, it's clear that maybe we should be reframing how we think about how consumers act and think. And reorient ourselves towards different design patterns. Thanks to both today's guests, Anthony and Matt. If you enjoyed this episode, don't forget to subscribe on Apple podcasts, Spotify, or wherever you get your podcasts.

This has been Future Sight, a show from Capgemini Invent. We'll see you soon.

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