



BEHAVIOURAL INSIGHTS AND ONLINE ENVIRONMENTS

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Behavioural Insights in Public Policy

KEY MESSAGES AND SUMMARY FROM
OECD INTERNATIONAL EVENTS



May 2017
OECD Headquarters, Paris





Consumer protection in Digital Economy

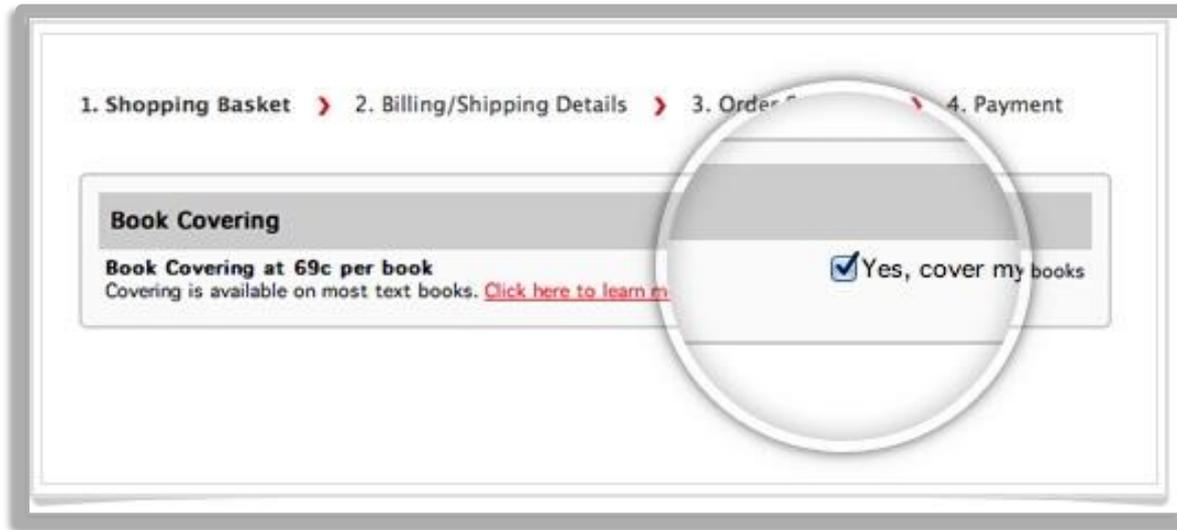
- The digital economy has the potential to offer real benefits for consumers in terms of reduced transaction costs, access to more information and a wider range of products, and the ability to undertake transactions almost at anytime from anywhere.
- However, the digital economy also presents a new range of risks for consumers. There are problems of asymmetric information as consumers may not understand how digital businesses make their money, price their products, or collect information about consumers.
- Further, there is the potential for consumer detriment in respect of online pricing. In particular, the digital economy lends itself to drip pricing practices, dynamic pricing, and personalised pricing, and the effect of these on consumers (and service providers) is still largely untested.
- Different types of vulnerable consumers may emerge in the digital economy. In particular, the digital economy is largely based on text, and so illiterate consumers are likely to be at a disadvantage in the digital economy, as will less computer literate consumers.
- While there are some potential risks, the digital economy presents an excellent opportunity for behavioural researchers to undertake empirical work and laboratory studies. It is much easier to control such experiments in an online environment as compared to in face-to-face transactions.
- In respect of the potential consumer issues identified, it is not yet clear whether consumers will need additional safeguards or whether businesses will have sufficient incentives to operate in consumer friendly ways. If further regulation is required, it is not clear what form this regulation should take but behavioural experiments could inform this.

See:

- [\(OECD 2010\) Consumer Policy Toolkit](#)
- [\(OECD 2016\) Protecting Consumers through Behavioural Insights: Regulating the Communications Market in Colombia](#)
- [\(OECD 2017\) Use of Behavioural Insights in Consumer Policy](#)



Online Consumer Protection



- Default settings on-line including travel insurance, etc.
- EU Consumer Rights Directive
- Companies must offer an “active” choice



Netherlands “Cookie Clause” Opinion

- European Privacy Directive
 - “informed permission to collect user data”

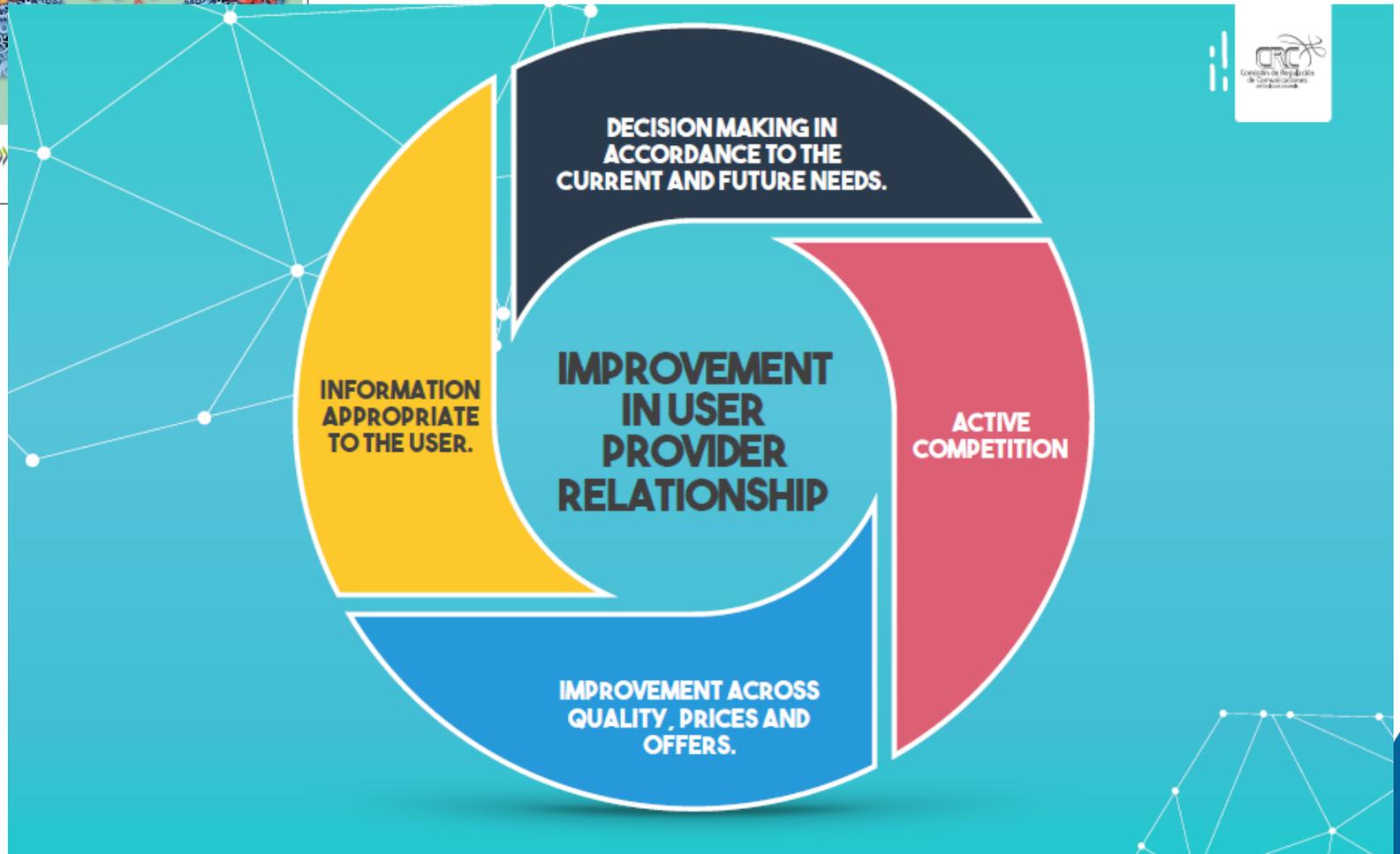
Business Burdens	User Burdens
74m Euros one off	27m Euros p.a. (click pop)
7.1m Euros p.a.	1.6b Euros p.a. (if read terms)

Source: Actal Annual Report 2016



**Protecting Consumers
through Behavioural
Insights**

REGULATING THE COMMUNICATIONS MARKET
IN COLOMBIA



NEW CONTRACT FRAMEWORK



- Consumer
- OECD
- Measurement
- Cost B
- Focus

ANALYSIS MOBILE

SERVICE CHANNELS



CONSUMER CONSUMPTION MANAGEMENT



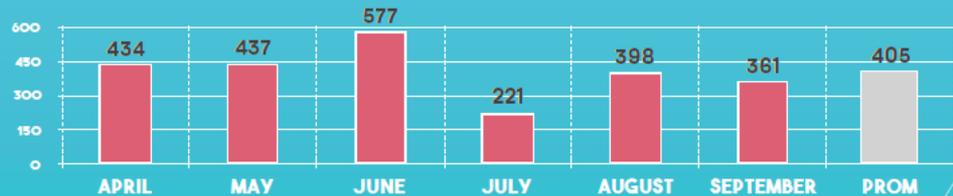
CURRENT CONSUMER CONSUMPTION MANAGEMENT
(WEB PAGE AND CALL CENTER)



HISTORICAL INFORMATION (6 MONTHS)

YOUR CONSUMPTION (MINUTES/VOICE)

NPS =





Behavioural Insights and Public Policy

LESSONS FROM AROUND THE WORLD





Launch of OECD Behavioural Insights Report

- **Global:** The report was launched online in seven time zones starting in Oceania and ending in North/South America Central/West. Each with suitable local viewing times.
- **Green:** The report was only available online (no printed copies at launch), and there is zero carbon footprint due to no air travel for speakers or OECD secretariat or any other physical events costs.
- **Behaviourally Informed:** The launch recognised that people have busy lives. Therefore the launch comprised of a short animated video about the report. At the end of the animation, partners and leading practitioners internationally and from the specific time zones provided short videos (approx. 30 second) to tailor each of the launches in each time zone. The videos are available on <http://www.oecd.org/gov/regulatory-policy/behavioural-insights-and-public-policy-9789264270480-en.htm> .
- **Relevant:** The report responds to the demand during the seminal OECD meeting of Behavioural Practitioners in 2015 (<http://www.oecd.org/gov/regulatory-policy/behavioural-insights-summary-report-2015.pdf>), where the need for a global picture and of “how to” apply this science in Public Institutions was identified. It is seen as a reference point and landmark publication in the field (with over 400 pages of analysis/research).



Online tools for real world problems

BEHAVIOURAL
INSIGHT





Thank you

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For more information:

<http://www.oecd.org/gov/regulatory-policy/behavioural-insights.htm>

<http://www.oecd.org/gov/regulatory-policy/ner.htm>