

## These Are The Exciting Facts About Nudging In The Digital Era

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Decision making is influenced by heuristics and biases. Heuristics are commonly known as "rules of thumb". Heuristics influence how people make decisions by lowering the amount of information to be processed when dealing with recurring issues. One example of a heuristic is the status quo bias. This explains why people are more willing to favour the status quo to be less inclined to change their preset or popular option. Understanding the psychology behind decision making is very important to any business or marketing professional or anyone involved in change management. Psychologists have been studying this area and many people have found it enlightening to distinguish between two groups of cognitive operations within the human brain. These two groups of cognitive operations form two systems of thinking. System 1 is fast and intuitive. System 2 is slow, calculative and deliberative. This idea of two systems is somewhat not cast in stone and there invokes some murmuring across the scientific fraternity though Nobel prize winner Daniel Kahneman did extensive work on it. However, it is very useful in helping us understand what goes on in the human brain, so we can use it as a reference or as a metaphor at most to understand better.

Understanding what happens under the hood when one makes a decision helps us in designing effective nudges, more so in this digital era. In his book, *Human Agency and Behavioural Economics-Nudging fast and slow*, Cass Sustein divides nudges into two groups, educative and not educative. We are being nudged every day. You walk into a supermarket today, if it is a smart supermarket, you will realise goods with the highest mark-up are placed at the eye-level position on shelves. This is nudging unsuspecting customers into making unplanned purchases. Of course, when you end up making that purchase, it is you who have made the decision, right? The beauty of nudges is that they are tailored to in such a way people have control. Though they may steer you in a certain direction, they permit you to go your own way. They can be ignored. However, a perfect effective nudge takes into account all the heuristics and biases involved in a single context. That way, the maximum percentage of the desired results is achieved.

### **Digital Nudging**

The birth of behavioural economics and nudge theory has given rise to professionals known as choice architects. Governments and corporations big and small are realising the need for "nudge units" and are building such teams. Digital nudging builds upon nudging in the real world. It speaks to programmers and system designers, UI/UX designers paying attention to the science of decision making, the heuristics and biases earlier mentioned. Digital nudging works by making moderations to the choices presented and the visualisation of such choices. Take for example the earlier mentioned scenario where the placing of goods on shelves can either motivate customers into making more purchases than they would normally do or have planned to. Similarly, systems can be designed in such a way that when users visit a system or web platform, the choices they are presented to make, the call to action buttons are in such a way to promote the overall goal of such a system.

Take for example an eCommerce site's main goal is to increase sales. Understanding the heuristics involved in this case and designing effective nudges can produce an increase in the number of sales on the eCommerce platform. There are common nudging frameworks used in designing nudges. These are:

- Behaviour Change
- NUDGE
- MINDSPACE
- Tools of a choice architecture

The most exciting feature about digital nudging is it gives you the capability to test and check results if nudges in real-time and making moderations are fairly simple and fast. A website click-through rate data can be tracked and different nudges tested. It is important to note in the digital world, the colour scheme used on an application can act as a nudge as well. All these features can be tested using live traffic to see what works best and produce the desired result. Selecting an appropriate nudge depends on the type of choices to be made.

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