



+36% BeSci Win

Local Govt.
Business Rates Payments



Category: Local Government

Project: Increase Annual Rate Payments from Local Businesses

Client: Ballina Shire Council

'Intro to BeSci and Govt.' 1/2- Day Intensive with Sonia:

The Executive and Leadership Team from the local Council attended a 1/2-Day Introductory Intensive to behavioural economics with Sonia Friedrich. The presentation was created and tailored specifically to show how to apply BeSci in Government. Two separate events were held based on the client request to ensure all Leaders and Managers could attend.

The content upskills participants on behavioural science including:

- Introduction to Behavioural Science and BeSci in Govt.
- BeSci + Irrational Pricing Nudges – theory, example + how to apply in the real world
- How to run your own randomised control trials live in market

Aims:

The aim is to have participants start to try a nudge within 24 – 48 hours and measure the direct impact to behaviour change and the bottom line. The 'start' can include measuring a baseline, planning the nudge, or actually running a nudge within this time frame. Key is to have people armed and confident enough that they can run a pilot. This includes being prepared for unintended consequences.

Quick Win: Piggyback BeSci Success

Sonia encourages experiential learning. The fastest way to change your own behaviour is to try it. Sonia recommends an easy and *low risk* nudge to piggyback a success for a quick win for everyone. In this instance: Use personalised SMS to recover outstanding debt.

This 'nudge' is based on the real results and success of the UK Behavioural Insights Team (BIT). They ran an experiment to see if people would pay their court fines on time by receiving an SMS text v the current intervention (control arm) of sending letters. They had 5 intervention arms and the results varied as follows:

| | |
|----------------------------------|-----|
| 1. Control | 5% |
| 2. Standard Text | 23% |
| 3. Standard Text + Amount | 25% |
| 4. Standard Text + Amount + Name | 29% |
| 5. Standard Text + Name | 33% |

This nudge alone brings in more than £3M and saved 150,000 bailiff interventions. *All from a simple SMS.* Cheaper than advertising or letters

Counterintuitive Nudge Results

Two counterintuitive results occurred:

- By **not including the amount owed** more people paid their debt
- BIT also report that **people also paid 33% more off of their debt**, without being asked

This again highlights the power of running nudge pilots + testing for unintended consequences.

'Nudge it Yourself' – Local Council NSW, Australia.

During the Q&A the Manager for Business Rate payments stated they continue to have trouble with businesses not paying their rates on time. This was going to be her first nudge experiment. The results 69% v 33% via email prove replication is possible. Plus this prove that when behavioural science is presented in an easy to follow manner it is possible to change behaviour + impact the bottom line with measured outcomes.

NUDGE TIPS:

- Encourage an easy and low risk nudge for an experiential Quick Win.
- Quick Win Nudge #1: Send a personalised SMS text message to people who owe you money. Do not include the amount they owe in the text.
- NOTE: Anecdotally this nudge has been replicated many times via Sonia

Measured Results Matter



69% v. 33%

Increase in the number of local businesses who paid their annual rates.