



NEW HORIZONS
IN RESPONSIBLE GAMBLING

Breaking Through The Sludge - Understanding Human Behaviour

Presented by

bclc



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Breaking Through the Sludge: Understanding Human Behaviour

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» Home

» About Us

» Behavioural Insights

» Our Research

» Events

» News

» Our Partners

» Contact Us

Behavioural Economics in Action at Rotman (BEAR)

Our research centre conducts academic and field research, helps our partners accomplish behaviour change through better touchpoints and interventions, and encourages a culture of experimentation and data collection to design empirically informed business practices and evidence based policies.



Behavioural Insights

BEAR conducts leading edge academic research in the field of behavioural economics that helps organizations better understand how real people act and in turn, design better products, services, and programs for them.

- » **HOW-TO GUIDES**
- » **MULTIMEDIA**
- » **TEACHING & TRAINING**



Our Research

BEAR's core faculty and associated researchers offer a unique behavioural lens on relevant challenges faced by organizations.

- » **JOURNAL PUBLICATIONS**
- » **WHITE PAPERS & REPORTS**
- » **STUDENT PROJECTS**



Events

We host events throughout the year at the Rotman School of Management to engage students and professionals with the latest scoop on behavioural economics.

- » **UPCOMING**
- » **PAST EVENTS**

Agenda

1. Behavioural Economics & Behavioural Change
2. Sludge – the Evil Cousin of Nudge
3. Findings from Financial Literacy to Encourage Responsible Gambling
4. Q&A



It is a Multidisciplinary Subject



Econ Versus Human

Econs

- Rational
- Defined and consistent preference
- Decisions maximize utility
- No self-control problems



Humans

- Irrational
- Emotional
- Heuristics and rule of thumb
- Intention and action gap

Everyone is in the business of changing behaviour

Compliance

Switching /
Purchasing

Consuming
(Information)

Acceleration



Design for humans, not for econs



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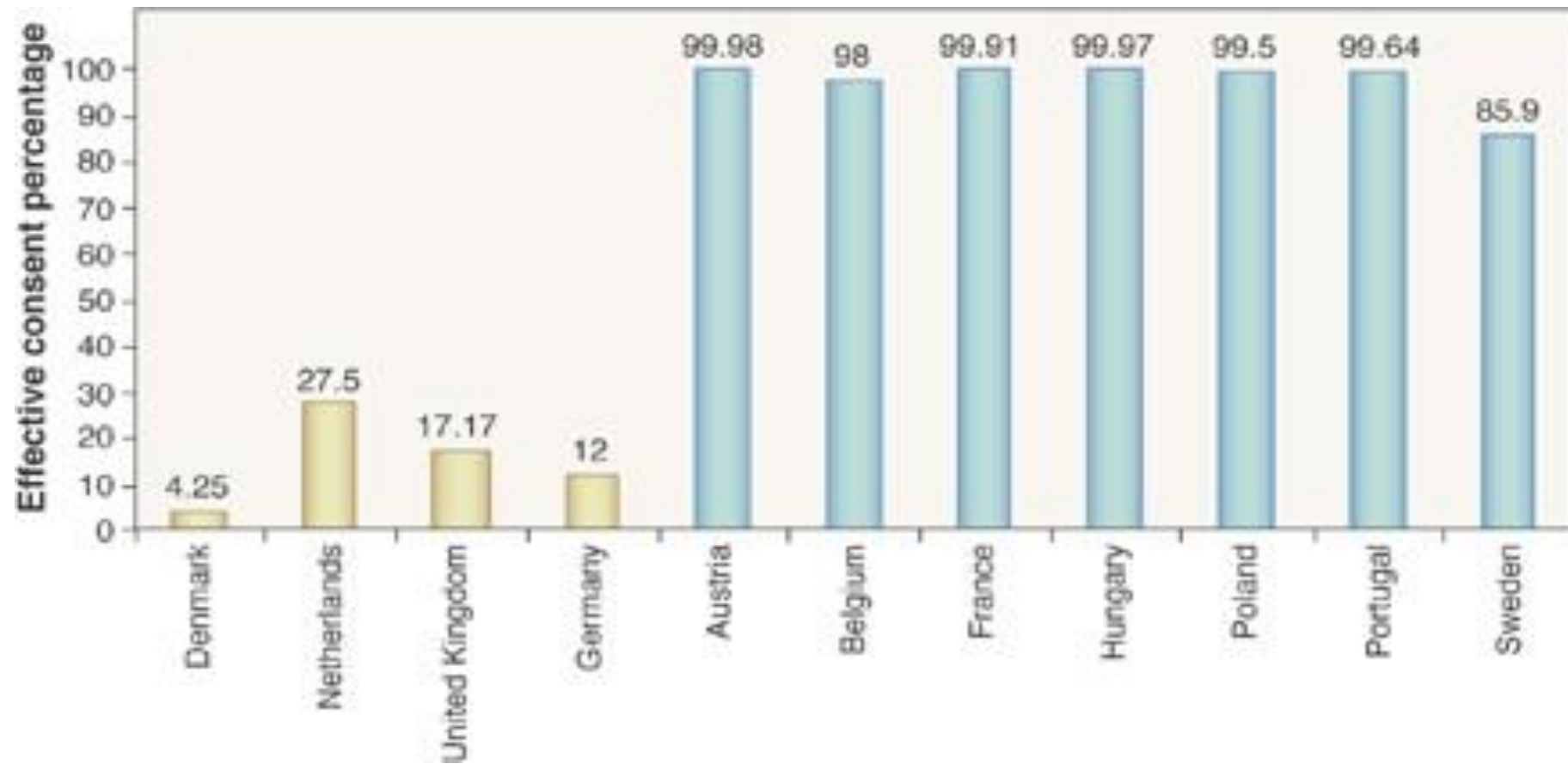
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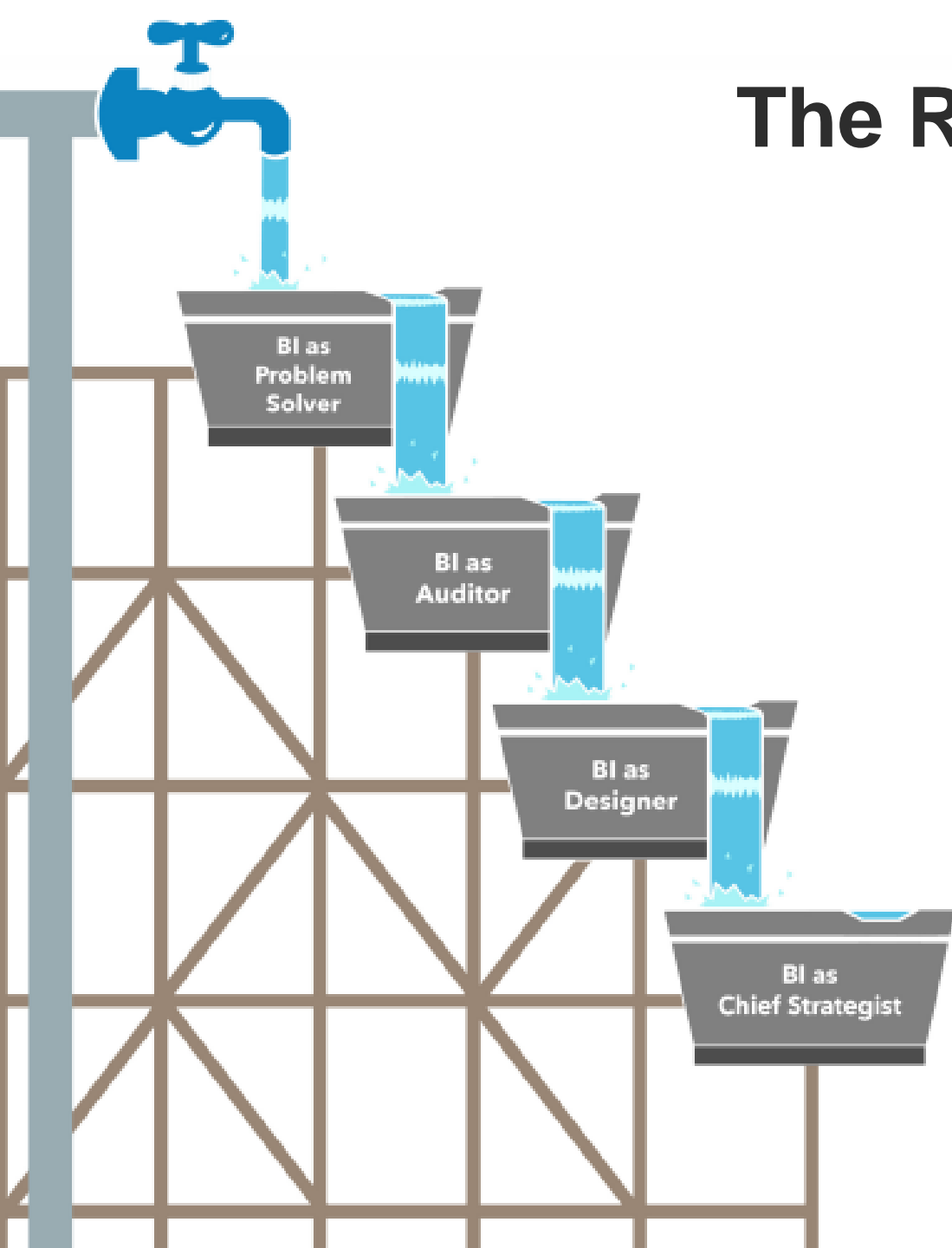
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The Roles of Behavioural Insights



Behavioural Scientist as Problem Solver
(last mile challenges)

Behavioural Scientist as auditor
(proactive problem identification)

Behavioural Scientist as auditor
(policy and program design)

Behavioural Scientist as chief strategist
(overall organization operations)

Different Ways of Changing Behaviour



Lawyer

"Restrict unwanted behaviour"

Make Option A unavailable to move people to choose Option B



Economist

"Incentivize behaviour"

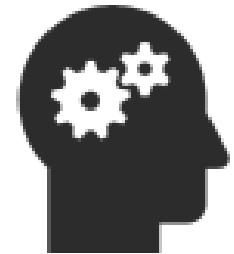
Impose a tax on choosing Option A or provide a benefit for choosing Option B



Marketer

"Persuade people"

Make Option B appear more attractive through messaging and persuasive advertising



Behavioural Scientist

"Nudge people into better choices"

Create an environment where it is easy for people to choose Option B rather than Option A





Behaviour Change as a Pipeline Plumbing Problem



THE SUBSCRIPTION TRAP

Forgot your password?

Don't worry! Just fill in your email and we'll send you a link to reset your password.

EMAIL ADDRESS

[Reset password](#)



FIGURE 2. A FRAMEWORK FOR UNDERSTANDING NUDGE AND SLUDGE

	Facilitate Decision Making	Impede Decision Making
Helps Consumers	<i>Nudge</i> : making things easy for end users	<i>Decision Points</i> or <i>Cooling-off Periods</i> : that prompt vigilance and thoughtfulness
Harms Consumers	<i>Nudge-for-Bad</i> or <i>Dark Patterns</i> : making it easy to choose welfare – reducing options (subscription traps, default add-on purchases)	Sludge (<i>Process, Communication, Emotional exclusion</i>)

FREE MONEY FOR YOUR CHILD'S EDUCATION... YES REALLY!

Learn about
the Federal
Government's
**CANADA
LEARNING BOND.**

Every eligible child
receives at least

\$500

and could
receive up to

\$2,000!

A young child is wearing a cardboard rocket costume, smiling and looking towards the camera. The costume is made of brown cardboard with a circular opening for the face and a pointed top. The background is a dark, starry space.

DID YOU
KNOW...

YOU CAN SHOOT FOR THE STARS with
\$2,000 towards your education!

 Canada Learning Bond

BEAR 

Three Sources of Sludges

1. Process (eg: clunky process, long waiting time)
2. Communication (eg: poor communication, complex language/terms)
3. Inclusivity (eg: process create negative emotions like embarrassment and shame)



Applying Findings from Financial Literacy to Encourage Responsible Gambling

Rohitash Hurla, Melanie Kim, Erica Singer, and Dilip Soman



Gambling and Financial Decision-Making Share Similarities

- Both have an intertemporal nature
- Contextual influences
- Consumers have low levels of expertise in making accurate risk assessments for both gambling and financial decisions



Financial Literacy Interventions

- **Scope of the training program**
- **Timing of the program**
- **Feedback-based learning**
- **Precommitment devices**
- **BE & decision tools (eg: Reminders, Social Interventions, Technology-enabled decision tools)**



Key Behaviours Underlying Responsible Gambling



Setting
limits



Tracking
behaviour



Impulse
control



Risk
perception



Alternative
seeking

Thank You

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Questions?

Use the sessions chat
in the right hand panel.