



## Episode 90: Behaviourally Informed Organizations: Helping People & Advancing BI

with Dilip Soman, Professor of Marketing at the University of Toronto's Rotman School of Management, & Bing Feng, Manager of Behavioural Finance at TD Wealth

*Dilip Soman and Bing Feng share the story of how BEAR's Behaviourally Informed Organizations partnership has both impacted people's day-to-day lives and advanced the field of behavioural science. Dilip and Bing tell us about a research project that increased organ donations in Ontario while building credibility for BI in Canada, and another project that increased retirement savings in Mexico while pushing BI to design for different types of people.*

### Transcript:

---

KIRSTIN APPELT, HOST: KIRSTIN APPELT, HOST: Welcome to this edition of Calling DIBS. I'm your host, Kirstin Appelt, research director with UBC Decision Insights for Business and Society or DIBS for short. Today, we're calling DIBS on both Dilip Soman and Bing Feng.

Dilip is a professor of marketing at the University of Toronto's Rotman School. He's also a Canada Research Chair in Behavioural Science and Economics, and was the Founding Director of Behavioural Economics in Action at Rotman, or BEAR. He's also the lead and Project Director for Behaviourally Informed Organizations, which is an endeavor we'll be talking about today.

And Dilip and I are joined today by Bing, who is Manager of Behavioural Finance at TD Wealth. Bing was previously an associate director at BEAR and Project Manager of the Behaviourally Informed Organizations partnership. That barely scratches the surface of their CVs, but I'm going to pause there so we don't run out of time before I welcome them even onto the mic. So welcome to the podcast Bing and Dilip.

DILIP SOMAN, GUEST: Thank you.

BING FENG, GUEST: Grateful to be here.

APPELT: Thanks so much. Bing, can you tell our listeners a little bit about yourself and your journey to BI? It's something that we like to hear about from everyone because everyone has such unique ways of arriving to BI.

FENG: Absolutely, so thanks for having me here today. My background, I was actually trained in economics, and my first job was actually in public policy sector doing macroeconomics analysis work back then. After a few years, I started thinking of switching careers, so I went back to school and did my MBA at the University of Toronto back in 2017.

So during the MBA program, I took classes with Dilip Soman, who was teaching the marketing and behavioural economics courses. And then because of his courses, I got really, really interested in behavioural science, although, to be honest, at that point, I didn't know it could be a full career at first. So as part of my MBA internship, I joined the BEAR Research Center as one of the MBA leads to work on different projects. So I

remember my first project was to create a framework for how and where organizations can embed behavioural science internally. It was a really broad project, but really hands on. So I got a chance to host the roundtable discussions and conduct the expert interviews with organizations, researchers, and practitioners who were applying behavioural science back then. It was a really great learning experience for myself, and talking to those experts made me realize that it's actually possible to build a career in behavioural science.

So as I completed my internship, we finished this project. At that time, I didn't realize that this summer project would have a both short term and long term impact. So, for example, the fundamental ideas were presented at the Behavioural Exchange Conference in 2018, in Sydney, Australia, and in many ways, this summer project became the basis of the Behaviourally Informed Organization partnership. Also on the personal note, that summer project really helped me to transition into the field of behavioural science, and I'm very grateful for, you know, all the opportunities it opened up for me afterwards.

So after I finished the Rotman MBA program, I was fortunate to join the BEAR team full time and started managing the projects, including the Behaviourally Informed Organization partnership.

APPELT: Wow, that's so exciting to hear that journey and see all of the connections that are, I think, going to come out as we talk through this whole conversation. You've just been-- your journey really maps the BI-ORG journey.

So for Dilip, we've heard about your journey to behavioural science on your last visit to the podcast back in episode nine, many episodes ago, so I thought I'd freshen the question up and ask more about the journey to BEAR specifically. What made you start BEAR as a behavioural science center at Rotman?

SOMAN: Yeah. So I think I want to take us back 12, 13 years, gosh, at that point in time, three years ago. People had read Nudge, they loved the idea, they liked the message. They just weren't quite sure, "so what?". How do I, as an organization, go about building the behavioural science capability?

And so me and my colleague Nina Mazar at that point in time, we'd been working with a few organizations on projects, and that was the question we kept hearing. We kept hearing questions about "nudge is amazing, but what do we do with it? As a company, how do I start?". And so, the two of us got together with another colleague, Min Zhao, and Bing's predecessor, a former associate director, Kim Lee. So the four of us put together something that we called a Practitioner's Guide to Nudging. It is one of our most popular and most cited, most used publications, and in many ways, that became sort of one of the pillars on which BEAR was founded. So I think it established us as people that kind of knew what we were talking about from a more pragmatic perspective, but also understood the science. And the document actually did give a pretty nice blueprint for how companies should go about doing this. So that was one thing that happened.

The other thing that happened was 2011 was the time where we were all talking about things called Massive Open Online Courses, MOOCs, and I remember being in an event when somebody asked me what I thought about a MOOC and my thought was, I didn't know anything about MOOCs because I had never taught one, and so the only way in which I could actually say something intelligent is to develop a MOOC. So I decided to do that, and then the next question was a MOOC on what? And I guess the only thing I knew at that point in time was this emerging field of behavioural science, and so that's what I did a MOOC on. And I think that that entire process of doing that open online class was, again, helpful in thinking through, you know, processes, and where can behavioural science apply and how do we do it, and what's the role of academia versus practice and all of this?

And so again, that was a second pillar, and then the third thing that happened around then was, there was demand in both our MBA and our commerce courses to actually come up with a behavioural econ set of content. And so, again, this was all sort of, you know, all of the boats rising after the Nudge publication lifted the tide up. And so I think at that point in time the three of us got together, we put our heads together, we said, you know, maybe we need a centre. And so we went and spoke to a dean, and then there we were.

So depending on how you define the existence of a centre, and you know this Kirstin, academia works in complicated ways, BEAR was born either in 2013 or in 2016. And in 2013, we had a name, we had an entity, but we didn't have our own separate budget line, whereas in 2016 we had one. So that's how BEAR came to be, and it's been an amazing journey.

APPELT: Yeah, BEAR has been such a leading light for us, and the number of students who've come to BI through the MOOC has been just fantastic, so it's great to see the impact you've had. And so I feel like we have a sense of BEAR, and getting hints of the behaviourally informed organizations, but what exactly was the Behaviourally Informed Organization's partnership?

SOMAN: So I'm just going to say one thing super quick, and then I'll turn it over to Bing because she was actually there from the day BI-ORG was born, she in fact helped write the proposal. But I think one of the things we did do between the 2011, 2012 period 'til the time BI-ORG was born was just that large hive of activity. So obviously, like any other research centre, there was academic work that was going on, but we had a lot of practitioner interface events or podcasts or webinars and all of that stuff. And I think the 5 or 6 years 'til we got to BI-ORG was really foundational because we were able to build up that community. And I think that was so central to the formation of BI-ORG so, Bing maybe you have some perspectives on that.

FENG: Sure, I can start it from day one. Basically the BI-ORG partnership was a five year project, which ran from 2019 to 2024. It was funded by SSHRC, the Social Sciences and Humanity Research Council of Canada. Back on day one, the main goal of the partnership was really to answer the main question, which was, what can organizations do to better embed the behavioural science into their operations? So to tackle this question, we kind of like break it down into three parts: what had been done in the space so far, what could be done going forward, and what are the barriers and frictions that make it difficult for organizations to adopt behavioural science?

So one thing I wanted to highlight is that, you know, like all the other typical SSHRC partnership projects, this would not be accomplished just by the academic research, just as Dilip mentioned. You know, we have a whole set of activities that include events, books, webinars and other forms of knowledge translation. And the other thing I wanted to make a note is, you know, the scale of the partnership was also so incredible. It brought together 23 industry and governmental partners and another 23 academic faculty researchers and a large number of affiliated graduate students, undergraduate students, postdocs, research associates and project managers. So this mix of perspective and expertise really make the work impactful and practical.

APPELT: Yeah, the scale of the project is really impressive, and I really love just how you've so clearly built out how it started from day one.

I'm curious, because you already had BEAR, what was the inspiration for BI-ORG? Was that a separate idea or was it just a natural offshoot? And I know from these endeavors that they're often multiple drivers. Was that the case here?

SOMAN: Yeah, so like the formation of BEAR, there were a whole bunch of things that were at the at the basis of why we even thought about BI-ORG. I guess I'm going to sort of touch on maybe four broad buckets.

One was the fact that across the faculty that were involved, we had been working with all kinds of organizations. So I'd worked with the Privy Council Office in Ottawa, Nina was working with the World Bank, we'd done some stuff with the Ontario Behavioural Insights Unit, and then a bunch of us working with industry. And when we talked amongst each other to debrief, we kind of realized that the work that we were doing had obviously some element that was unique to each organization. They were looking to solve a different problem, but at the heart of it the psychology behind why that problem was a problem in the first place was remarkably similar. And so we started seeing these synergies.

And I think those synergies led to the realization that there were broader, what we call 'agenda setting pieces of research' that would have benefited all our partners, all the people that we were working with, but then no one partner was really either interested in or had the resources to work on. So things like, in general, well, what is the friction to adopting new products? Like this is a good, important general problem, which sort of was different when the new product in question was a policy instrument versus a new gizmo. So the devils of the detail were different, but the broad psychology was the same. Or for example, things like sludge. You know, what are the things that slow people down, that weaken the consumer experience. What about the notion of context dependence of our findings? Like, can I translate findings from one particular product, one domain to the other one? So that was one motivation, the fact that nobody was really looking at the commonality, and we were just focused on solving that specific problem.

I guess the other thing that was also a trigger was the more we spoke to existing partners, the more they realized that they wanted a forum to talk to each other in addition to just us, Precisely for reasons like the one I mentioned, there was commonality, but there was also things to be learned in terms of methods and procedures, and how do you, you know, how do different organizations deal with certain problems? So I think we wanted to see if we could actually create a forum like that.

The third thing I would say is materials. Obviously behavioural science has a huge repository of materials, but if you are a practitioner, you might not necessarily know where to look. There might be some amazing gems hidden away in one journal, and then somebody else has a report somewhere else. And so, one of the goals was to actually pull all of that together and wouldn't it be nice if you had one place where people could go to?

And then purely from logistical purposes, and I think this is something that Bing will endorse is, every time we worked with a partner, there was policies and procedures and paperwork and we said if we had these 20 or 30 partners on board and we kind of spent a couple of months putting all that paperwork in place for the next five years, wouldn't it be nice? And I think that was the other big motivator to is just to be able to take all of the fixed costs and get some synergies in there.

And so I'd say I think about BI-ORG as sort of almost like a BEAR+ version. We were able to do everything we did at BEAR, but on scale. And when we got to that scale, we were able to then start looking at problems that otherwise we probably would not have the time or energy or the bandwidth to do. And it was easy to do because the paperwork had been done.

APPELT: Yeah, it really strikes me of how the SSHRC Partnership Grants are supposed to be for these research projects where you can't just have academics working in a silo and this is exactly that use case. If you're trying to make behaviourally informed organizations and you don't have organizations, you're not going to get very far. And so what really strikes me is that it's not just the need to have partnerships between BEAR and the organizations, but like you said, the partnerships between organizations and making it so multi-directional is what really made BI-ORG so powerful.

And I really like your idea about the repository of information as well, because working with a bunch of BI students, we can tell them where to look for journal articles, but for the white papers and the case studies coming out of units, having something like, BI-Org's website as a central clearinghouse is so helpful. So starting to get a sense of the value, and it's really striking that this was just a five year partnership because it was so productive in that five years. And this was during a pandemic, which makes it even more impressive.

So I'd love to get a little more granular about some of the work you all did, because I think what's partly so impressive is this not just these multiple partnerships that reach across each other, but the breadth of projects and the impacts of each project. So maybe we could start with some of the early work on organ donation that you did with the Province of Ontario. Maybe you could tell us both about the work and its impact.

SOMAN: Sure. If I may, I'm going to preface that with a couple of general observations.

So the first general observation has to do with the pandemic. And, I think the pandemic was soul crushing to begin with because we had all of these visions of kind of, you know, being out in the field and doing experiments and then collecting data in different parts of the world, and then, of course, we couldn't go anywhere. And the good news, though, is we had a fabulous Associate Director at that point in time who is on the podcast with you and I Kristin, Bing, who had this remarkable ability of taking adversity and finding the silver lining and not just a silver lining. And so she was able to, like, turn this whole thing around, and we obviously re-sequenced work and changed the way we did data collection and so on and so forth. But yeah, I mean, I think the pandemic was problematic, but I think we, thanks to Bing, were able to overcome that.

I think the second thing that I want to briefly touch on is you talked about the breadth, but the thing I like a lot about the work we've done is the breadth in terms of the type of impact and not just the impact. And so traditionally you think about applied research and let's say you're doing a project to increase savings rate, and, you know, the savings rate of the province of Ontario or British Columbia goes up and we are happy and we say, well, that's impact, right? But I think we were able to do a bit more than that.

So across the projects you will see impact taking the form of practical changes, things like, you know, the savings rate went up. We've had impact in terms of changing the discourse in terms of both theory and practice, so I'll give you an example of that a little bit later on. We've had impact in terms of a particular project that actually lent credibility to a unit, when in fact, in the past there was very little credibility, both for the unit and for the science. And so we were happy to be part of that.

And so the organ donation work actually is a classic example of that. It was one of the early projects done by the Ontario Behavioural Insights Unit. It started off kind of almost, you know, very early on. And in fact, some of the field work was done pre-pandemic. And the idea was to see how we can change, behaviourally, the process by which we solicit organ donation consent to improve consent rates.

Now, obviously, everybody that's listening to this podcast is familiar with a paper by Eric Johnson and Dan Goldstein that talks about opt-in opt-out. That's not something that I personally, or the team as a whole endorsed, just because we've also learned that if you make consent decisions by default, you're probably not going to talk to your family about that. And so you're going to have, like, really tall bars of what looks like amazing consent rates, but in fact, they don't actually convert to organ harvesting. So that was off the table for various reasons. And so we played with sort of what we were doing right now in Service Ontario locations.

We realized that typically the process happens where at the end of, maybe let's say you're renewing your driver's license or your health card, you get asked if you want to consent to donating organs by that time, you probably spent 25 minutes in the office and you want to get back home or wherever else, and so most people

say no. So we change that process. We put that at the beginning. As soon as you enter the service station, you got handed a piece of paper. There were posters on the wall so that while you waited to see the agent, you would actually think about this and make up your mind. We use empathy statements to get people to think more about this. We changed the form. We shortened it. We printed it on a card that works. We essentially change the process, and the results were amazing. So we did this in a couple of locations to begin with, we scaled it up to a few additional locations. 143% increase in consent rates in the Service Ontario locations.

And then, of course, we got to a point in time where technology changed the way the entire process was done. So was this intervention scaled? Well, yes, to a point in time. But then the process itself changed because everything went online. And so people say that's not really impact, is it? But I think the biggest impact there was this was the Ontario BIU's flagbearer project, right, that it was still a point in time where the government wasn't convinced that they needed behavioural science. In fact, lots of governments weren't convinced. And this was one of the early projects where they were able to showcase the value of, what in hindsight, looked like simple interventions. So that was a huge impact. I think the fact that that particular research also won an award for taking academic research to practical import was a nice bonus, but I think it really helped cement the Ontario BIU. That was a big win.

APPELT: Yeah. I remember working with the BC Behavioural Insights Group not long after, and that project from the Ontario BIU was really just the word on everyone's lips, because it was just this amazing example and it was in the Canadian context, so it really kind of put BI in the map for, I think, a lot of government units, and not only in terms of the results, but I think also the methodologies. So then the BIU became a reference point for, oh, we're working on a project, how did you, as a government unit tackle, you know, whether it was executive approval or like the actual mechanics of doing BI.

SOMAN: I think what was nice was the... because we already had that practitioner's guide, there was already the map of the process itself. And so what Ontario added to that was the how do we get each of those stages done in a government context? And so again, that was a great example of how there was synergy between a preexisting process and then this project that helped sort of make it easy for hopefully all the other jurisdictions.

APPELT: Yeah, I think it really paved the road in a number of different ways. Well, switching both topics and countries, you worked on a project in Mexico on pensions. Can you tell us a little bit about that one and what was accomplished?

SOMAN: So that was an interesting one. That partnership came to us via ideas42, one of our BI-ORG partners as well. We'd been working with them on something unrelated at that point in time. But again, this was one of those classic examples of both ideas42 which for your audience is a not-for-profit behavioural consulting firm based out of New York. But they'd worked on similar projects for different clients in different domains, but realized pretty much that the basics were the same.

And so the problem there was, they had been approached by CONSAR, which is the pension authority in Mexico saying that Mexico has a geriatric poverty problem, and it's largely driven by the fact that, while the mandatory pension contributions in Mexico are 6.5%, government estimates that you need to put aside at least 11 or 12. And so the balance had to come from voluntary, and the question was how do we get people to A) realize that this is important and B) make those voluntary contributions?

And so we worked with them over a four year period. We did a number of interventions, two prominent ones, one of which got published in the proceedings of the National Academy of Sciences, was to use text messaging

reminders, essentially behaviourally informed reminders along the lines of what others have done, but making them unique to the Mexico context.

And in that particular project, we, you know, there's obviously a lot of things we learned. We learned that behavioural interventions are a low cost way of reminding people to do it, and people, in fact, increase their contribution rates. But we were able to take the data from that project and combine it with some advances in machine learning to develop a tutorial for how to detect what we call heterogeneity, the fact that different people respond differently to the same intervention.

And this is an important innovation, I think, because typically the way we've gone about as an applied field doing this work is we've said, well, let's try 3 or 4 things and see which one works best on average. And this paper showed us that you don't actually need to do that. You can figure out what works better for Bing and for Kirstin and for people like them, and if it's a different intervention, you can now customize interventions. So that was sort of the big idea there. But in a nutshell, we were able to increase pension contributions significantly.

The other project that we did with them is forthcoming in the Journal of Consumer Research. And in that one, we redesigned the quarterly pension statement. We actually reduced the information it had, but increased its impact. And so just to give you a quick example, you know, your pension statement in Mexico had information on what your target corpus should be when you retire in pesos, your current corpus, and what you would achieve if you kept saving at the current rate. And so there was all of these numerical data. We just replace that with a little thermometer which said green 'you're doing well', orange, you know, 'a little bit more', and yellow, and so on and so forth, right?

And I remember there was pushback, people saying you're actually reducing information. But, you know, when you get information in pesos, millions of pesos with lots of zeros and commas, most people don't read it, whereas if it's a color visual now people were looking at it, so we did that. We again did the same thing that we spoke about. We tried different kinds of behavioural interventions, framing interventions, and so on and so forth.

Our interesting lesson in this project was also about heterogeneity, the fact that we made the pension statement more engaging. And that was great, if in fact, you were working-- or your retirement was with a fund that was doing well. So people read the stuff, they were motivated to say more. The fund is doing well. They contributed more. But if your fund wasn't doing well in that period right now, you were motivated, but you felt like this was a useless fund. And so people would actually put-- we don't know what they did with their money, but they probably increased contributions somewhere else. And that was a mistake because the federal pension system actually had a match, and so you were leaving money on the table, right? So, again, it was a long project. Lots of work, lots of experiments, two papers that came out.

And I think this was a classic example of a project that, again, had two kinds of impact. One, obviously, the practical import. I think, you know, the authorities and CONSAR scaled up this entire intervention, and that was fabulous. But I think the whole heterogeneity revolution, the fact that you can customize interventions, this was one of the first papers to do that. And I think now a lot of people are talking about it, and I think that's the next thing for behavioural science.

APPELT: Yeah, I absolutely agree, both in terms of there being increasing interest and being somewhere where we need to go. I was just teaching our intro to behavioural science course, and the number of questions I got about subgroups or segmentation was really just higher than any other time I've taught the course. And I really liked what you said too, because I think we often talk about meeting people where they are. But then

we're saying 'people', not individuals are groups, so it's meeting people where they are. And that's going to differ for different people. And if we're saying that the solutions have to match the barriers, we have to be cognizant of, you know, which folks have which barriers, so I think that's really important.

And I also just really liked what you were saying about sometimes reducing information is actually helpful because we just sometimes focus on especially, you know, to call out some governments that sometimes we focus on the quantity of information, making sure we cross every T in terms of the legalese and we're not as mindful of the quality of information and sometimes fewer words and removing numbers and doing infographics will be a lot more weighty. And then the folks who do want that extra layer of information that's always available if you choose to dig for it, but the average person is often happy with a bit more of a summary.

Speaking of not overwhelming people with too much information at one time, we're going to pause the conversation here. Philip and Bing have given us two brilliant examples of the types of projects that BI-ORG undertook and the varied, amazing impacts that each project has had, both on people's lives and on the field of applied behavioural science. In the next episode, we'll look at two more case studies, BI-ORG's work across borders to reduce sludge, and to reduce poverty, projects which sometimes go hand in hand. We'll also learn about lessons learned and takeaways from five years of BI-ORG. I hope you'll join us for that episode. In the meantime, thanks for listening to Calling DIBS.

---