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# The Behavioral Economics Revolution

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**Hosts: Economics for Energy  
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# Definition

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Behavioral science: Study the effect of psychological, social, economic factors on decision-making

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Psychology + Econ -> Decisions

Test using experiments

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# Why Experiments Matter

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- Save money and conserve energy
  - Identify what influences customer behavior
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# Some Key Stuff For Encouraging Behavior Change

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- Prices
- Information
- Framing

## Examples We Have Been Involved In:

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Ex 1: Leveraging Targets - Getting airline captains to make more fuel efficient decisions

Ex 2: Making customers more price sensitive

Ex 3: Uber benefits

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# Leveraging Targets

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- Virgin saves millions in fuel
- Pilots had higher job satisfaction
- Thousands of tonnes CO<sub>2</sub>

# Can we get people to be more responsive to prices?

- Testing different ways to use imagery



# Uber benefits

- Aggregate consumer surplus across 4 cities: Chicago, NY, LA, SF → @\$3 billion (2015)
- For every \$1 spent by customer, @\$1.60 in benefits