



New insights on Influencing Citizens

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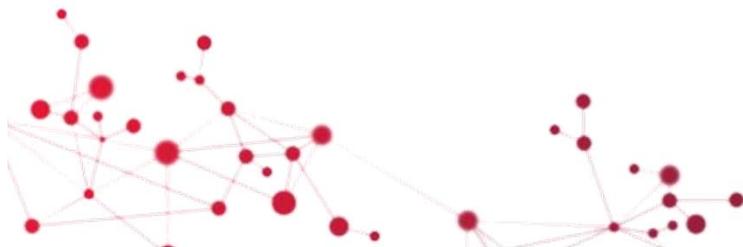
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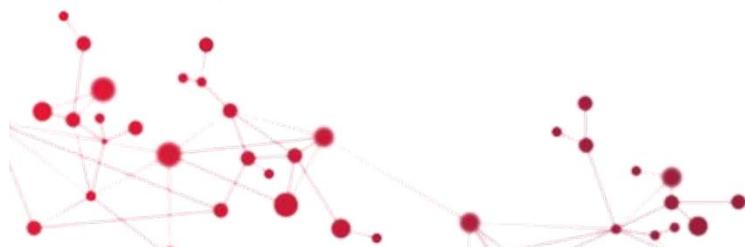
Agenda

- Background: Behavior is not always logical
- THINK MORE: A Framework for Influencing Behavior
- Act More: Operationalizing behavioral science techniques



Reverse Motivation

- Two signs tried at Petrified Forest National Park
 - Message 1: “Many past visitors have removed the petrified wood from the park, changing the natural state of the Petrified Forest”
 - Message 2: “Please don’t remove the petrified wood from the park, in order to preserve the natural state of the Petrified Forest”
 - Decoy pieces of wood left along the trail
 - No-sign: 2.92% of pieces were taken
 - Message 1: 7.92% of pieces were taken
 - Message 2: 1.67% of pieces were taken
- How do you think these messages would work (or not)?
 - “4 Years ago, 22 million single women did not vote”
 - “This year Americans will produce more litter and pollution than ever before”



Salience – people are motivated by what they notice

- Headings, boxes, images are noticed before text
- Page one of letters receives 2-3 times more notice than page two
- A recent study found reading patterns visually match the letter “F”
- Location on the page, color of the text, complexity of the language



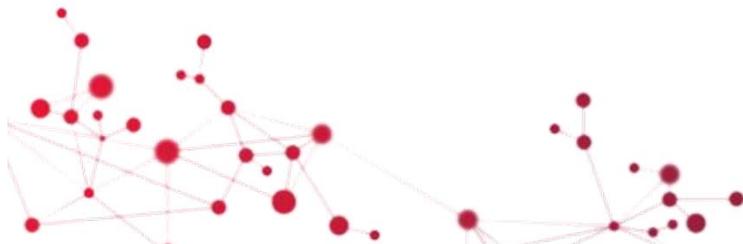
VII. Session Abstract: Cut and paste your session abstract of 150 words or fewer (including any and all references, footnotes, etc. - **do not exceed 150 words in this box**) into the following box. Your abstract will be sent to reviewers and read by the public as it is submitted, although it may be truncated if over 150 words. Thus, please create your abstract in a word processing program, check its spelling and grammar, and paste it into the box below.

**Be Descriptive
and Concise
Cut to the Chase**

VIII. Relevance Statement: Using 500 words or fewer (including any and all references, footnotes, etc. - **do not exceed 500 words in this box**), describe the relevance and importance of your proposal to the field of evaluation, specifying its implications for evaluation theory or practice, and value to the audience. State how the session described in the abstract adds to knowledge in the evaluation field and reflects relevant standards of quality in evaluation theory, methods, or practice.

Agenda

- Background: Behavior is not always logical
- **THINK MORE: Framework for influencing behavior**
- Act More: Operationalizing behavioral science techniques



Influencing Citizens

T → Make it at the right **T**ime

H → Make it about **H**onesty

I → Make it **I**ndividualized

N → Make it the social **N**orm

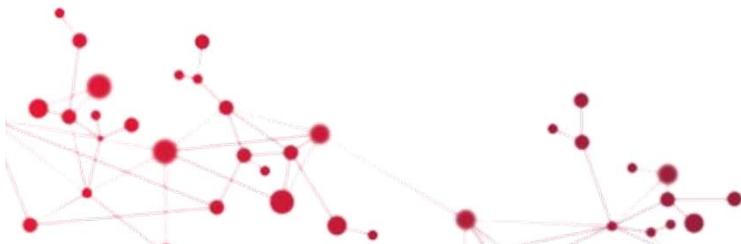
K → **K**eep it simple

M → Provide the right **M**essage

O → Provide the right **O**ptions

R → Provide a **R**eward if possible

E → Provide an **E**nticement to do the right thing



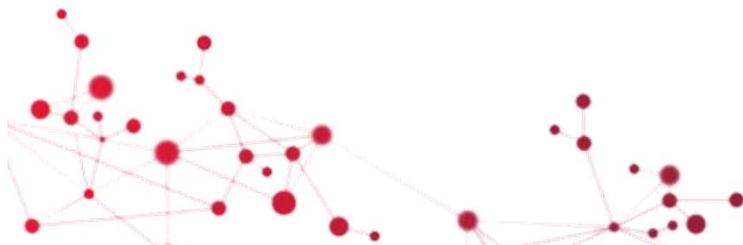
Make it at the Right Time

- Get the individual to do something small first
 - Once they do one thing, they are much more likely to do a second positive gesture
 - This could be as small as agreeing to take a follow-up call at a specific time
 - You could use a small first payment in order to gain a larger payment later
 - It could be providing books and records in a timely fashion
- Try to frame compliance as something the taxpayer has already begun
 - If they have filed – use that as part of your message that they have begun to get into compliance – they are better off than those who have not filed
 - Even simple acts towards compliance should be mentioned



Lawn Signage

- Researchers asked people in an upscale neighborhood to place a large lawn sign, “Drive Carefully” in their front yard
 - 17% agreed
- A second group in a similar neighborhood was asked to place a very small sign, “Be a Safe Driver” in their window
 - Virtually all agreed
- Then two weeks later, those same individuals were asked to place the large lawn sign, “Drive Carefully” in their front yard
 - 76% agreed



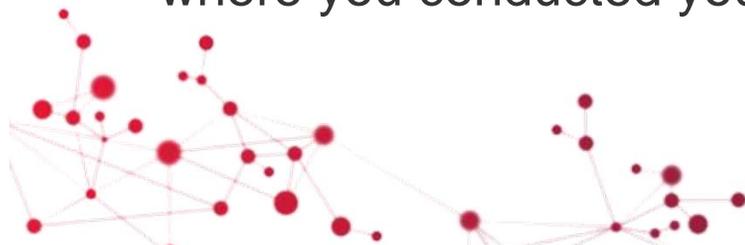
Make it about Honesty

- People are more likely to be dishonest by omission than commission
 - Require people to file zero returns
 - Ask them to confirm that they are still entitled to a deduction
 - Mandate schedules to be filed and filled out
 - Make it more than just asking “yes” or “no”
- Individuals are more likely to commit dishonest acts if they feel that they have a degree of anonymity
- Again, make it personal, and get a commitment
 - Sign a payment agreement form
 - Tell the individual that most people will contact the tax department before missing a payment agreement



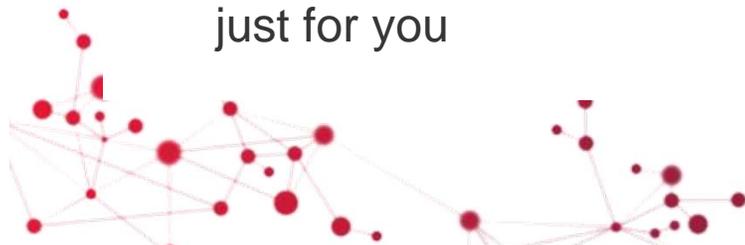
Can a mirror affect honesty?

- Trick-or-treaters were invited into a house
- The host told the child to take one piece of candy, but left them alone
 - 67% in fact took more than one piece
- In the second setup a large mirror was placed near the bowl, requiring the child to look at themselves
 - Only 8% took more than one piece
- How would your taxpayers react if large mirror were in the room where you conducted your audit?

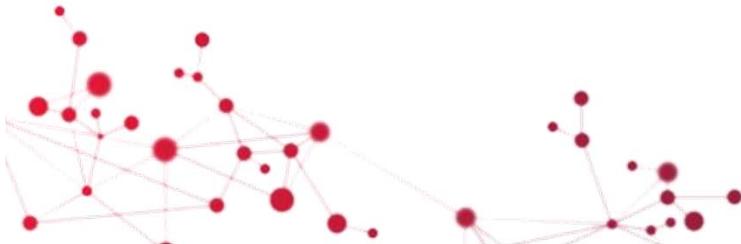
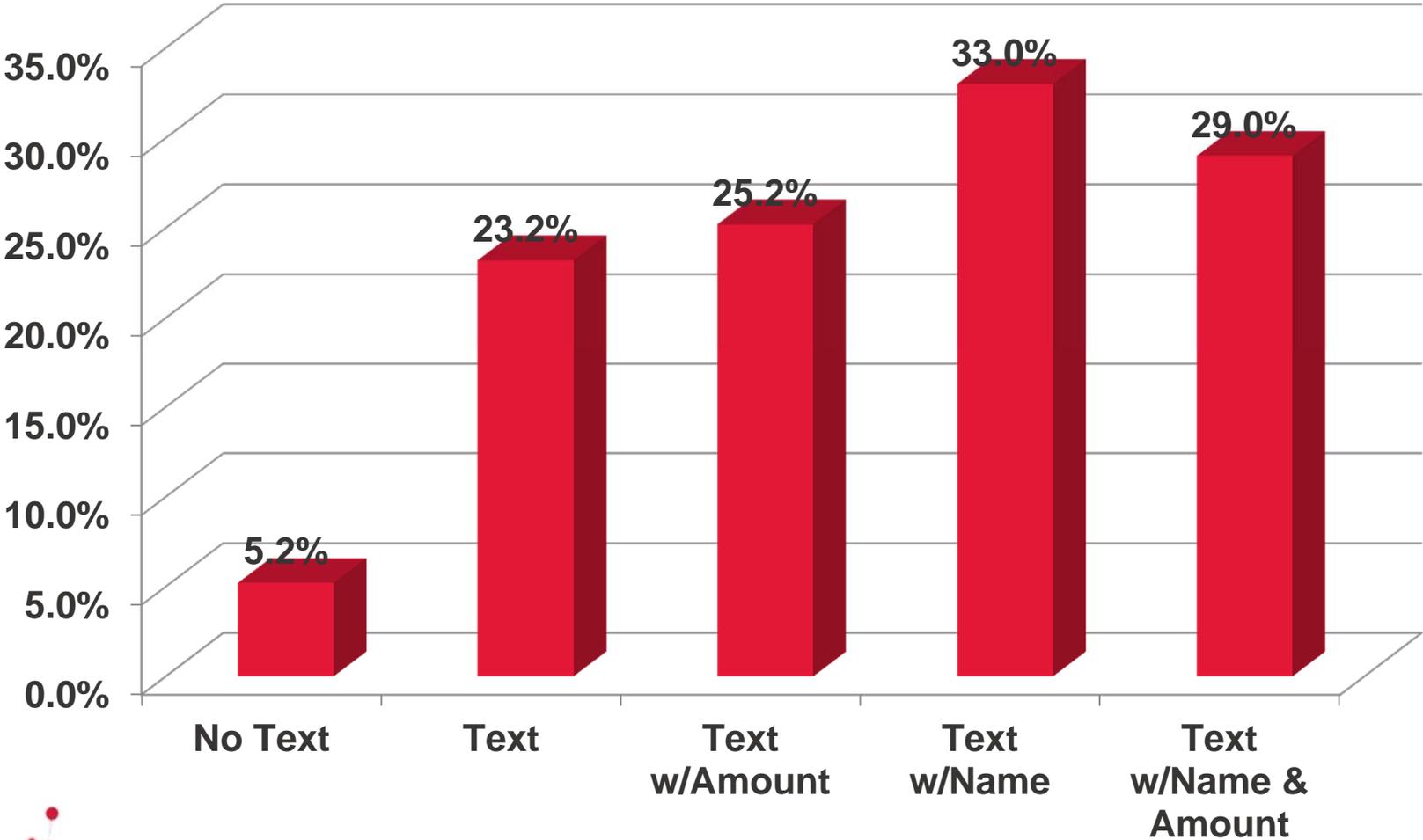


Make it Individualized

- Survey One
 - No handwritten note: 36% Completion rate
 - Handwritten note on the cover page: 48% Completion rate
 - Post-it note added with handwritten note: 76% Completion rate
- Survey Two
 - No handwritten note: 34% Completion rate
 - Blank Post-it Note: 43% Completion rate
 - Post-it note with handwritten note: 69% Completion rate
- Moral: People recognize the extra effort
- You can make it feel very personal on two levels:
 - One that a single human being has written this (not a machine), and
 - Two that he/she has written it just for you

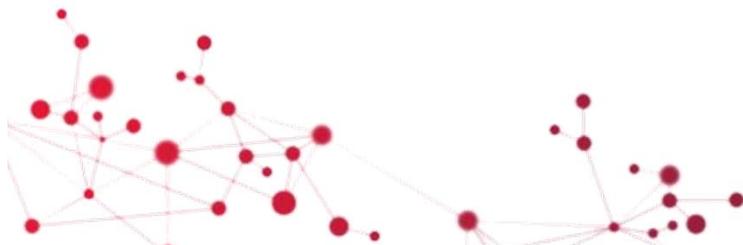


Sending Text Messages to Debtors



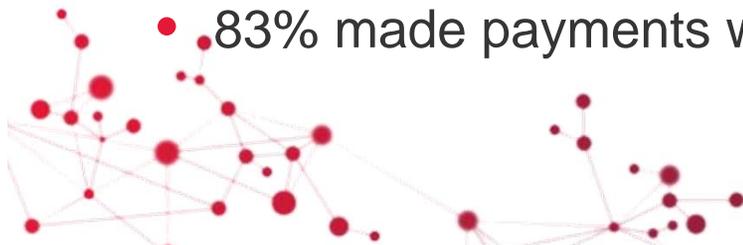
Another example of making it individualized

- In one study waiters increased tip size by repeating the customers order back to them
 - Words
 - Matching the behavior
- Increase in trust occurs as you make a stronger connection
- How to apply this to customer service
 - When the taxpayer makes a request – repeat it back
 - Taxpayer will no longer have to worry if you truly understand
 - You create a tighter connection as you seem more personal and more caring



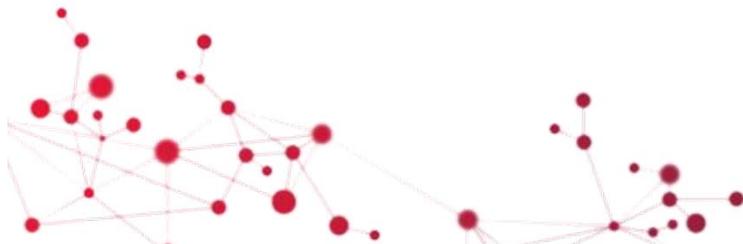
Make it the Social Norm

- Wall of shame
 - Can in fact reinforce that non-compliance is a social norm
- Be careful of the tendency of people to move to the middle
 - Will guide which selection an individual chooses when confronted with multiple choices
- UK Experimented with letters
 - 4 different letters (1 was a control, and 3 were test letters)
 - The letters tried to explain the taxpayer was outside the social norm
 - 67.5% in the control group made payments;
 - 72.5% made payments when told of national social norms;
 - 79% made payments when told of postcode social norms; and
 - 83% made payments when told of hometown social norms



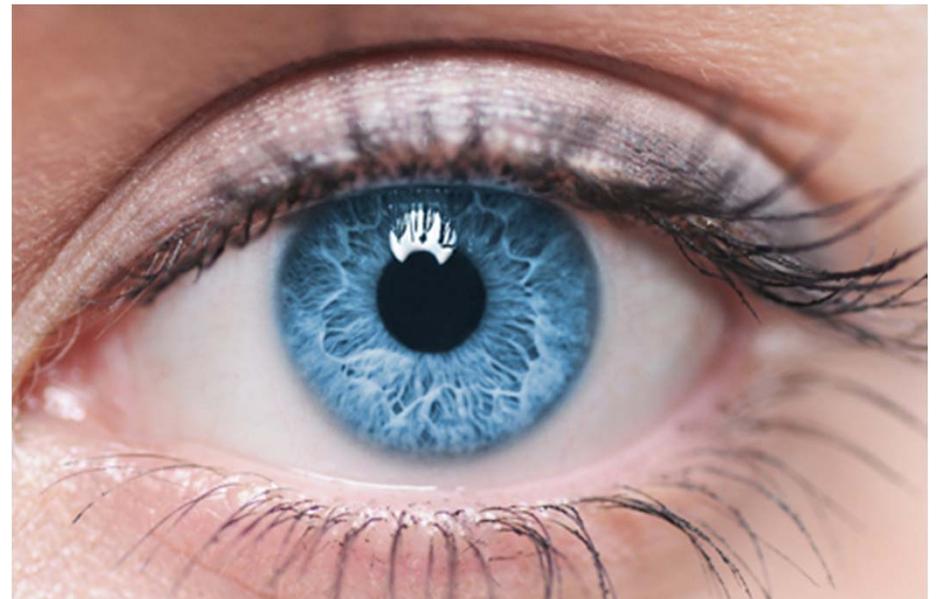
Keep it Simple

- Charitable giving
 - Opt in: 6%
 - Opt out: 49%
- People are confused by too many choices
 - When the number of options on a display in a supermarket for Jam was reduced from 24 to 6 the adoption rate increased from 3% to 30%
 - When Head and Shoulders Shampoo reduced their options from 26 to 15, sales increased by 10%
- Consistency is important
 - There are times when you need to vary payment agreement plans – such as seasonal businesses
 - However the KISS principle applies
 - Standard payment terms that do not fluctuate will lead to better outcomes



Provide the Right Message

- Eye images
 - Charitable giving went up by 48% when the image had eyes
 - People were almost twice as likely to pay for self-service coffee/tea when the payment jar had eyes instead of flowers
- Text messages
 - 80% of people think they will get a response faster from SMS vs. Email
 - 57% of people under 35 send >30 text messages/week
 - 44% of 35-44 year olds send >30 text messages/week
- “Even a penny will help”
 - Donations increased from 28.6% to 50% when told that even a small donation would be useful



Provide the Right Message

- “Because” – explain why
- A stranger asked to cut in line at a copy machine
 - “Excuse me, I have 5 pages. May I use the Xerox machine?”
 - 60% Agreed
 - “May I use the Xerox machine, because I’m in a rush?”
 - 94% Agreed
 - “May I use the Xerox machine, because I have to make copies?”
 - 93% Agreed
- “Because” has its limits
 - When changed to 20 pages
 - No “Because” – 24% agreed
 - Bad reason – about the same as no “Because”
 - Good reason – just under 50% agreed



Provide the Right Options

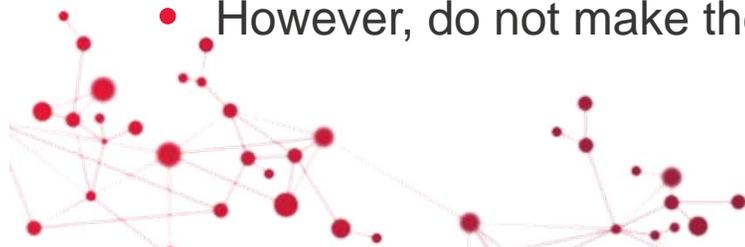
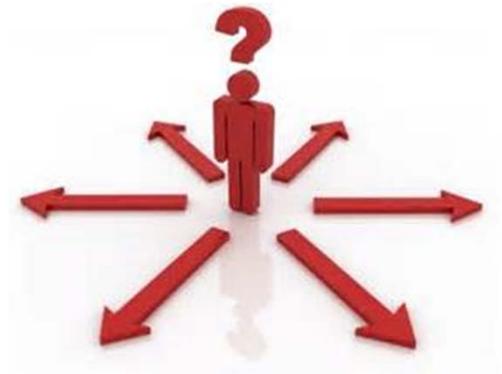
- Provide options thoughtfully:
 - When you have a goal, provide options that will drive the taxpayer to your selected option
- If you first present a difficult choice, your preferred choice will seem more desirable
- People will not choose the most expensive item on the menu
- People have such a strong desire to say “yes”
- However, you need to understand when the “yes” is really a “no”



Provide the Right Options

Ask big first then appear to compromise

- A powerful technique to obtain agreement is if you appear to compromise – “*Rejection-then-Retreat*”
- One group of students was asked to take a group of juvenile delinquents to the zoo for two hours
 - 17% agreed
- A second group of students was first asked to be a mentor to a set of juvenile delinquents for two years – at two hours per week
- Afterward they were asked the same request to take a group of juvenile delinquents to the zoo
 - 50% agreed
- Think of how that could be used in collections or taxpayer service if the second request is your “real” request
 - However, do not make the first choice too difficult



Provide a Reward if possible



- A test was provided for electrical usage
- Homes were told if their current usage was either above or below the average
 - Homes that used more than average **reduced** their consumption by 5.7%
 - Homes that used less than average **increased** their consumption by 8.6%
- However, when emoticons were also used 😊 ☹
 - The homes that used more than average still reduced consumption by more than 5%
 - The homes that used less than average no longer increased their consumption
- What would happen if you emailed the public every time a return was filed timely, and also told them how many months/quarters in a row they filed and paid timely
- Give the taxpayer a compliment for past positive behavior if possible



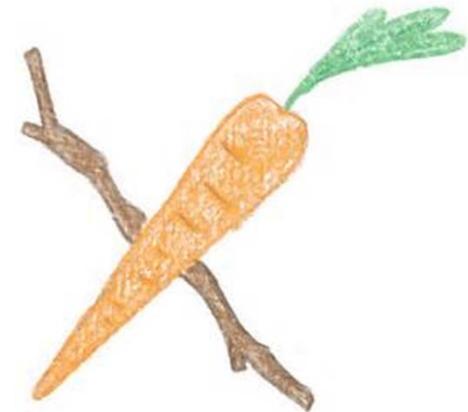
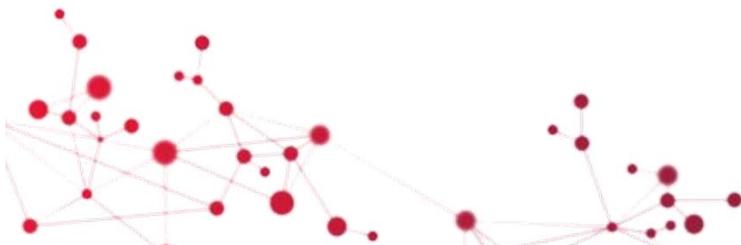
Another Reward example

- A waitress provided a piece of candy to each diner at a restaurant:
 - Tips rose by 3.3%
- Providing two pieces of candy to each diner:
 - Tips rose by 14.1% when compared to no candy
- Providing one piece of candy, then returning with a second piece:
 - Tips rose by 23% when compared to no candy
- Key factors:
 - Significance
 - Personalization
 - Approach



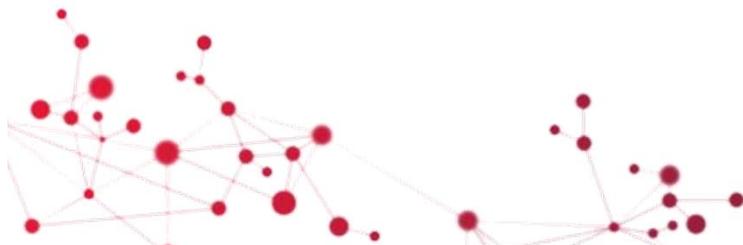
Provide an Enticement to do the right thing

- Consider withholding of liens or penalties while the taxpayer is on a payment agreement
- Structure letters to show how to fix a problem – and preferably drive them to your website to fix the problem
- Provide a path to resolution and the consequences of non-compliance:
- Fear motivates – but only when a specific solution is available



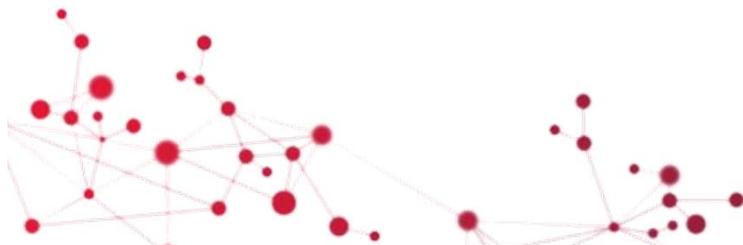
Provide the Enticement with the right timing

- Three messaging approaches to have people re-use towels:
 - Approach 1: An appeal based on the environmental benefits
 - Approach 2: The hotel said they would donate based on guests re-using towels
 - Approach 3: The hotel said they had already made a donation based on anticipating guests would re-use their towels
- No difference between Approach 1 and 2, but a significant increase in re-using towels for Approach 3
- What would happen if you told people that you had changed fiscal policy in anticipation of additional voluntary compliance?



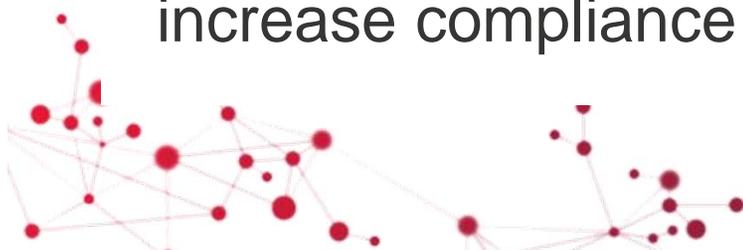
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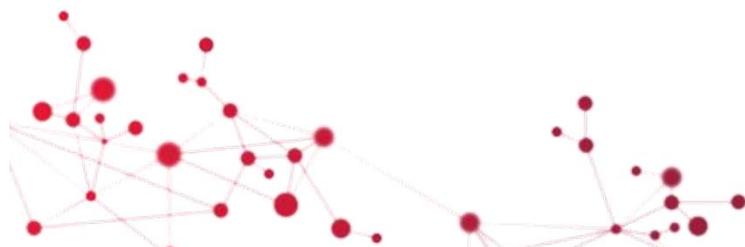
How do you apply this to tax administration?

- Make conscious decisions about how you frame your messages
 - Simple messages
 - Individualized communication
 - Proper graphics
 - Describe positive compliance as the norm – avoid discussing negative norms
 - Conscious decisions about choices
 - Provide rewards if possible
 - **Test, Learn and GROW**
- Seek help – this could be the least expensive way to increase compliance in the most customer friendly way



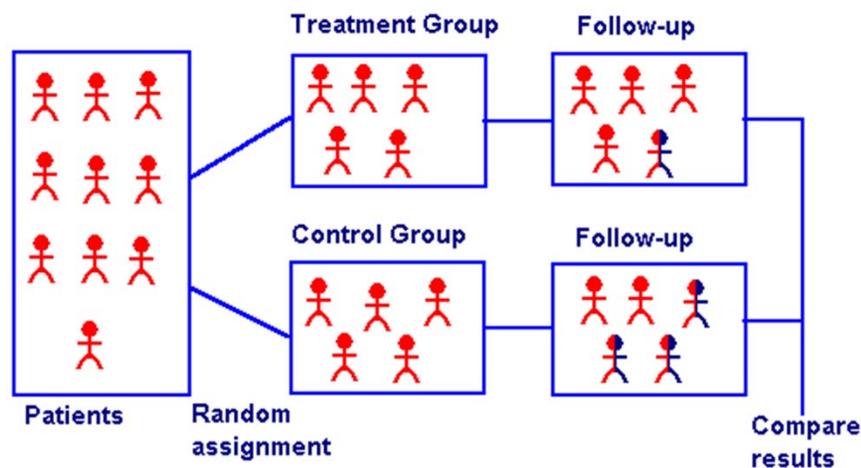
Different messaging strategies for letters

- **Personalized:** Letter is framed as a personal message urging contact
- **Clear:** Fewer words, graphics, bold and other highlights focus the taxpayer on your key messages
- **Placement:** Place key requests or information on Page 1, and in a place where it will be noticed
- **External Focus:** Build letters from the taxpayers perspective
- **Focus Groups:** For your most important letters consider a focus group of typical recipients
- **Test and Continual Improvement:** consider multiple versions, continually test and determine which is the most effective – also not all letters work for everyone – segmentation may be required



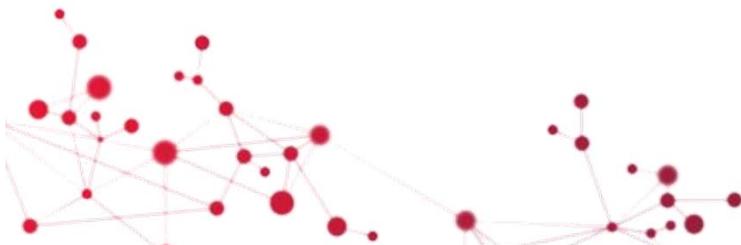
Random Trials

- While these techniques can be applied to collections and tax compliance, their success may vary from other experiments
- We strongly recommend you consider using random trials and “Test and Learn”
- Allow you to refine and improve your strategies
- Give you strong data if you are questioned by your stakeholders
- Tools can help, but there are many ways to conduct these trials

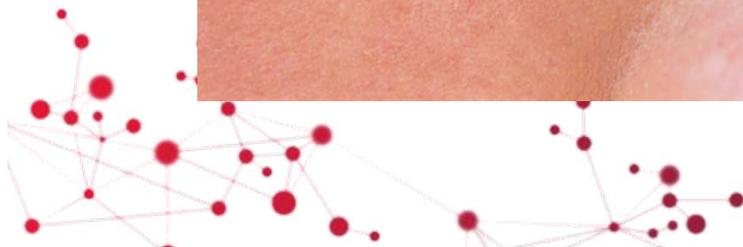


Use these Techniques to Increase Satisfaction

- Ego is a strong factor in decision making
- If a negotiation results in an agreement
 - An individual will feel like he influenced the other party – even if the other party got the citizen to end up at the desired goal
 - An individual is more likely to agree to something else after an initial agreement
 - The negotiation and agreement will likely result in the individual feeling as if they are in more control

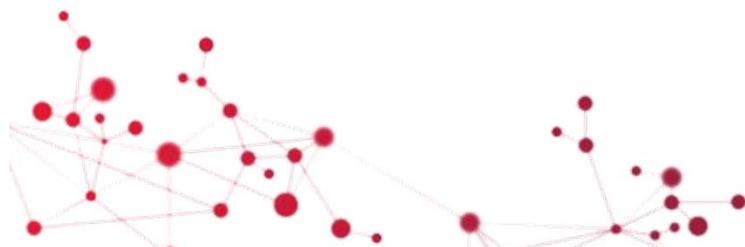


Any questions?



Selected Bibliography

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- F-Shaped Pattern For Reading Web Content, Jakob Nielsen
- Influence: The Psychology of Persuasion (Collins Business Essentials), Robert Cialdini
- Predictably Irrational, Dan Ariely
- The Power of Habit: Why We Do What We Do in Life and Business, Charles Duhigg
- Thinking, Fast and Slow, Daniel Kahneman
- Yes!: 50 Scientifically Proven Ways to Be Persuasive, Noah Goldstein



About the Presenter

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