



Update on the behavioural studies

Brussels, 6 September 2012

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Structure of the presentation

Studies almost completed

- Energy Labelling
- Package Travel
- Switching of bank accounts

On-going studies

- Tobacco warnings
- Common European Sales Law
- Car CO₂ labelling

Prospective studies

Promotion events for behavioural studies

Examples of effective and behaviourally-based policy-making

Avoid abuse of pre-checked boxes

Article 22 of the Consumer Rights Directive (Nov 2011)

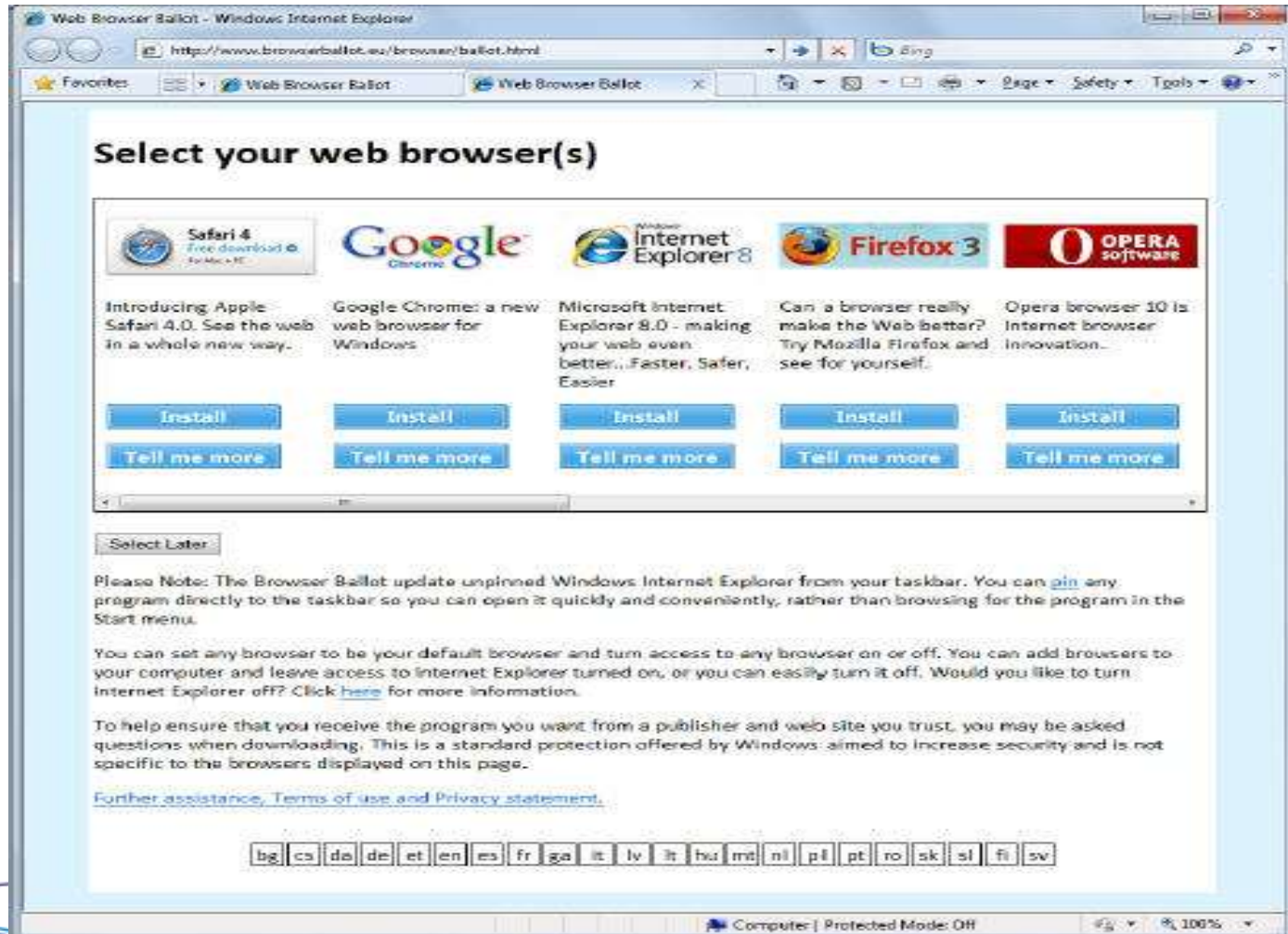
Additional payments

Internet Explorer Ballot Box

Evidence provided for the case on Defaults



Internet Explorer Ballot Box



The screenshot shows a Windows Internet Explorer browser window displaying the 'Web Browser Ballot' website. The page title is 'Select your web browser(s)'. It features five columns, each representing a different web browser: Safari 4, Google Chrome, Microsoft Internet Explorer 8, Firefox 3, and Opera software. Each column includes the browser's logo, a short promotional text, and two buttons: 'Install' and 'Tell me more'. Below the browser options, there is a 'Select Later' button and a 'Please Note' section. The 'Please Note' section contains three paragraphs of text: the first explains that the ballot updates unpinned Internet Explorer icons; the second discusses setting a default browser and turning off Internet Explorer; the third mentions security questions during downloads. At the bottom, there are links for 'Further assistance', 'Terms of use', and 'Privacy statement', followed by a language selection menu with buttons for various languages (bg, cs, da, de, et, en, es, fr, ga, it, lv, lt, hu, mt, nl, pl, pt, ro, sk, sl, fi, sv).

Need for specific studies to gather behavioural evidence

- ❑ First pilot behavioural study on Retail Investment Services (2010)
- ❑ Framework Contract for behavioural studies, as from 1st January 2012
- ❑ Restricted Calls for Tenders and quicker procuring procedure
- ❑ The best 5 Consortia were selected

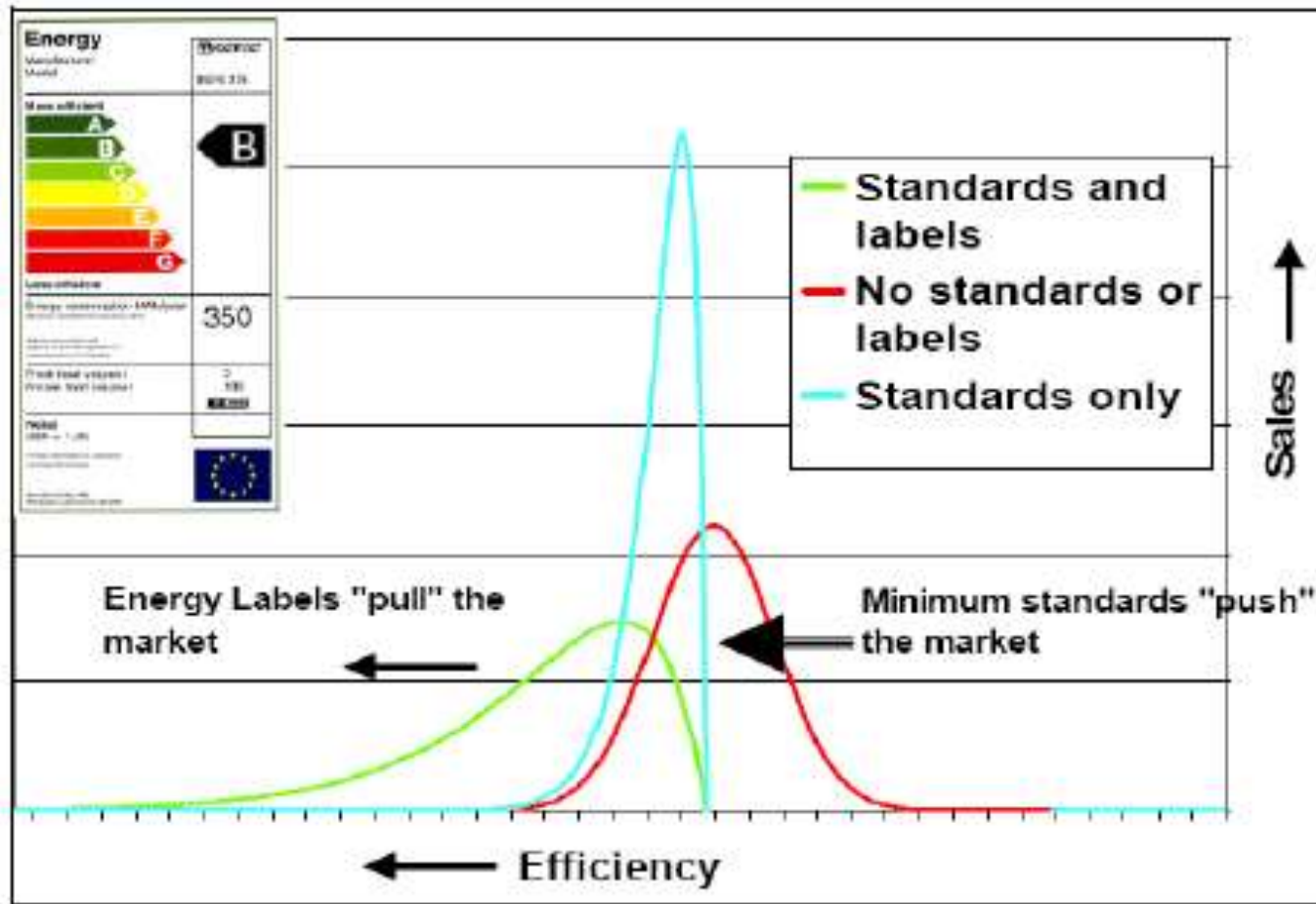
More recent attempts to gather behavioural evidence

- 1) Energy Labelling
- 2) Logo on Package Travel
- 3) Switching of bank accounts



European
Commission

1. Energy labelling – Ecodesign Directives



Source: IEA, P. Waide, International Use of Policy Instruments, Copenhagen, 05 April 2006

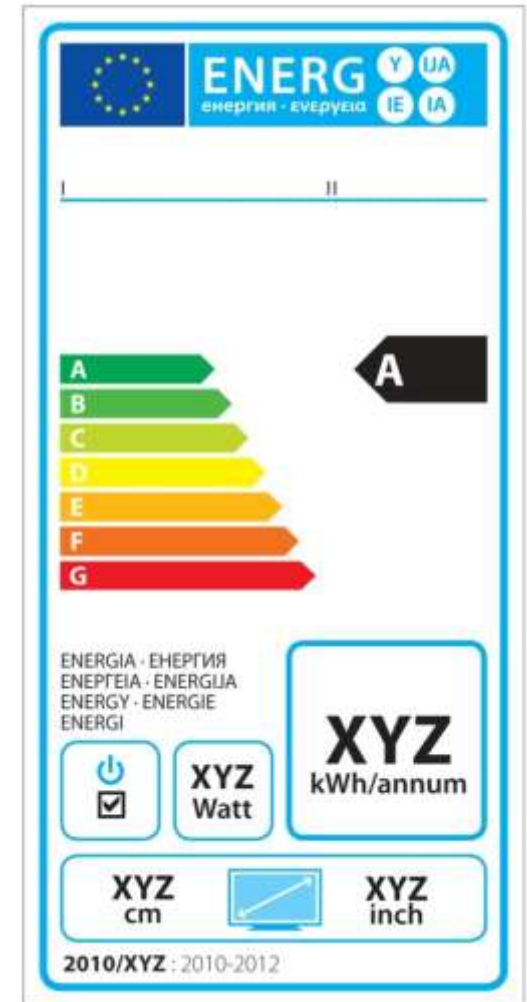
Energy Labelling Directive 2010/30/EU

Information requirements on the consumption of energy and essential resources

Target: end-users, public and private demand (installers)

Lisbon Treaty: consultation of stakeholders but no Committee with a vote by Member States

EP and Council scrutiny



Consumer understanding of labels

The effectiveness of alternative labels is being tested with experiments in an on-going Behavioural Study

This study addresses a specific request of the European Council

Various issues will be explicitly tested:

Framing (how should information best be conveyed)

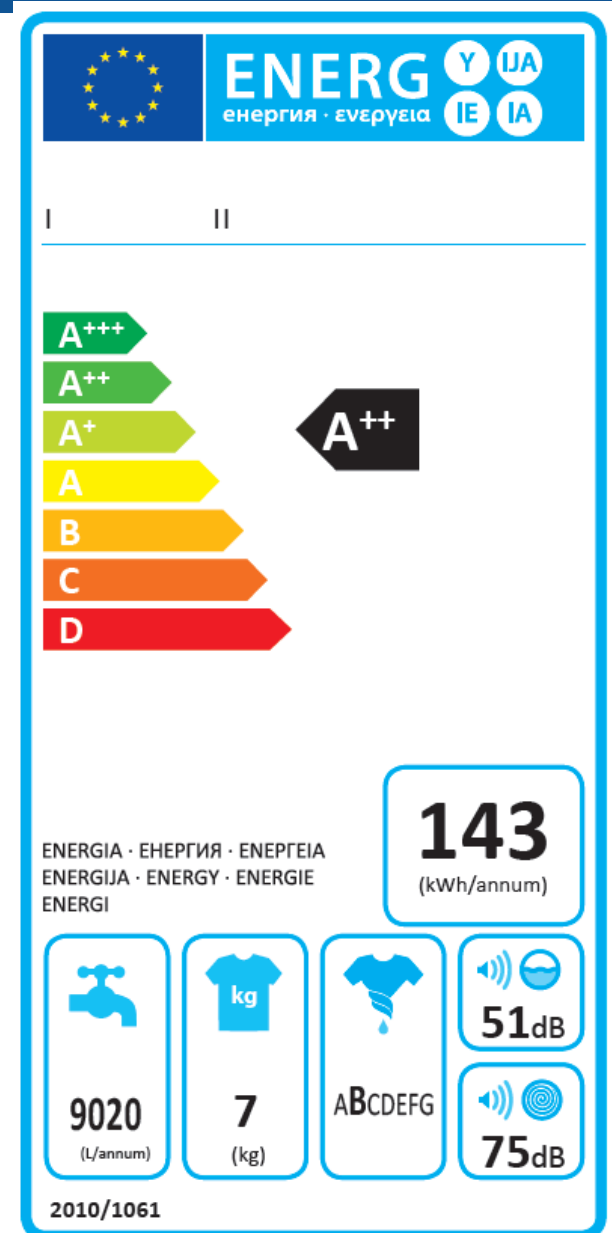
Consumer understanding of the label

Information overload (how many different pieces of information can be included without jeopardising the readability of the label?)

Can consumers digest the information included in a combined environmental and carbon footprint label?

Energy Labelling Behavioural Study

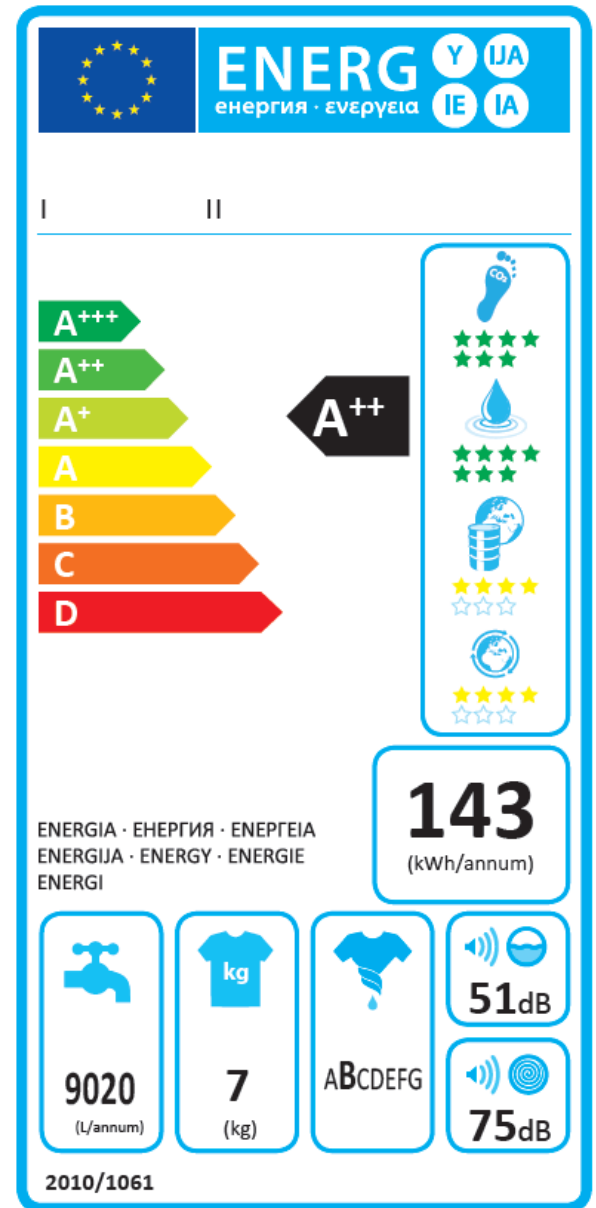
- ❑ 6,000 interviews
- ❑ 9 EU countries (UK, FR, DE, IT, NO, PL, RO, ES, EE)
- ❑ The online experiment was just completed





European Commission

Alternative labels



Energy Labelling – Follow up

Acme Home Appliances

Great Value for YOUR Home



Fast Wash Ltd

This machine is the world fastest washing machine.

In Stock Now

Special Offer € 75 trade in on your present Washing machine

Free Delivery if ordered by June 01 2012

Price €850



[Efficiency Details](#)

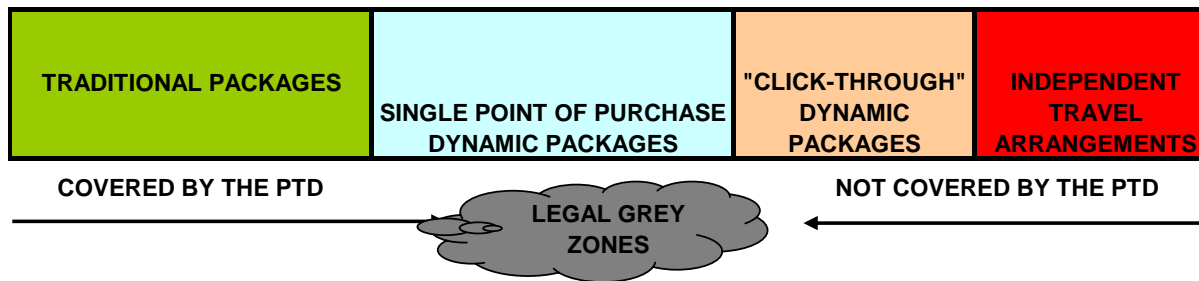
Buy Now



<http://www.connemara-online.org/ecosearch/index.html>

2. Logo on Package Travel

- ❑ Package Travel Directive (1990)
- ❑ Internet
- ❑ 56% of EU citizens organise their holidays by themselves



2. Logo on Package Travel (2)

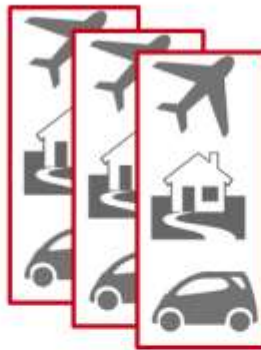
Classical pre-assembled travel package

Suppliers stocks



Alotments

Pre-packaged products



Commissions

Final product: only 1
price/few options



2. Logo on Package Travel (3) – The study

- ❑ Preparatory Desk Research
- ❑ Qualitative Study
- ❑ Online Survey
- ❑ 10 countries (AT, CZ, DE, ES, FR, IE, IT, PL, SE, UK)
- ❑ > 8,500 respondents



Know your rights!



PACKAGE TRAVEL
Know your rights!



2. Logo on Package Travel (4) – Top findings

1. The vast majority of consumers did not notice the EU logo at all
2. Consumer protection information as provided by a information sheet summarising key rights was well received by most consumers who saw it
3. Consumers who clicked the logo and read the related information showed higher levels of awareness of their consumer rights.

3. Switching of bank accounts – Basic evidence

1. Obstacles to smooth switching remain for many EU consumers
2. Bank account charges differ widely
3. 1 out of 3 consumers still find it difficult to compare offers
4. 9% of consumers switched current bank account in the 2 years previous to the survey

3. Switching of bank accounts (2) – The study

- ❑ The objective: test how consumers take decisions when shopping around for a bank account.

- ❑ This covers 3 sequential steps:
 1. Accessing the information
 2. Assessing and analysing information
 3. Taking a decision upon the previous two steps

- ❑ A number of policy options were tested:
 1. Glossary
 2. Standardisation
 3. Tailored information based on past or expected usage

3. Switching of bank accounts (3) – Initial findings

1. Inertia is a widespread feature of this market
2. High consumer loyalty and satisfaction scores with respect to current providers
3. Redirection service: 60% of consumers more likely to switch
4. None of the tested policy options seemed to have had the expected effect
5. Tailored information, in particular, seems to show a counter-intuitive effect (paradox of information increasing uncertainty)

On-going studies – Tobacco warnings



On-going studies – Common European Sales Law

home-elektronica.nl
[Store Policy](#)

Your Cart:

3D TV

Size: 119.4cm

Colour: Black

Price: € 1,666

About Us

[Our History](#)

[Contact](#)

[Store Policy](#)

Select your delivery options:

	<u>Holland</u>	<u>EU</u>	<u>World</u>
<input type="radio"/> 2-day express delivery	+ €10	+ €42	+ € 102
<input type="radio"/> 5-10 day standard delivery	Free	+ €10	+ € 34
<input checked="" type="checkbox"/> Add installation service	+ €15	+ €25	-

Delivery Destination France

ALERT:

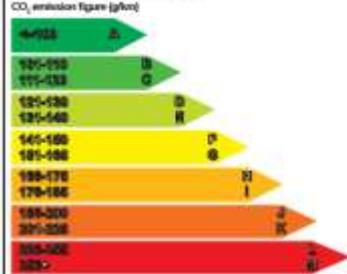

Because you have chosen a delivery destination outside of the Netherlands home-elektronica.nl would like to conclude your purchase under the

Common European Sales Law

Use CESL

Cancel Purchase

On-going studies – Car CO₂ labelling

Fuel Economy		VED band and CO ₂	
<p>CO₂ emission figure (g/km)</p> 			
<p>Fuel cost (estimated) for 12,000 miles</p> <p><small>A fuel cost figure relates to the consumer a guide price for comparison purposes. This figure is calculated by using the combined drive cycle (urban, extra-urban and average) fuel price. For calculated annually, the cost per litre is at 100p (2011) as at 100p (2010), except 110p, except 115p, 120p (11p).</small></p> <p>VED for 12 months</p> <p><small>Vehicle excise duty (VED) or road tax varies according to the CO₂ emissions and fuel type of the vehicle.</small></p>		<p>1st year value</p>	<p>Standard value</p>
Environmental Information			
<p>A guide on fuel economy and CO₂ emissions which contains data for all new passenger car models is available at any point of sale free of charge. In addition to the fuel efficiency of a car, driving behaviour as well as other non-technical factors play a role in determining a car's fuel consumption and CO₂ emissions. CO₂ is the main greenhouse gas responsible for global warming.</p>			
Make/Model:		Engine Capacity (cc):	
Fuel Type:		Transmission:	
Fuel Consumption:			
Drive cycle	Litres/100km	Mpg	
Urban			
Extra-urban			
Combined			
<p>Carbon dioxide emissions (g/km):</p> <p>Important note: Some specifications of this make/model may have lower CO₂ emissions than this. Check with your dealer.</p>			
<p>Department for Transport</p>		<p>To compare fuel costs and CO₂ emissions of new cars, visit http://carfueldata.direct.gov.uk/</p>	
			

Availability of guide on fuel economy

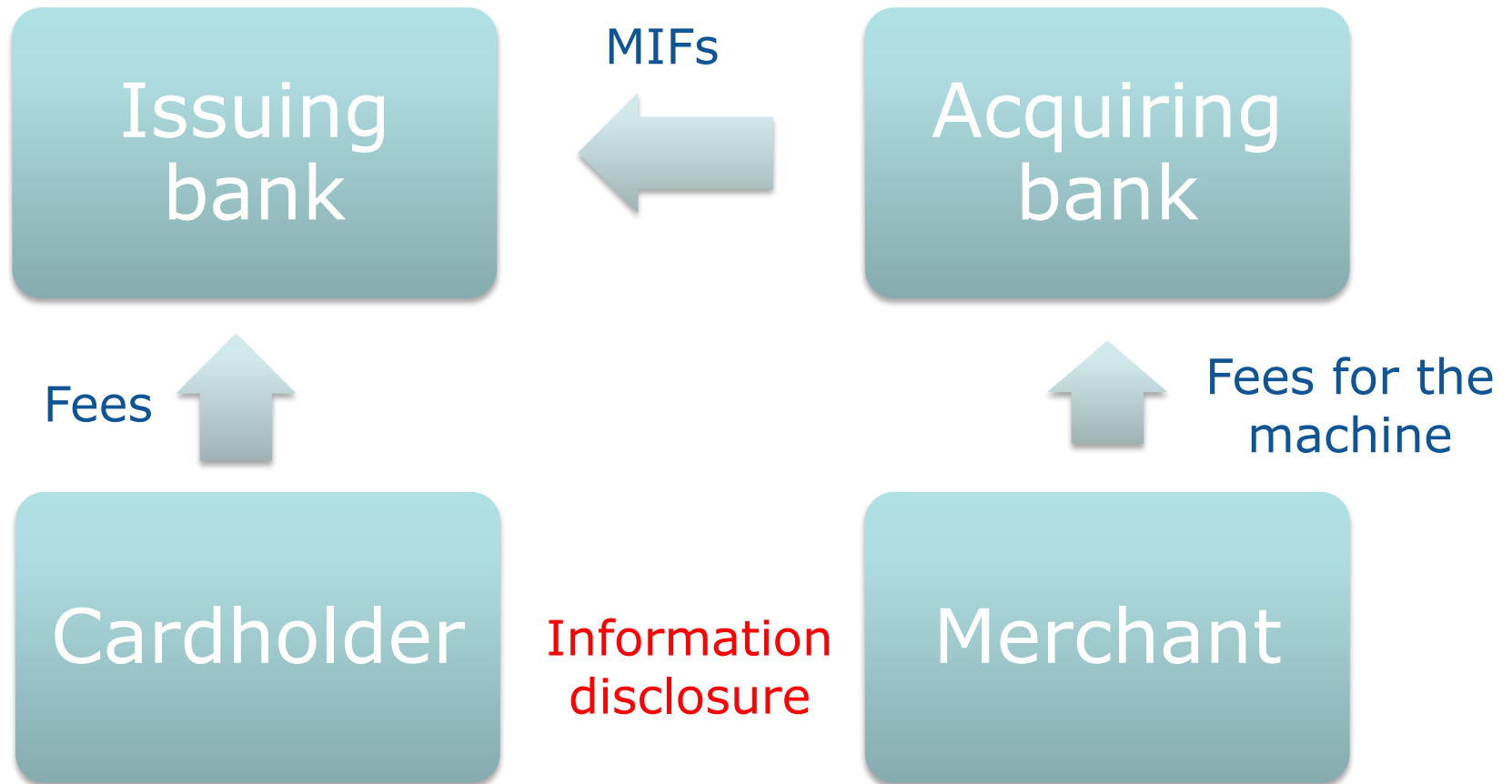
Driver behaviour and CO₂

Info on running costs (annual road tax and typical annual fuel cost for 12000 miles)

Prospective studies

- MIFs for credit cards
- Food labelling
- Cross Border Healthcare
- Online gambling and vulnerable consumers?

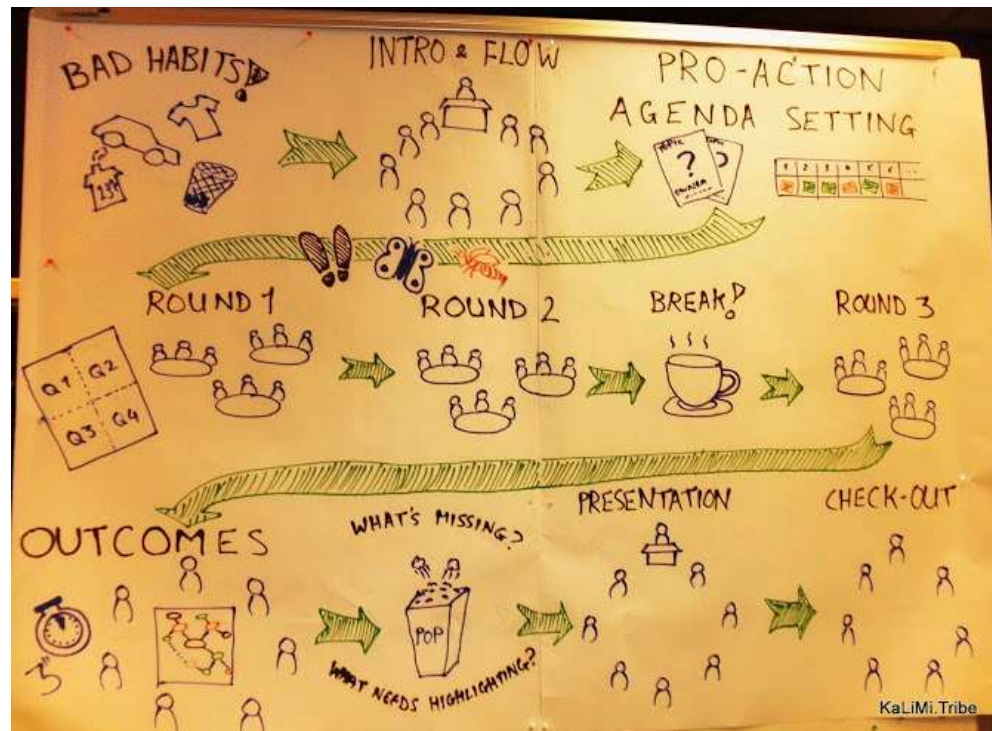
Multilateral Interchange Fees for credit cards



Promotion of behavioural studies

- ❑ Workshops (BXL – LUX)
 - ❑ **January 2011**
 - ❑ **December 2011**
 - ❑ **May 2012**

- ❑ Summer School (Milan)
 - ❑ **August-September 2012**



Past workshops to promote the use of behavioural studies



Lessons drawn from the recent experience

- ❑ RCTs still a novelty for colleagues
- ❑ The traditional survey-based approach still dominates
- ❑ Tough to define research questions to be tested

More general conclusions

- ❑ Increasing interest in behavioural insights
- ❑ First applications encouraging
- ❑ Still on the learning curve
- ❑ Applications still mainly focused on the impact of information disclosure
- ❑ Much more difficult to get the private sector involved in European field experiments

Update on the behavioural studies

Thank you
(stay tuned, more to come
in the next CMEG meeting)

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