Advocating energy efficiency with a proverbial approach

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Proverb

A brief popular saying that gives advice about how people should live or that expresses a belief that is generally thought to be true

Succinct saying that is in general use and expresses commonly held ideas and beliefs.

Proverbs are part of every spoken language and folk literature, originating in oral tradition.

Often a proverb is found with variations in many different parts of the world.

Proverb*ial*

………………resembling a proverb

Source: Merriam-Webster

Proverb(ial) sources

- folklore,
- quotes,
- traditions,
- bedtime stories,
- songs
- literature,
- aphorisms
- sayings
- **eceee proceedings**

Uncertainty is normal

**And thus the native hue of resolution;
Is sicklied o'er with the pale cast of thought**

So macht Bewußtsein Feige aus uns allen; Der angebornen Farbe der Entschließung

**Så går beslutsamhetens friska hy;
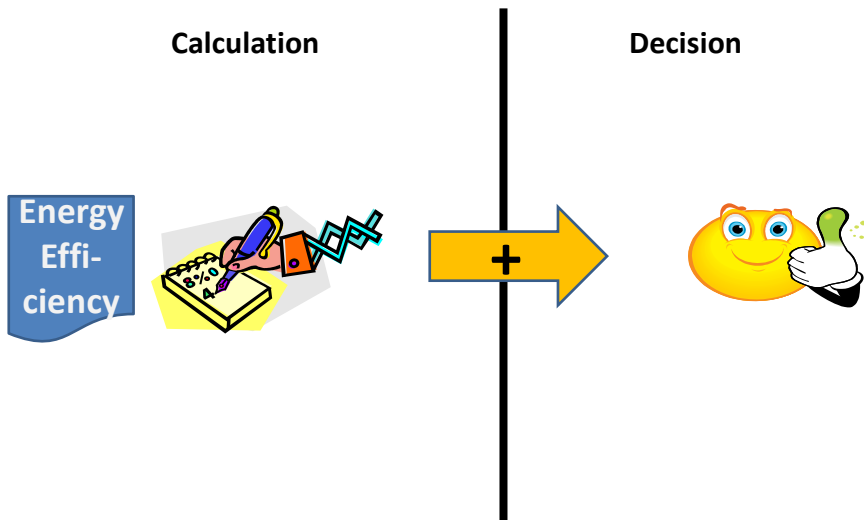I eftertankens kranka blekhet över**

**Ainsi la conscience fait de nous tous des lâches ;
ainsi les couleurs natives de la resolution blêmissent sous les pâles reflets de la pensée**

Source: Hamlet Act 3 scene 1

MAKING DECISIONS
Standard (neo-classical) rational model

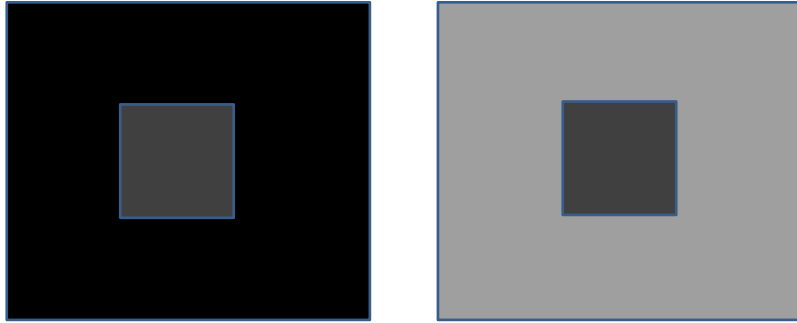**Calculation**   **Decision**

Mind-set(s)

- **System 1 (Fast)** and **system 2 (Slow)** – *Kahneman*
- **Automatic** and **slow** – *Thaler & Sunstein*
- **Experiential** (Holistic, Affective, Associationistic, etc.) and **Rational** (Analytic, Logical, Requires justification, etc.) - *Slovic*
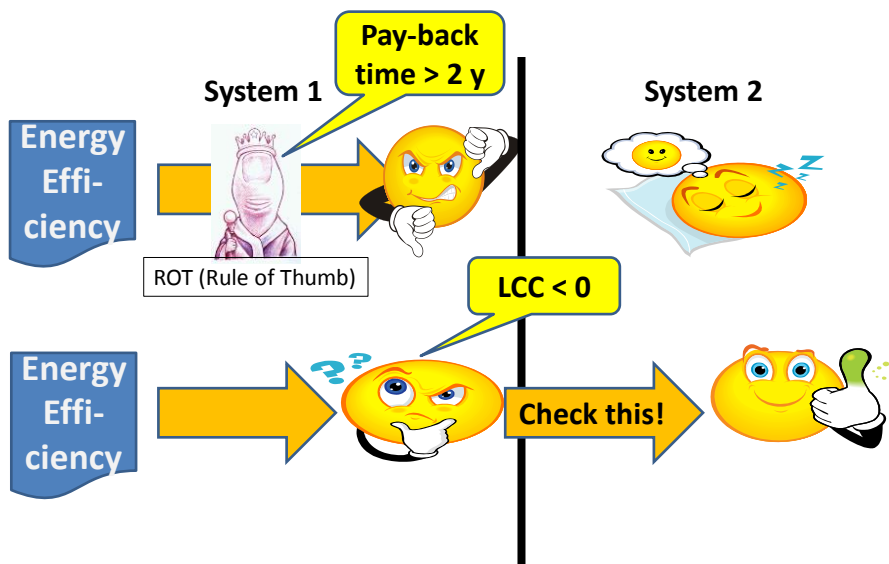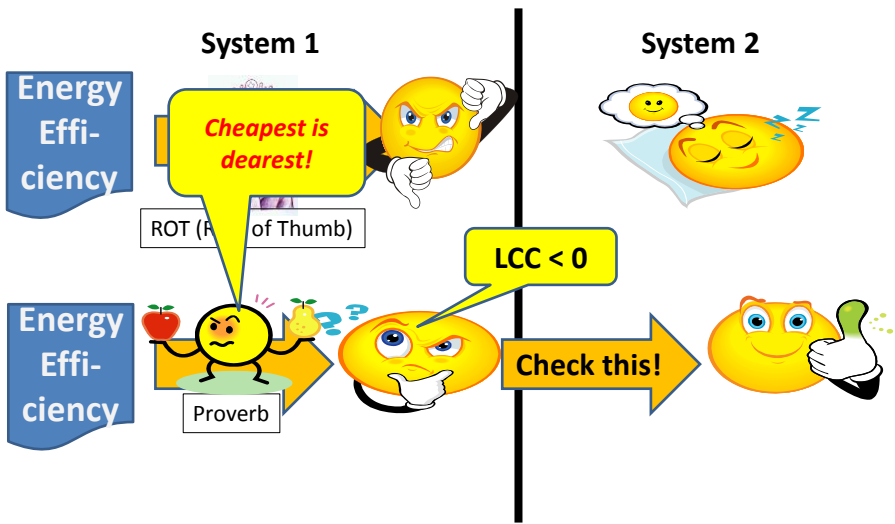
Perception is reference-dependent

MAKING DECISIONS
In reality

MAKING DECISIONS
Proverbial style 1

System 1 | **System 2**

Energy Effi-ciency

Cheapest is dearest!

ROT (Rule of Thumb)

LCC < 0

Energy Effi-ciency

Proverb

Check this!

MAKING DECISIONS
Proverbial style 2

System 1 | **System 2**
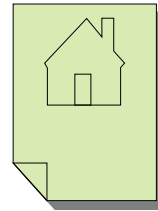
Energy Effi-ciency

Proverb
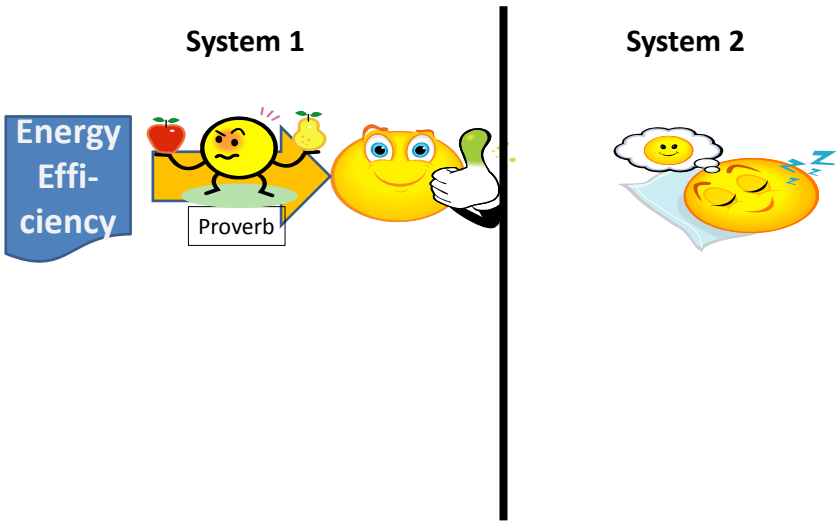
① Overconfidence in limited information
WYSIATI

- **W**hat **Y**ou **S**ee **I**s **A**ll **T**here **I**s
- "It is the consistency of the information that matters for a good story, not its completeness."
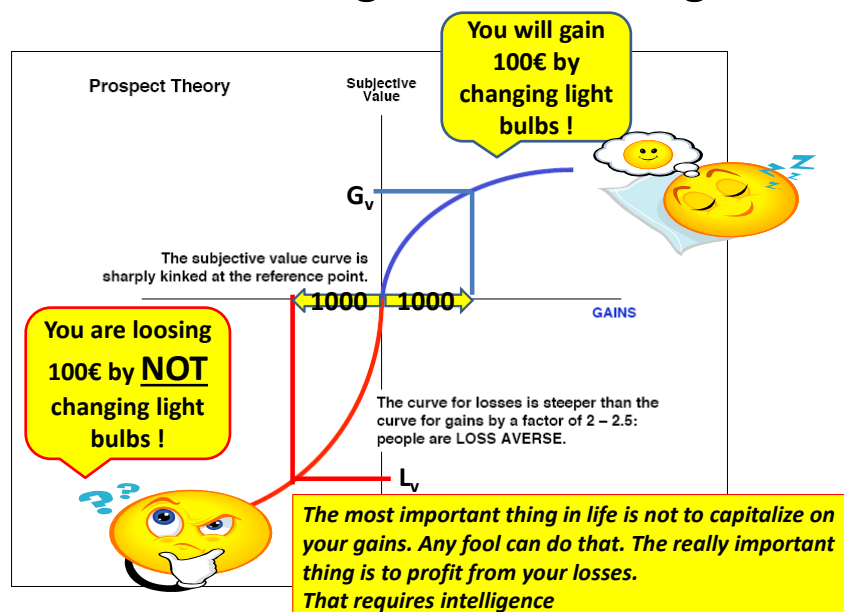
DEMONSTRATION PROJECTS

STOP WITH SYSTEM 1

- *Never trouble till trouble troubles you*
- *Don't mend it if it is not broken*

REFER TO SYSTEM 2

- *A stitch in time saves nine*
- *One hour today is worth two tomorrow*

② Mental accounting of losses and gains

Prospect Theory

Subjective Value

You will gain 100€ by changing light bulbs !

G_v

The subjective value curve is sharply kinked at the reference point.

1000   1000

GAINS

You are loosing 100€ by NOT changing light bulbs !

The curve for losses is steeper than the curve for gains by a factor of 2 – 2.5: people are LOSS AVERSE.

L_v

The most important thing in life is not to capitalize on your gains. Any fool can do that. The really important thing is to profit from your losses.
That requires intelligence

3

Endowment

- **PROPERTY**
- **KNOWN OBJECTS**
- **KNOWN FUNCTION**

REFER TO SYSTEM 2

- *A son can bear the loss of his father but not the loss of his inheritance*
- *All changes, even the most longed for, have their melancholy;*
for what we leave behind is a part of ourselves

- *Bird in the hand is worth two in the bush*
- *Better the devil you know (than the devil you don't know)*
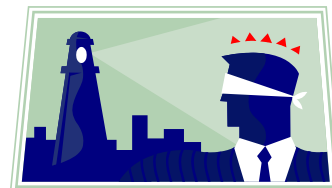
STOP WITH SYSTEM 1

4

Adjustment and anchoring

- **Initial information sets the reference for future judgements**

Benchmarking shows that we are a bit better than average so we do not have a problem.

- *When a blind leads a blind both shall fall into the ditch*

WHILE SEARCHING FOR PROVERBS

Choice architecture

- i**N**centives (who pays/choses-pays/profits); What on earth is a kWh? And why is the price fragmented?
- **U**nderstand mapping (Choices related to welfare); what does changing of the thermostat yield in centigrades?
- **D**efault (Opt-in or opt-out); computer screen-saver
- **G**ive feedback (Understand function); Plug-out sign or warning lamps
- **E**xpect errors (Foolproof?); example insert a card 4-ways. Where is the off-button?
- **S**tructure complex choices (Filtering); Models and features

Framing of the offers

Source: Nudges by Thaler and Sunstein

UBR vs USP

- **USP** (**U**nique **S**elling **P**roposition): real or perceived benefit of a good or service that differentiates it from the competing brands
- **UBR** (**U**nique **B**uying **R**eason): bottom-up approach that encourages the producer to understand the benefits of the product for its consumers
- Example Non-Energy Benefits (**NEB**), which are they and how big are they?

Conclusion

1. Consider how real people think and how we can get around their hasty first conclusions
2. (Re-)design propositions and make use of "Choice architecture" to frame the offer
3. Try UBR instead of USP

- *- Almost every wise saying has an opposite one, no less wise, to balance it.* George Santayana
- *- Better a witty fool than a foolish wit.* William Shakespeare

THANKS!