

Do businesses like nudges? It depends on the beneficiary

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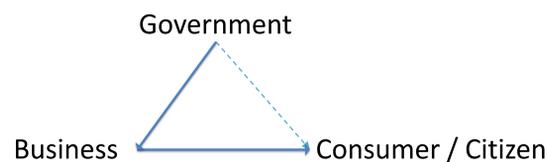
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Introduction

- People's attitudes towards nudges are important for regulators and policy makers.
- While public attitudes towards nudges have been studied, a major gap exists: **what do business owners and managers think about governmental nudges?**
- We introduce the distinction between Government-to-Business (G2B) and Government-to-Business-to-Consumer (G2B2C) nudges: in G2B nudges, the government aims to steer businesses to do the right thing for them and for society (e.g., pay bills on time); In G2B2C nudges, the target is the consumer/citizen, and the business acts as the government's nudging agent.



- Our research examines the attitudes of owners and managers of Small and Medium-sized Enterprises (SMEs) towards G2B and G2B2C nudges.

Hypothesis and research questions

Based on findings showing that people support pro-self nudges more than pro-social ones, we hypothesize the following:

Business owners and managers would support G2B (pro-self) nudges more than G2B2C (pro-other) ones.

Additionally, we explored the following:

Is business leaders' support for self-regulation nudges (nudges that put trust in the business) related with their appraisal of other businesses' transparency towards their customers?

Is attitude towards nudges related with appraisal of current 'command and control' regulation?

Method

Sample: N = 309 owners and senior managers of SMEs in Israel (1-100 employees)

Measures: support for 13 proposed interventions; attitude towards current regulation (assists / hampers the business and its service to customers); appraisal of transparency within the business domain

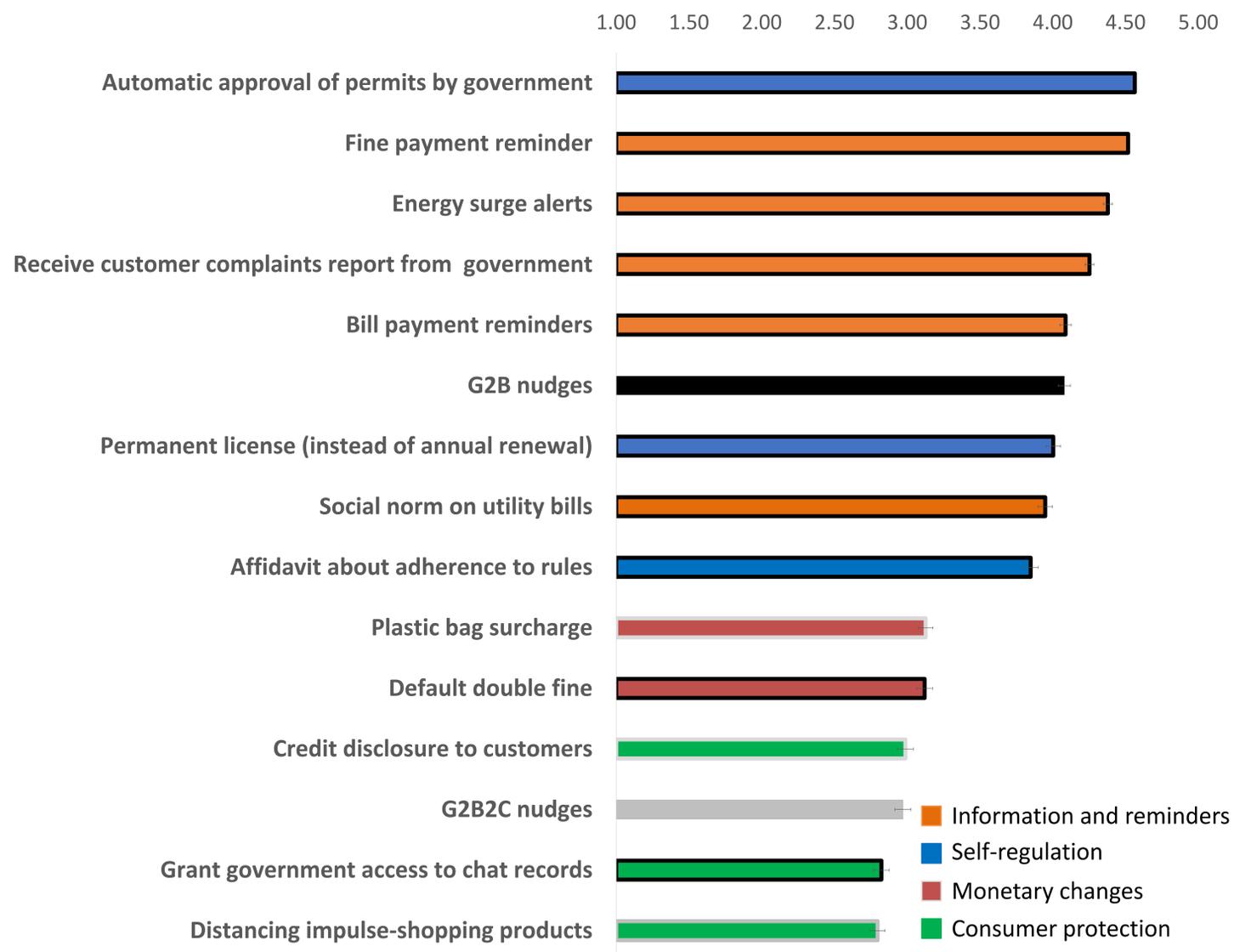
Procedure: phone interviews, internet survey

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Results

- Eight out of 13 interventions were supported (each yielding an average significantly above 3 on a 1-5 scale)
- In contrast, only 7.4% of the participants thought that current regulation helps their business

Business leaders' support for nudges, per domain



- Support for nudges could not be predicted using attitude towards current regulation or appraisal of business domain transparency
- Age could predict support for
 - a) consumer-protection nudges ($\beta = 0.15, p < .05$)
 - b) information and reminder ones ($\beta = -.25, p < 0.01$)
- Business size and location (center vs. periphery) could not predict support for nudges.

Discussion

- High levels of support for nudges, mostly for information and reminders and for self-regulation ones. Lowest support for consumer protection nudges.
- G2B2C nudges (such ones that use the business as a nudging agent that helps government improve consumers' conditions) received considerably lower approval than G2B (pro-business) ones.
- The results are aligned with previous research that found higher support for pro-self (vs. for pro-social) nudges
- The fact that business size and location (center vs. periphery) did not affect support for nudges may suggest that nudging would not be perceived as a source of discrimination.
- These results can help policy makers and regulators who seek to influence businesses' practices, while minimizing the usage of 'command and control' regulation.