

# Behavioral Economics

## Tutorial 8

Skin Cancer, Sunscreen, Sunglasses  
and Hats

# Questions to Consider

- Given the risks of getting skin cancer in Australia, how can we make sense of the extent to which Australian residents fail to heed advice about limiting their exposure to the sun?
- What challenges face consumers if they follow advice and are attempting to buy and use sunscreen products? How can they deal with them?
- Do similar issues apply with buying sunglasses?
- What implications does behavioural economics have for policies aimed at reducing the incidence of skin cancer?

# Ignoring Advice (1)

- Is the advice actually being received and remembered? (young consumers may not be using the media through which advice is sent; sun-safe training from school may later \get crowded out by more adult ways of thinking – cf. Hayek's *Sensory Order*)
- Failure to have a routine for following the advice, despite being aware of it – part of general lifestyle disorganization (consumers differ in how obsessive, rule-following and organizing they are: not all have system-builder personalities for coping with everyday life)
- Sun exposure at leisure times is going on in a context in which we suspend many of our normal rules and 'play'/'go with the flow'
- Not a matter of price: Inconvenience of following advice (e.g. covering up and wearing hats → sweat, hat-hair issues, at odds with self-image)
- Fashion and lifestyle issues: problems in finding (and not losing) suitable hats to 'go with' the rest of one's outfit, and of fitting in with fashion norms with which one is motivated to comply (cf. Fishbein-Ajzen model)
- Cognitive dissonance theory predicts they will concoct stories about why it's OK not to follow the advice, thereby restoring consistency between viewing themselves as smart and yet seemingly providing evidence that they are vain rather than smart)

# Ignoring Advice (2)

- Hyperbolic discounting/procrastination: sun exposure today won't have fatal consequences, even though long-term exposure might do so; 'it's inconvenient to be sun-smart today, but I'll get sun-smart in the near future (and I say exactly the same thing tomorrow...)
- Poor judgements of risks: ignorance of probabilities for their particular lifestyle due to general statistics being presented, or treating very low probabilities as negligible probabilities after they've argued the statistics down to very low probabilities for their own case – bring together cognitive dissonance theory and prospect theory
- Constructing arguments about why it would be most surprising if they got skin cancer, focusing on things they do that block the impact of the sun and failing to anticipate why these blocking factors might not actually apply (e.g. 'I'll be able to be in the shade', failing to consider why shade might not be available) – bring together cognitive dissonance theory and Shackle's potential surprise analysis of risk-taking

# Buying Sunscreen

- Choice overload: lots of brands on display (cf. Iyengar and Sheehan's experiments)
- Uncertainty about efficacy of rival products and their safety (some have nano-particles: will these get absorbed through the skin and, if they do, will it matter?): pre-purchase research or simply buying 'on the run'?
- Use of checklists: e.g. UV protection factor, water resistance, size/type of container, trusted brand
- Impacts of advertising, social network use (though how frequently applied publicly?) and brand-name on credibility – a credence good?
- Impact of positioning in store display on probability of examination and selection (e.g. eye-level versus bottom of display)

# Buying Sunglasses

- Do labels with official UV ratings remove credence good aspect?
- Many products, but not many characteristics, though big price range
- Brands/conspicuous consumption
- Experience good aspects regarding comfort and durability (and reactions of other people?)
- Retailer's role in choosing: 'market assisted choices'?
- Consider different retailers, what they stock and their credibility (pharmacies, opticians, Sunglass Hut)

# Policy (1)

- Social returns to making sunscreen freely available – as a ‘nudge’ to use it – at outdoor recreation areas?
- Is an urban design focus on providing shade going to be effective? (Providing more shade in some areas may make it easier to tell oneself that one doesn’t get much sun exposure – cf. impact of safer cars on driving speeds, where people have tolerance levels for risk.)
- Limit number of hours covered by SPF ratings so that consumers, who may not have applied enough, or have had more washed off than they realize, reapply sunscreen during the day rather than assuming one application will last the whole day
- Rules-based approaches at schools to promote development of appropriate routines (‘no hat, no outdoors break’): do adults need something similar rather than mere ‘nudges’?
- Advertising to counter ‘it couldn’t happen to me as I don’t work outdoors’, etc.) with examples of ‘people like me’ -- vivid, salient case studies will stick better than abstract statistics
- Focus on benefits from sun-safe behaviour in terms of reduced rate of skin ageing (wrinkles, etc.), too?

# Policy (2)

- If lack of use of hats is nothing to do with the price of hats, hat-wearing might be increased if innovative hats could be designed that were more convenient (e.g., fold up wide-brimmed yet smart/attractive)
- Parasols as solution to ‘hat hair’ issues (and more foldable): have past policies focused too much on hats and sunscreen rather than the parasol approach (carry a compact parasol/umbrella for rain and shine)
- Challenge of changing social norms, so that we’re used to seeing sun-safe choices by ‘people like us’ rather than seeing such choices as abnormal (cf. Hayek’s Sensory Order). Fashion leaders as role models – can the parasol/umbrella be turned into a fashion item/personal statement device rather than remain something we’d prefer not to have to carry around? Likewise for protective add-on sleeves that enable us still to wear short-sleeved tops when out of the sun?
- Remove hurdles for skin checks (e.g. no-charge, no appointment clinics) to counteract hyperbolic discounting/procrastination