

Overcoming Natural Human Tendencies

Applying Behavioral Economics Techniques

Herding



Relate *personal experiences* and reference what other people whom you've worked with, who are in their similar situation, have decided to do.

Use generally accepted *heuristics* or "financial rules of thumb" to give people an idea of what others have done when dealing with the same subject.

Irrational Optimism

Use *personal experiences* to help people see how others have benefited from having financial and/or protection products in place when the need arose.



Loss Aversion

Demonstrate present value to help people think about how they can fit your solution into their budget.



This transforms it from an extra-budgetary purchase to part of the budget, making it feel like less of a loss.

Mental Accounting



Help potential clients *classify the expense* and see how having a particular product (or products) can satisfy more than just one of their needs or financial goals.



Inertia

Avoid ambiguity and explain concepts and principles in clear, easy to understand terms.

Use generally accepted *heuristics* or "financial rules of thumb" whenever possible to provide guidelines against which people can make complex decisions.

Use visualization to help the prospect envision or see how your solution will get them to where they want to be.