

## Extreme innovation meets behavioural economics

If the best innovation is designed to meet real needs, nowhere are the opportunities more pressing than in humanitarian aid. Here's how the type and amplitude of innovation can have implications well beyond philanthropy.



By [Leslie Pascaud](#) 23 Jun 2016



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As marketers, we're fascinated by the new and the shiny. At Added Value, we are constantly on the hunt for emergent cultural phenomenon: Brands, products and services that can be used as fodder for innovation.

The most common sources of inspiration tend to be young, fashionable, and trendy. Yes, there are plenty of clever ideas sprouting in Williamsburg's hipster enclave. But increasingly, we're finding remarkable ideas by looking in the opposite direction: The people and institutions forced to innovate in extreme conditions of scarcity, poverty, and chaos.

Contrary to what one might imagine, there's a wave of invention emerging from the humanitarian sector and the type and amplitude of this innovation is far from anecdotal. Humanitarian aid represents a \$25 billion business. The needs are colossal and innovation is taking place in virtually every domain - from food to shelter to sanitation, education to health and finance

Humanitarian products and services are of course designed expressly for the use of those in desperate need; yet many of them have applications that can reach far beyond. Robotics are being developed to facilitate telemedicine; 3D printers create "just in time" parts on-site for water taps and medical supplies, jettisoning the need for manufacture, storage and transport

New forms of solar-energy capture are generating deployable power that can provide light, water treatment and communications at the push of a button. We see growing examples of social entrepreneurs reinventing new ways, as simple as they are effective, to address age-old issues.

Take [MPowerd's Luci Light](#), an ultrabright, lightweight, waterproof, shatterproof, compactable light designed for reliability in blackouts or extreme conditions. The light looks so great it can double as a multicolour party lamp.

Or [Peepoo](#): A self-sanitising biodegradable bag designed for single use as a private toilet in natural disaster situations. The bag, which quickly turns human waste into fertiliser, was designed to address the dilemma of lack of sanitation infrastructure. It's now being used in urban slums where water contamination continues to cause typhoid, diarrhoea, and other intestinal diseases.

Innovation is not reserved to startups. [MasterCard Aid Network](#) has jumped into the fray, providing chip-enabled cards pre

loaded with lists of food or medicine to be distributed to populations in need. Card owners can dip them into user-friendly terminals and tap photos of desired items along with a PIN code to receive their goods. It's easy enough to imagine how such technology might launch a new form of transaction in BOP markets, beyond crisis situations.

Cutting-edge collaborations are also taking place between the Airbus Foundation and the International Red Cross. These two groups are exploring future uses for technologies like the 'e-nose' gas sensor to identify disease. According to Andrea Debbane, executive director of the Airbus Foundation, e-nose technology has already been successfully trialled on the international space station to detect damaging microbiological contamination. There's potential for use in the remote corners of Africa to instantly diagnose illness through the analysis of breath without the need for blood samples.

Yet as with any innovation, getting the product right is only half the battle. Human factors will ultimately determine whether new technologies are adopted and whether the results are replicable and scalable. So humanitarian innovators are looking to behavioural economics to improve their understanding of what motivates or inhibits people from taking action.

Prestigious behavioural economists like [Daniel Kahneman](#), [Dan Ariely](#) and [Richard Thaler](#) have made it clear that humans are irrational and lazy, don't always act in their own best interest. The World Health Organization estimates that in industrialised nations, more than half of the lost years of health are due to largely [preventable behavioural factors](#) like smoking, poor diet, drinking, unsafe sex, car accidents, etc. Unfortunately, this irrational behaviour extends to poorer nations as well.

A spectacular medical advance can fail miserably if we don't understand what prevents people from taking medication on time. Products like PeePoo can only make a difference if we can get people to want to use them and dispose of them properly.

As Emmanuel d'Harcourt from the International Rescue Committee states in his article: [The Innovation Racket](#), "There's nothing wrong with investing in technological resources, but there is something profoundly wrong about doing so without investing first in the most basic elements of an effective response: communication and local capacity."

Added Value learned this first hand when working with the [Clean Cookstove Alliance](#) in Ghana. According to a Global Burden of Disease Study, toxic fumes from cooking with solid fuels and inefficient traditional stoves cause 4 million premature deaths annually. Innovative clean cookstoves are available. But that doesn't mean people will use them.

The consultancy spent time with low-income rural and urban families in Accra, Takoradi and Ashanti to observe and discuss the role of cooking in their lives, to understand their preferred cooking methods and to reveal the power dynamics around finances and purchasing.

The researchers discovered that health would not be the primary driver for purchase of a clean cookstove. Rather, what women got excited about was the potential to save time in their busy days. The aesthetic appeal of certain stoves provided a secondary status benefit that seemed to clinch the sale.

Equally important, Added Value learned that, for any sale to take place, financing mechanisms would need to be put in place that recognised local preferences for 'credit', which for Ghanaian women translates to door to door collection. By finding the keys to reducing friction, increasing appeal and leveraging social norms, hopefully a plan has been built that will ultimately drive successful adoption.

Of course innovating for extreme crisis situations is far from synonymous with launching the latest watch or motorcycle in a developed market. Needs, context, and mind-sets are radically different. But the common thread that unites the two is the necessity to understand human behaviour and to apply the lessons wisely.

Behavioural economic findings can provide the cognitive, social and contextual clues to better frame an idea, to implement it more appropriately and to avoid the pitfalls that can make the delivery of the best-intentioned extreme innovations a missed opportunity.

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